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MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES
Rec'd SEP 10 1990
SMITHERS, B.C.

SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS (#90/90)

EFFECTIVE DATE: AUGUST 22, 1990

CONSOLIDATED SAMARKAND RESOURCES INC. (formerly Samarkand Resources Inc.)

840 - 650 WEST GEORGIA STREET, VANCOUVER, BRITISH COLUMBIA
V6B 4N8, TELEPHONE: (604) 684-8071 OR 681-9362

Name of Issuer, Address of Head Office and Telephone Number

12TH FLOOR, 1190 HORNBY STREET, VANCOUVER, BRITISH COLUMBIA,
V6Z 2L3

Address of Registered and Records Offices of Issuer

MONTREAL TRUST COMPANY

510 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA, V6C 3B9

TELEPHONE: (604) 661-9400

Name and Address of Registrar and Transfer Agent for Issuer's Securities in British Columbia

OFFERING: 500,000 COMMON SHARES WITHOUT PAR VALUE
400,000 "FLOW-THROUGH" COMMON SHARES

Shares	Estimated Price to Public(1)	Estimated Commission	Estimated Net Proceeds to be received by the Issuer(2)
Per Common Share	\$ 0.35	\$ 0.02625	\$ 0.32375
Per Flow-Through Share	\$ 0.40 ⁽³⁾	\$ 0.03 ⁽⁴⁾	\$ 0.37
Total	\$335,000.00	\$25,125.00	\$309,875.00

(1) The actual price to the public will be determined by the Issuer and the Agents in accordance with the rules of the Vancouver Stock Exchange.

(2) Before deduction of the costs of the issue estimated to be \$35,000.00.

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Aug. 30/90

- (3) The price to the public of the Flow-Through Shares will be determined by the Issuer and the Agents in accordance with the rules of the Vancouver Stock Exchange, subject to being set at a premium of \$0.05 over the price of the common shares.
- (4) A commission for the Flow-Through Shares of 7 1/2% of the Offering Price per Flow-Through Share will be paid out of the Issuer's working capital. See "Use of Proceeds".

ADDITIONAL OFFERING: The Agents have agreed to purchase (the "Guarantee") any of the Shares and Flow-Through Shares offered hereby which have not been sold at the conclusion of the Offering (see "Consideration to Agents"). Any shares 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.

The Issuer is, under the rules of the Exchange, a "Venture Company".

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.

AGENTS:

L.O.M. WESTERN SECURITIES LTD.
STOCK EXCHANGE TOWER
P.O. BOX 10337
2200 - 609 GRANVILLE STREET
VANCOUVER, B.C.
V7Y 1H2

BRINK HUDSON & LEFEVER LTD.
1500 - 666 BURRARD STREET
VANCOUVER, B.C.
V6C 3C4

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.

DATED: AUGUST 8, 1990

None of the proceeds from the Offering will be spent on any properties other than those referred to above without the prior approval of the Exchange where (a) cash expenditure totals in excess of \$300,000.00, (b) the expenditure is in excess of \$300,000.00 including the value of securities of the Issuer to be issued, (c) the acquisition involves the issuance of more than 100,000 shares of the Issuer, or (d) the acquisition is not arms length being with a director, officer or other insider of the Issuer or with a company having common insiders with the Issuer.

3. MATERIAL NATURAL RESOURCE PROPERTIES

Summary of Material Mining Properties

- Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts.
- Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year.
- Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.00.

Group	Property Name	Issuer's Acquisition and Exploration Costs to Date	Shares Issued to Date	Planned Expenditure from Funds Available upon Completion of the Offering
I	Snowlake	\$ 3,870.95	25,000	\$175,000.00
I	Oksa Gold	\$ 5,000.00	50,000	\$ 10,000.00
I	Butt	\$ Nil	100,000	\$ None

Group I Properties for which regulatory approval has been obtained under this Statement of Material Facts

Snowlake Property, The Pas Mining District, Province of Manitoba

Pursuant to an agreement dated December 21, 1989 (the "Option Agreement") entered into by and between the Issuer, Marr Geological Inc. of 2630 Haywood Avenue, West Vancouver, British Columbia and W.S. Ferreira Ltd. of 91 Lakeshore Road, Winnipeg, Manitoba, the Issuer was granted an option (the "Option") to acquire one exploration permit, being the Dyce Lake Permit (Expiry Date October 31, 1990) and 23 mineral claims, being the TAG 1 - 7 (Expiry Date September 17, 1991) and TAG 11 - 26 (Expiry Date October 17, 1991) mineral claims, located in The Pas

Mining District of the Province of Manitoba (collectively called the "Snowlake Property"), in consideration of paying \$15,483.78 to W.S. Ferreira Ltd. and issuing W.S. Ferreira Ltd. and Marr Geological Inc. (collectively the "Optionors") 25,000 common shares in the capital stock of the Issuer, on the Effective Date. Mr. William Ferreira is the sole shareholder of W.S. Ferreira Ltd. and Mr. John M. Marr is the sole shareholder of Marr Geological Inc.

In addition, in order to maintain and exercise the Option, the Issuer must pay \$80,000.00 (the "Cash Payment") to the Optionors and issue 150,000 common shares (the "Option Shares") to the Optionors as follows:

- (a) \$30,000.00 and 50,000 shares on or before December 31, 1990;
- (b) \$50,000.00 and 100,000 shares on or before December 31, 1991;

provided that the issuance of the Option Shares by the Issuer will be subject to the approval of the Exchange for such issuance, such approval to be predicated upon the Exchange being delivered an Engineering Report prior to each issuance of Option Shares which is satisfactory to the Exchange and which recommends that additional work be carried out on the Snowlake Property.

Further, the Option Agreement provides that should the Issuer have made the Cash Payment, it shall not lose its right to earn a 100% undivided interest in and to the Snowlake Property if it has carried out exploration and development work on the Snowlake Property and has delivered an Engineering Report in respect of such work to the Exchange, but has been unable to obtain the Exchange's approval for the issuance to the Optionors of some or all of the Option Shares. In such event, upon making the Cash Payment, the Issuer will have earned a 100% right, title and interest in and to the Snowlake Property free and clear of all charges, encumbrances and claims save and except for the obligation of the Issuer to pay a 2.5% Net Smelter Royalty.

The Snowlake Property is comprised of 1 exploration permit and 23 claims. Due to pre-existing claims located within the boundaries of the exploration permit, the effective area covered by the Snowlake Property consists of approximately 53,400 hectares.

The following is a summary of the Engineering Report dated March 27, 1990 prepared by Paul P.L. Chung F.G.A.C., Consulting Geologist on the Snowlake Property. Mr. Chung is the shareholder of Icon Management Ltd. ("Icon"), a private British Columbia company that provides administrative services such as photocopying, telephones, telecopying and postage to various companies that share office space at 840 - 650 West Georgia Street. Icon bills the companies based on their usage of the

equipment. The billing is on a direct cost basis and is not designed to provide Icon with any profit but only to reimburse Icon for the cost of the equipment. The Issuer currently owes Icon \$4,009.34 after it issued Icon 33,333 post-consolidation shares at a price of \$0.30 per share to settle \$10,000.00 of previously outstanding debt as more particularly set out in Item 9.E. hereof. Accordingly, the Engineering Report has been reviewed by Gerald H. Rayner, P.Eng., Geologist for the purposes of independent verification.

The property is oriented in a northeast direction between Wekusko Lake and Moose Lake within NTS map sheets 63J 6/12 and 63K 8/9 in northern Manitoba. The area is very low in relief and is characterized by numerous lakes and open swamps. Access to local areas is generally by winter roads. The Snowlake Property is accessible to crew and light equipment from approximately November and to heavy equipment from January until approximately the middle of April.

The area of the Snowlake Property has received intermittent exploration activity during the past 30 years. The majority of this past work was performed during the early 1970's and generally consisted of airborne EM, followed by ground geophysics and then diamond drilling of the more promising conductors. As a result of these programs, three massive sulphide deposits, being the KOF and Sylvania zones and the Copper-Man deposit were discovered. The KOF and Sylvania zones are located within the Snowlake Property boundaries, but do not form part of the Snowlake Property.

Mineralization in the KOF zone occurs within Precambrian rhyolite tuff, beneath 200 feet of Paleozoic limestone. In March of 1974, drill hole B-38 intersected a zone of copper mineralization. Assays of 2.64% copper over 5.1 feet were reported. The copper zone was tested by about 29 additional drill holes totalling over 25,760 feet during 1974 and 1975. According to figures published in Manitoba Mineral Resources Ltd.'s 1974-1975 Annual Report, the drill indicated reserves to the 625 foot level is 283,000 tons grading 2.03% Copper ("Cu"). Diamond drilling below the zone to the 1,200 foot level found lower-grade material.

The Sylvania zone is hosted in Precambrian volcanics which is overlain by 225 feet of Paleozoic limestone. The zone has been traced for a length of 2,100 feet and for a vertical depth of 600 feet below the limestone capping. The zone is open at both ends. The drill indicated reserves in the property are 3,500,000 tons at 0.65% Cu, and 1.83% Zinc ("Zn"); which contain a higher-grade zone of 800,000 tons at 2.38% Cu, and 0.13% Zn. In February, 1990, a 300 feet step out hole south of the main Sylvania zone intersected 5 feet of massive sulphide mineralization grading 0.073 oz/ton gold, 1.43 oz/ton silver and 5.23% Zn. Another hole drilled 400 feet below any previous drill holes intersected

massive sulphides at 1,350 feet elevation where a 20.5 foot interval assayed 0.037 oz/ton gold, 1.55 oz/ton silver and 4.55% Zn.

The Copper-Man deposit is located immediately north of the Snowlake Property at the southwestern end of Wekusko Lake near the mouth of a small creek. Sulphides occur in Precambrian andesites belonging to the Amish Group. The property was first trenched in 1927 which yielded significant copper-zinc mineralization. Between 1928 and 1929, a diamond drilling program consisting of 9,528 feet in 18 holes was completed. The richest sulphide zones were found 100 to 300 feet beneath the outcrop. Assays between 100 to 200 feet returned up to 3.90% Cu and 5.23% Zn over 10 feet. Work on the property continued and by 1977, after over 80,000 feet of drilling on the property, reserves were estimated at 170,000 tons averaging 3.13% Cu and 4.71% Zn in zone A; and 74,200 tons averaging 1.49% Cu and 3.92% Zn in zone B.

The Snowlake Property is underlain by flat-lying Paleozoic sedimentary rocks. The Paleozoic sequence is comprised principally of limestone and dolomite and lie unconformably upon the Precambrian basement. The Precambrian sequence is composed of an assemblage of subaqueous and subaerial volcanic rocks and associated sediments, an overlying sequence of terrestrial sediments and an array of intrusive rocks.

Within the Precambrian sequence, felsic volcanic rocks of the Amisk Group are a favourable host to polymetallic base metal (Cu, Zn) massive sulphides. In the Snow Lake area, approximately 26 kilometres north of the property, six producing base metal mines and several undeveloped or partially developed deposits are hosted in Amisk felsic volcanic rocks.

The Snowlake Property covers a belt of Amisk volcanics, beneath the Paleozoic cover, that are interpreted to extend for 50 kilometres. This belt features felsic volcanic rocks at several locations and three significant deposits. Though these deposits are not presently economic, they do indicate that the belt hosts massive sulphide deposits. In addition, the favourable rocks and deposits appear to lie in a coherent belt.

Although the area of the Snowlake Property has been investigated, much of this work was performed during the early 1970's. With the advancement in today's geophysical equipment, a much more thorough and complete interpretation of the felsic volcanic belt can now be made. More powerful EM transmitters provide more depth penetration and a better signal to noise ratio. Analog data receivers further enhance data acquisition and noise filtration. Modern data processing and imaging techniques provide much better representation of geophysical responses and allow for a more rigorous interpretation, thus subtle trends and

correlations can be seen much more readily.

According to Mr. Chung, F.G.A.C., Consulting Geologist, the felsic volcanic belt covered by the Snowlake Property has an excellent exploration potential and the discovery of three massive sulphide deposits within the belt has supported this potential. A program of airborne EM, ground geophysics, and diamond drilling is recommended to explore this belt.

By a Joint Venture Agreement among Teck Corporation ("Teck") of 800 - 1190 West Hastings Street, Vancouver, British Columbia, TSA Explorations Ltd. ("TSA") of 508 - 475 Howe Street, Vancouver, British Columbia, the Issuer and Quest Canada Resource Corp. ("Quest") of 840 - 850 West Georgia Street, Vancouver, British Columbia, dated December 21, 1989, Teck, TSA, the Issuer and Quest entered into a joint venture (the "Joint Venture") to explore and develop the Snowlake Property. Pursuant to the terms of the Joint Venture Agreement, the Issuer assigned the Option to the Joint Venture. Accordingly, each participant has agreed to pay its cost share of the Cash Payment required under the Option. The initial interest of each of the participants are as follows: Teck - 45%, TSA - 30%, the Issuer - 25%. The Joint Venture will commence with an initial program consisting of an airborne geophysical survey at an estimated cost of \$180,000.00 (the "Initial Program"). The participants have agreed to have Quest act as the operator of the Initial Program. Quest will be entitled to charge an amount equal to 10% of expenditures in respect of its overhead costs. Quest is a private company of which Mr. Shearing, the Issuer's President, is a director, shareholder and Vice-President.

Once the Initial Program is complete, Quest will prepare proposals for subsequent regional programs consisting of grid establishment, ground geophysics and diamond drilling. Mr. Chung estimates that the total cost of the first year program, including a contingency of \$60,000.00, to be \$700,000.00 of which the Issuer's portion is \$175,000.00. According to the terms of the Joint Venture Agreement, following the completion of the diamond drilling portion of the regional program, a "Specific Prospect Program" may be designated and each participant will have an interest equal to their initial interest. Over time these interests may vary depending on each participants contributions to future programs.

The Joint Venture Agreement also provides a right of first refusal of financing for Teck, wherein, if TSA or the Issuer wishes to obtain financing in respect of a program of exploration or development work on the Snowlake Property, TSA and the Issuer must first give Teck notice of such proposed financing. If after 30 days, Teck elects not to provide the financing, then TSA and the Issuer may seek their own financing. This provision only applies if their respective incurred expenditures are over

\$500,000.00.

The Snowlake Property has no known ore reserves.

Oksa Gold Property, Galore Creek Gold Camp, Liard
Mining Division, Province of British Columbia

Pursuant to an agreement dated March 23, 1990 (the "Oksa Option Agreement") entered into by and between the Issuer and Cascade Investments ("Cascade") of Suite 907 - 510 Burrard Street, Vancouver, British Columbia, the Issuer was granted an option (the "Oksa Option") to acquire three mineral claims, being the Oksa Gold 1 - 3 (record numbers 5407, 5408 and 5409, expiry dates October 15, 1990) (collectively called the "Oksa Gold Property"), located in the Galore Creek Gold Camp, Liard Mining Division of the Province of British Columbia, in consideration of paying \$15,000.00 to Cascade and issuing 50,000 common shares in the capital stock of the Issuer within five (5) days after the completion of the Offering. The Issuer has paid Cascade the sum of \$5,000.00 to date and intends to pay the balance of the acquisition cost from the proceeds of the Offering. Cascade is a joint venture comprised of the following participants:

<u>Name and Address</u>	<u>Interest</u>
Dave Ridley General Delivery Eagle Creek, B.C. V0C 1L0	16 1/2%
Chris Basil 208 - 1275 Comox Street Vancouver, B.C. V6F 1K6	16 1/2%
Cascade Investments Ltd. 100% owned by: Ryhal Gallagher P.O. Box 1600 George Town Grand Cayman, B.W.1	33 1/2%
Vermilion Management Ltd. 100% owned by: Stuart Smith 153 - 7293 Moffatt Road Richmond, B.C. V6Y 3E4	33 1/2%

In addition, in order to maintain and exercise the Oksa Option, the Issuer must pay \$45,000.00 (the "Oksa Cash Payment") to Cascade and issue 150,000 common shares (the "Oksa Option

Shares") to Cascade as follows:

- (a) \$20,000.00 on or before March 23, 1991 and 50,000 Oksa Option Shares on or before January 1, 1991;
- (b) \$25,000.00 on or before March 23, 1992 and 100,000 Oksa Option Shares on or before January 1, 1992;

provided that the issuance of the Oksa Option Shares by the Issuer will be subject to the approval of the Exchange for such issuance, such approval to be predicated upon the Exchange being delivered an Engineering Report prior to each issuance of Oksa Option Shares which is satisfactory to the Exchange and which recommends that additional work be carried out on the Oksa Gold Property. Upon making the Oksa Cash Payment and issuing the Oksa Option Shares, the Issuer will have earned a 100% right, title and interest in and to the Oksa Gold Property free and clear of all charges, encumbrances and claims save and except for the obligation of the Issuer to pay a 2.5% net smelter royalty.

Pursuant to an option agreement (the "Armenex Option Agreement") dated May 31, 1990, the Issuer has granted Armenex Resources Canada Inc. ("Armenex") an option to acquire an undivided 50% interest in the Oksa Gold Property (the "Armenex Option") subject to the 2.5% net smelter return royalty to Cascade in consideration of the payment of \$5,000.00 on May 31, 1990 and the issuance of 50,000 common shares in its capital stock to the Issuer upon the earlier of the tenth business day following the receipt of approval from all regulatory authorities having jurisdiction to the Armenex Option Agreement and July 31, 1990. In addition, in order to maintain the Armenex Option in good standing, Armenex shall pay the Issuer \$57,000.00 (the "Armenex Cash Payment") and expend \$500,000.00 on exploration and development on the Oksa Gold Property as follows:

- (a) expend not less than \$75,000.00 on the Oksa Gold Property prior to May 31, 1991;
- (b) pay \$12,000.00 of the Armenex Cash Payment provided that such payment is made no later than:
 - (i) May 31, 1991; and
 - (ii) in the event Armenex completes a public offering of securities by way of Statement of Material Facts prior to May 31, 1991, then ten days from the date that such offering is completed;
- (c) expend \$250,000.00 on the Oksa Gold Property provided such expenditures are made by May 31, 1992;
- (d) pay the Issuer the sum of \$20,000.00 of the Armenex Cash

Payment on or before May 31, 1992;

- (e) expend \$500,000.00 on the Oksa Gold Property provided such expenditures are made by May 31, 1993;
- (f) pay the Issuer the sum of \$25,000.00 of the Armenex Cash Payment on or before May 31, 1993.

In addition to the aforementioned consideration, Armenex shall issue upto a total of 150,000 common shares without par value in the capital stock of Armenex (the "Armenex Shares") to the Issuer on the following basis:

- (a) 50,000 Armenex Shares no later than May 31, 1991,
- (b) 50,000 Armenex Shares no later than May 31, 1992,
- (c) 50,000 Armenex Shares no later than May 31, 1993,

provided that the issuance of each block of Armenex Shares is subject to the approval of the Exchange for such issuance, such approval to be predicated upon the Exchange being delivered an Engineering Report prior to each issuance of Armenex Shares which is satisfactory to the Exchange and which recommends further work on the Oksa Gold Property. Further, the Armenex Option Agreement provides that should Armenex have made the Armenex Cash Payment, it shall not lose its right to earn a 50% undivided interest in and to the Oksa Gold Property if it has carried out exploration and development work on the Oksa Gold Property and has delivered an Engineering Report in respect of such work to the Exchange, but has been unable to obtain the Exchange's approval for the issuance to the Issuer of some or all of the Armenex Shares.

Upon the expenditure by Armenex of the sum of \$500,000.00 on the Oksa Gold Property, the issuance to the Issuer of 200,000 common shares in the capital stock of Armenex and the payment to the Issuer of a total of \$62,000.00, Armenex shall be deemed to have exercised the Armenex Option. Armenex has the right to terminate the Armenex Option at any time.

The Issuer has agreed to issue 25,000 common shares in its capital stock to L.O.M. Western Securities Ltd., as a finder's fee immediately upon receipt of approval from all regulatory authorities having jurisdiction to the Armenex Option Agreement. Armenex is a public company whose shares are listed for trading on the Exchange.

At such time as Armenex has exercised the Armenex Option, Armenex and the Issuer have agreed to form a joint venture to own, develop and operate the Oksa Gold Property. At that time, all costs will be shared 50% by Armenex and 50% by the Issuer. A formal joint venture agreement will be entered into which will

provide, among other things, that a management committee will be formed to govern the activities of the joint venture and that a non-participating party's interest will result in pro rata dilution of such non-participating party's interest in the joint venture provided that both parties are deemed to have incurred exploration expenditures of \$600,000.00 at the date of the establishment of the joint venture. The joint venture agreement will further provide that in the event one party suffers dilution of its interest to 10% or less, that party's interest shall automatically convert into a 20% net profits interest royalty, and that the operator shall be the party with the greater interest provided that should the parties interest be equal, the Issuer will be the operator.

The Oksa Gold Property is comprised of three modified grid system claims totalling 48 units and is located approximately 65 kilometers southwest of Telegraph Creek in the Liard Mining Division of northwestern British Columbia. The Oksa Gold Property was staked in 1987 following examination of a highly mineralized quartz vein on the property. The numerous precious metal occurrences discovered throughout the Galore Creek Camp district recently and in the past, the extensive exploration program being conducted on the Trophy Property nearby and the discovery in 1989 of the Eskay Creek Gold Camp located 40 kilometers to the southeast has sparked increase precious metal exploration in this area of northwestern British Columbia.

The following is a summary of the Summary Report on the Oksa Gold Property dated January 15, 1990 prepared by William R. Kuschner, B.Sc. Geologist. The Oksa Gold Property is located within the Coast Range Mountains of northwestern British Columbia approximately 65 kilometers southwest of Telegraph Creek. It lies within the Liard Mining Division and is centred at 57 degrees, 24' north latitude and 131 degrees 43' west longitude. The Oksa Gold Property consists of approximately 1,150 hectares. Access to the Oksa Gold Property is possible by helicopter from the Scud River airstrip, which in turn can be reached by regular or charter fixed wing service from Smithers, Telegraph Creek or Dease Lake. Alternatively, the property may be reached by riverboat or helicopter from Telegraph Creek.

The topography of the Oksa Gold property is steep and rugged with elevations ranging from 180 meters to over 1,890 meters above sea level. Vegetation on the property varies considerably. The low lying areas near the creek harbour an almost impenetrable jungle of dense Devil's club, alder and huckleberry, whereas higher regions exhibit well timbered areas with little undergrowth. Temperatures range from -30 degrees to +30 degrees centigrade and heavy precipitation is characteristic, especially during the winter months.

The earliest known exploration on the property was in 1981, when

Teck Explorations Limited prospected the Oksa Creek drainage. They found a mineralized quartz vein which returned assays up to 0.42 oz/ton gold and 2.12 oz/ton silver (Chung, 1988). However, Teck did not follow up these results and the area remained unexplored until 1987 when the vein was resampled; subsequently the Oksa Gold 1-3 claims were staked to cover the vein structure and gossanous outcrops on the south slope of Oksa Mountain.

The Oksa Gold claim group lies on the western margin of the Intermontane Belt within the Stikine Arch near its contact with the Coast Plutonic Complex. The Arch is a lobe of crystalline and metamorphic rocks that remained relatively positive throughout much of Mesozoic time and exerted a profound influence on Mesozoic sedimentation and structure around its margins.

Government mapping in the area was first published by F.A. Kerr in 1928 as part of a Summary Report on the Stikine River area and later updated by J.G. Souther in his G.S.C. Paper 71-44. This mapping indicates that the property area is underlain by a suite of Permian sediments intruded by Jurassic plutonic rocks. The sediments consists mostly of limestone, phyllite, artillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone and minor chert and tuff. The Jurassic intrusives are made up of granodiorite, quartz diorite; minor diorite, leucogranite and migmatite.

Work performed on the property in 1989 consisted of silt sampling major drainages on the property, rock sampling and prospecting. The geologic setting of the property, the results of the limited sampling on the mineralized vein and the promising silt geochemistry results suggest the Oksa Creek property is an excellent target for gold exploration and a detailed prospecting, sampling and mapping program is recommended for the next developmental stage of the property. The Issuer does not contemplate spending any of the proceeds of this Offering on exploration or development of the Oksa Gold Property.

The Oksa Gold Property has no known ore reserves.

Butt Property, Galore Creek Gold Camp, Liard
Mining Division, Province of British Columbia

Pursuant to an option agreement dated April 30, 1990 (the "Butt Option Agreement") entered into by and between the Issuer and Cascade Investments, the Issuer was granted an option to acquire a 100% interest in two mineral claims, being the Butt 1 and Butt 2 (record numbers 5819 and 5820, expiry dates February 19, 1991) (collectively the "Butt Property") in consideration of the issuance of 100,000 common shares in the capital stock of the Issuer. The 38 unit Butt Property is situated 2 miles to the north of the Oksa Gold Property. The Butt Option Agreement provides that upon the issuance of 100,000 common shares in the

capital stock of the issuer to Cascade Investments, the Issuer will have exercised its option to acquire the Butt Property, subject to a 2.5% net smelter return royalty payable to Cascade Investments, with no further obligation on the part of the Issuer to make any cash payments, issue further shares or expend funds on exploration or development of the Butt Property. The Issuer does not intend to spend any of the proceeds of this offering on exploration or development of the Butt Property. The Butt Property has no known ore reserves.

Group II Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year

None.

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.00

None.

Risk Factors

The securities offered by this Statement of Material Facts must be considered speculative, generally because of the nature of the Issuer's business. In particular:

1. There are no known bodies of ore on the Issuer's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Issuer's exploration programs are successful, additional funds will be required for the development of economic ore bodies and to place them in commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.
2. Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore.
3. The mining industry, in general, is intensively competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for sale of

same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.

4. Hazards such as unusual or unexpected formations and other conditions are involved in mineral exploration and development. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.
5. While the Issuer has obtained the usual industry standard title report with respect to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.
6. The Issuer's mining properties have not been surveyed and therefore, the precise locations and areas of the properties may be in doubt.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Issuer is not engaged nor does it propose to engage, in whole or in part, in a business other than the exploration and development of natural resource properties.

5. CORPORATE INFORMATION

The Issuer was incorporated in British Columbia on April 11, 1986 by the registration of Memorandum and Articles under the British Columbia Company Act.

As of April 5, 1990, the Issuer consolidated its common shares on a two old into one new share basis and changed its name from "Samarkand Resources Inc." to its present name. All references to shares herein are on a post-consolidated basis.

The authorized capital of the Issuer consists of 300,000,000 shares divided into 100,000,000 common shares without par value,

1989 SUMMARY REPORT

on the

OKSA GOLD PROPERTY

Laird Mining Division
British Columbia

North Latitude 57 24' West Longitude 131 43'

NTS 104G/5E

Prepared for

AUROUS HOLDINGS LTD.
1421 Lily Street
Trail, B.C.
V1R 2S2

Prepared by

COAST MOUNTAIN GEOLOGICAL LTD.
P.O. Box 11604
820 - 650 West Georgia Street
Vancouver, B.C.
V6B 4N9

January 15, 1990

William R. Kushner, B.Sc.
Geologist



TYPE OF REPORT/SURVEY(S)	TOTAL COST
Geochemical, Geological	\$5,209.18

AUTHOR(S) . . . William Kushner SIGNATURE(S)

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED . . October 16, 1989 . . . YEAR OF WORK . 89 . .

PROPERTY NAME(S) Oksa Gold

COMMODITIES PRESENT

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN

MINING DIVISION Liard NTS 104G/5E

LATITUDE . . 57 degrees 24' North LONGITUDE . 131 degrees 43' West

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

- Oksa Gold 1 (5407)
- Oksa Gold 2 (5408)
- Oksa Gold 3 (5409)

OWNER(S)

(1) . . Jim D. Hall (2)

MAILING ADDRESS

. . Site 8, Comp. 5, SSL
. . Fruitvale, B.C. . . VOG 110

OPERATOR(S) (that is, Company paying for the work)

(1) . . Aurous Holdings Ltd. (2)

MAILING ADDRESS

. . 1421 Lily Street
. . Trail, B.C.
. . V1R 2S2

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

The property is underlain by Paleozoic to Middle Jurassic sediments and Upper Triassic Hazelton Group volcanics and sediments intruded by upper Triassic to Lower Jurassic . . syenite stocks and Jurassic to Lower Cretaceous plutonic rocks of the Coast Plutonic . . Complex . . Base and precious mineralization is found in a 1.5 meter (true width) . . . mineralized quartz vein

REFERENCES TO PREVIOUS WORK Chung, P.P.L., 1988 Report on the Oksa Property Assessment . . . report for Keyport Management Corp

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS		COST APPORTIONED
GEOLOGICAL (scale, area)				
Ground
Photo
GEOPHYSICAL (line-kilometres)				
Ground
Magnetic
Electromagnetic
Induced Polarization
Radiometric
Seismic
Other
Airborne
GEOCHEMICAL (number of samples analysed for)				
Soil
Silt	16 (32 elements)	Okasa Gold 2	Okasa Gold 3	5,209.18
Rock	5 (33 elements)	Okasa Gold 3		
Other
DRILLING (total metres; number of holes, size)				
Core
Non-core
RELATED TECHNICAL				
Sampling/assaying
Petrographic
Mineralogic
Metallurgic
PROSPECTING (scale, area)				
PREPARATORY/PHYSICAL				
Legal surveys (scale, area)
Topographic (scale, area)
Photogrammetric (scale, area)
Line/grid (kilometres)
Road, local access (kilometres)
Trench (metres)
Underground (metres)
				TOTAL COST \$5,209.18

FOR MINISTRY USE ONLY	NAME OF PAC ACCOUNT	DEBIT	CREDIT	REMARKS:
Value work done (from report)	
Value of work approved	
Value claimed (from statement)	
Value credited to PAC account	
Value debited to PAC account	
Accepted	Date	Rept. No.		Information Class

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1.0 INTRODUCTION

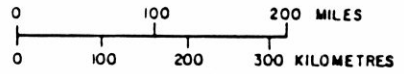
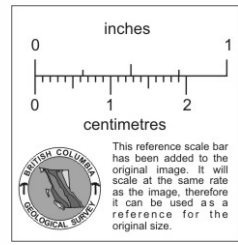
The Oksa Gold property, lying approximately 65 kilometers southwest of Telegraph Creek, was staked in 1987 following examination of a highly mineralized quartz vein on the property. The numerous precious metals occurrences discovered throughout the Galore Creek Camp district recently and in the past, the extensive exploration program being conducted on the Trophy property nearby and the discovery in 1989 of the Eskay Creek Gold Camp located 40 kilometers to the southeast has sparked increased precious metal exploration in this area of northwestern British Columbia.

This report describes the geology and work program conducted throughout two man-days of prospecting and geochemical sampling on the property on September 21, 1989.

2.0 SUMMARY

The Oksa Gold property is comprised of 3 modified grid system claims totalling 48 units and is located approximately 65 kilometers southwest of Telegraph Creek in the Liard Mining Division of northwestern British Columbia (Figure 1). Property access is possible by helicopter from the Scud River airstrip, which in turn can be reached by regular or charter fixed wing service from Smithers, Telegraph Creek or Dease Lake. Alternately, the property may be reached by riverboat or helicopter from Telegraph Creek.

PROPERTY LOCATION



AUROS HOLDINGS LTD.			
OKSA GOLD			
LOCATION MAP			
LIARD MINING DIVISION			
COAST MOUNTAIN GEOLOGICAL LTD.			
DRAWN BY BK	NTS 104G/5E	DATE JANUARY, 1990	FIGURE 1

The topography of the Oksa Gold property is steep and rugged with elevations ranging from 180 meters to over 1,890 meters above sea level. Vegetation on the property varies considerably. The low lying areas near the creek harbour an almost impenetrable jungle of dense Devil's club, alder and huckleberry, whereas higher regions exhibit well timbered areas with little undergrowth. Temperatures range from -30 degrees to +30 degrees centigrade and heavy precipitation is characteristic, especially during the winter months.

The earliest known exploration on the property was in 1981, when Teck Explorations Limited prospected the Oksa Creek drainage. They found a mineralized quartz vein which returned assays up to 0.42 oz/t. gold and 2.12 oz/t. silver (Chung, 1988). However, Teck did not follow up these results and the area remained unexplored until 1987 when the vein was resampled; subsequently the Oksa Gold 1-3 claims were staked to cover the vein structure and gossanous outcrops on the south slope of Oksa Mountain.

The Oksa Gold claim group lies on the western margin of the Intermontane Belt within the Stikine Arch near its' contact with the Coast Plutonic Complex. The Arch is a lobe of crystalline and metamorphic rocks that remained relatively positive throughout much of Mesozoic time and exerted a profound influence on Mesozoic sedimentation and structure around its margins.

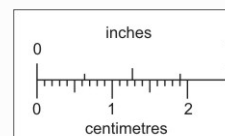
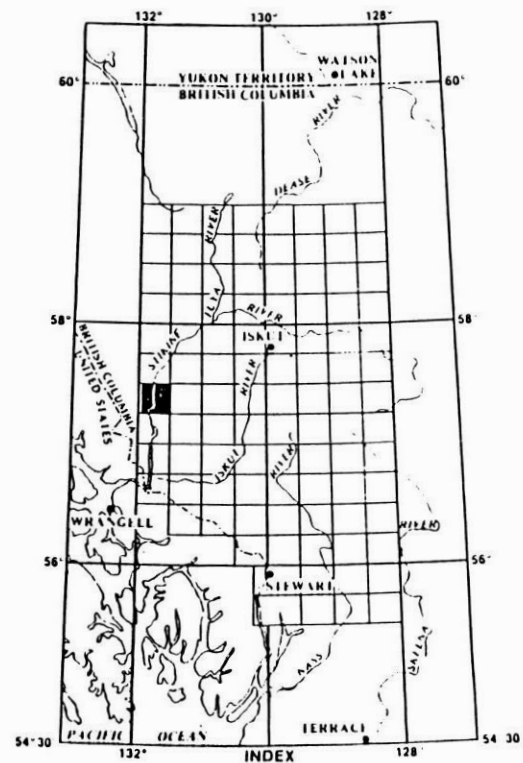
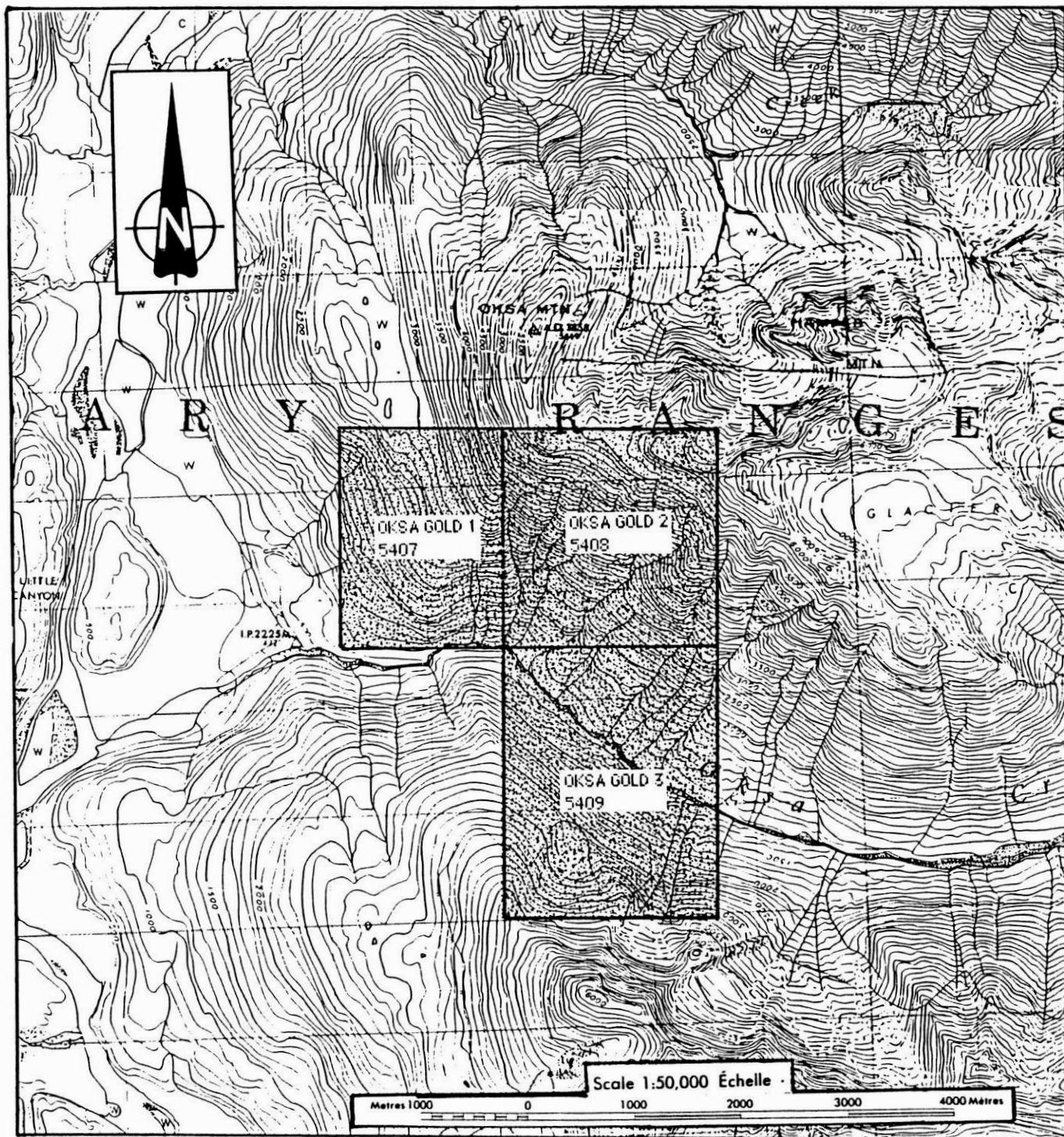
Government mapping in the area was first published by F.A. Kerr in 1928 as part of a Summary Report on the Stikine River area and later updated by J.G. Souther in his G.S.C. Paper 71-44. This mapping indicates that the property area is underlain by a suite of Permian sediments intruded by Jurassic plutonic rocks. The sediments consists mostly of limestone, phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone and minor chert and tuff. The Jurassic intrusives are made up of granodiorite, quartz diorite; minor diorite, leucogranite and migmatite.

Work performed on the property in 1989 consisted of silt sampling major drainages on the property, rock sampling and prospecting.

The geologic setting of the property, the results of the limited sampling on the mineralized vein and the promising silt geochemistry results suggest the Oksa Creek property is an excellent target for gold exploration and a detailed prospecting, sampling and mapping program is recommended for the next developmental stage of the property.

3.0 LIST OF CLAIMS

The Oksa Gold property, located in the Liard Mining Division of northwestern British Columbia, is comprised of 3 modified grid system claims totalling 48 units and covering approximately 1,150 hectares (Figure 2). Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following



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COAST MOUNTAIN HOLDINGS LTD.

OKSA GOLD CLAIM MAP

LIARD MINING DIVISION

COAST MOUNTAIN GEOLOGICAL LTD.

DRAWN BY	NTS	DATE	FIGURE
B K	104G/5E	JANUARY 1990	2

claims are owned by Jim D. Hall of Fruitvale, B.C.:

<u>Claim Name</u>	<u>Record Number</u>	<u>No. of Units</u>	<u>Expiry Date</u>
Oksa Gold 1	5407	12	Oct. 15, 1990
Oksa Gold 2	5408	16	Oct. 15, 1990
Oksa Gold 3	5409	20	Oct. 15, 1990

The exact location of the cornerpost has been verified by the author.

4.0 LOCATION AND ACCESS

The Oksa Gold property is located within the Coast Range Mountains of northwestern British Columbia approximately 65 kilometers southwest of Telegraph Creek. It lies within the Liard Mining Division and is centered at 57 degrees 24' north latitude and 131 degrees 41' west longitude.

Access to the property is possible via helicopter or river boat from Telegraph Creek. Fixed wing service to the Scud River airstrip located 30 kilometers west of the property can be chartered from Smithers, Telegraph Creek or Dease Lake; regular scheduled flights to the airstrip are available during the field season via Smithers. A helicopter is used to reach the property from the Scud River airstrip. During the 1989 field season, a helicopter was stationed at the Galore Creek Camp, located approximately 35 kilometers southeast of the property.

5.0 PHYSIOGRAPHY AND CLIMATE

The Oksa Gold claims straddle the westerly draining Oksa Creek, which flows into the Stikine River. Topography is steep and

rugged, with elevations ranging from 180 meters to over 1,890 meters above sea level. Deep glacially incised valley walls rise to intervalley ridges and spurs with rounded summits at about 1,200 meters to 1,500 meters in elevation, and treeline occurs at approximately 1,050 meters. Vegetation varies considerably throughout the property. Along the creek, a few rare areas of 'parkland' with towering cottonwoods and evergreens are tucked away in an extremely dense almost impenetrable jungle of Devils' club, huckleberry and alder, whereas slopes are found to be well timbered with spruce, hemlock and fir, exhibiting little undergrowth.

The claims are situated at the boundary between the wet belt and the gradational belt. In this area temperatures range from -30 degrees to +30 degrees centigrade and about 300 centimeters of precipitation is recorded per year, mostly in the form of snow.

6.0 PROPERTY HISTORY

6.1 PREVIOUS WORK

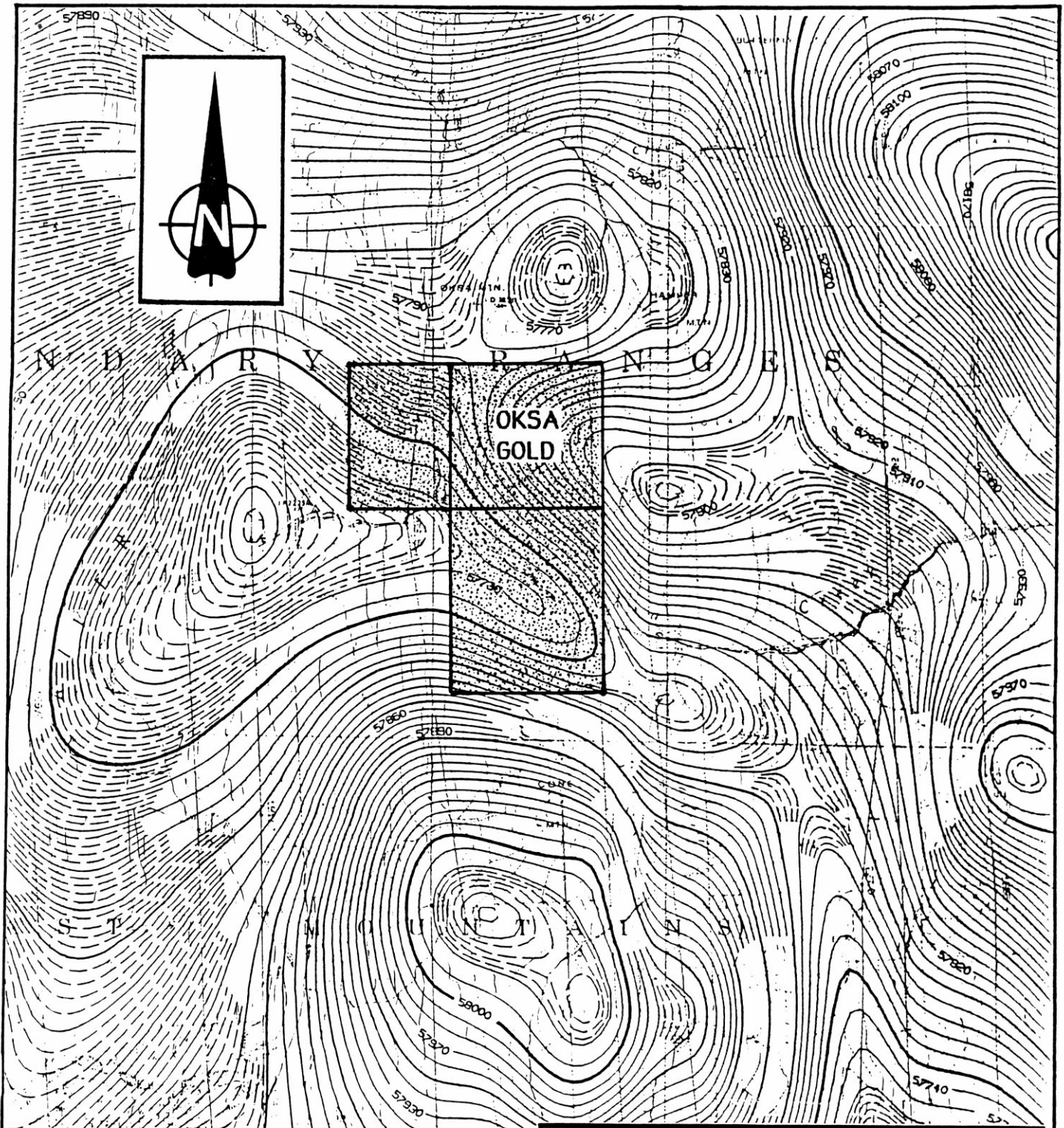
"The earliest reported exploration in the area was sometime prior to 1914, when Dixon and Bodel staked claims on the Devil's Elbow properties, where the Stikine Mining Company did work for a couple of years. No known work on the ground now covered by the Oksa Gold 1-3 claims were recorded until 1981, when Teck Explorations Limited prospected the Oksa Creek drainage area after hearing rumors from prospectors of a high grade gold bearing quartz vein in the area (G. Schellenberg, pers. comm., 1988). Their efforts uncovered a highly mineralized .6 meter

wide quartz vein in the southern bank of Oksa Creek. Samples taken along the length of the vein returned assays from .001 to 0.42 oz/t. gold and up to 2.12 oz/t. silver. The vein was traced upslope for approximately 25 meters where it was covered by "overburden", (Chung, 1988). Also the occurrence of gossanous outcrops, the first key to potential base metal and precious metal mineralization throughout the entire area, were noted on the south flank of Oksa Mountain within the Oksa 2 claim. No further work appeared to have been done in this area until October, 1987, when, following the successful exploration program by Continental Gold Corporation on its Trophy claims (approximately 25 kilometers to the southeast), a geologist was commissioned to prospect the Oksa Creek area which led to the staking of the Oksa Gold 1-3 claims. In 1988, Keyport Management Corporation conducted a preliminary prospecting program, which concentrated on the Vein Zone area, returning assays of up to .639 oz/t. gold.

A regional aeromagnetic survey conducted by the Geological Survey of Canada in 1978 (Figure 3) indicates the Oksa Gold property is situated near the flank of a major magnetic high.

6.2 1989 WORK PROGRAM

Two man-days were spent prospecting, sampling and mapping the property on September 21, 1989. A total of 16 stream sediment



ISOMAGNETIC LINES (absolute total field)

250 gammas	
50 gammas	
10 gammas	
2 gammas	
Magnetic depression	
Flight lines	

Flight altitude: 3000 m above sea level
 (1 gamma = 1 nanotesla in SI units)

AUROS HOLDINGS LTD.

OKSA GOLD

AEROMAGNETIC

LIARD MINING DIVISION

COAST MOUNTAIN GEOLOGICAL LTD.

DRAWN BY: B K NTS: 104G/5E DATE: JANUARY, 1990 FIGURE: 3

inches

centimetres

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SCALE 1:50,000

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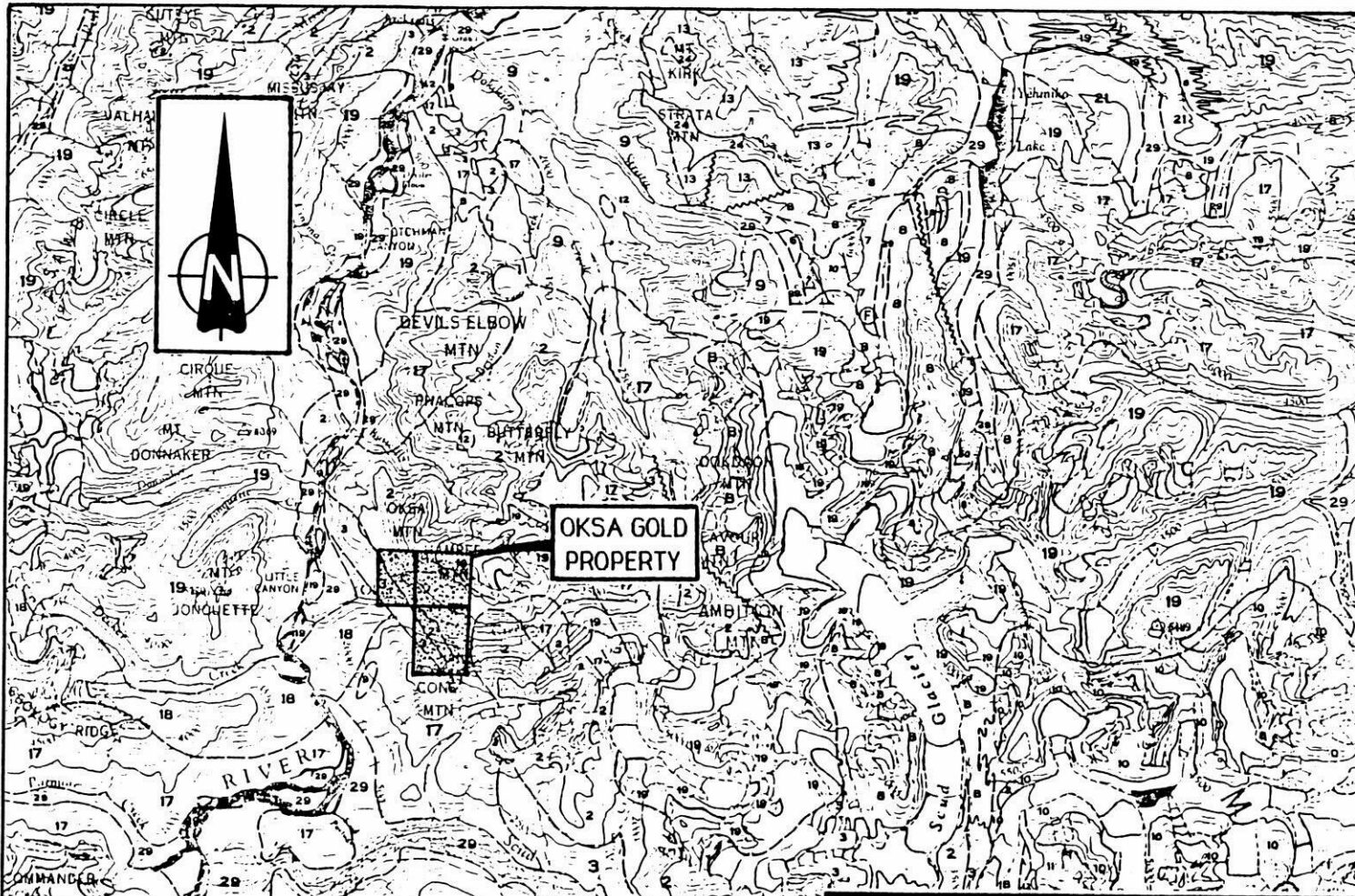
samples and 5 rock samples were obtained (Figure 4) and sent to Acme Laboratories Limited in Vancouver for analysis.

The stream sediment samples were taken from active parts of major drainages. At the laboratory they were dried, sieved to minus 80 mesh and analyzed geochemically for 32 elements by ICP and for gold by atomic absorption. Rock samples were taken from the mineralized quartz vein and from zones of alteration and mineralization. The rock samples were pulverized in the lab and screened to minus 100 mesh, then analyzed for 32 elements by ICP and for gold by atomic absorption. One rock sample returning geochemical values in excess of 1100 ppb gold was fire-assayed for gold, silver and copper.

Rock descriptions are attached in Appendix C and analytical certificates form Appendix D.

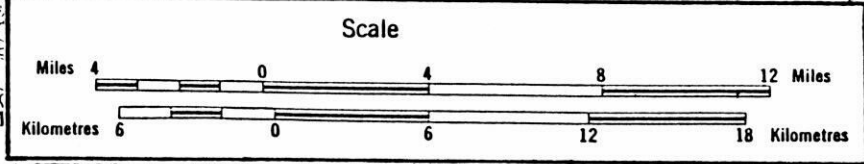
7.0 REGIONAL GEOLOGY

The Galore Creek area lies on the western margin of the Intermontane Belt within the Stikine Arch near its contact with the Coast Plutonic Complex (Figure 5). A sequence of Paleozoic to middle Triassic oceanic sediments is unconformably overlain by Upper Triassic Hazelton Group island arc volcanics and sediments. These have been intruded by Upper Triassic to Lower Jurassic syenitic stocks and by Jurassic to Lower Cretaceous quartz diorite and granodiorite plutons of the Coast Plutonic Complex.



OKSA GOLD PROPERTY

Geological boundary (defined and approximate, assumed)
Bedding (horizontal, inclined, vertical, overturned)	+ / \ \
Anticline
Syncline
Fault (defined and approximate, assumed)
Thrust fault, teeth on hanging-wall side (defined and approximate, assumed)
Fossil locality	⊙
Mineral property
Glaicer



AUROS HOLDINGS LTD.

GOLD

GEOLOGY

IG DIVISION

COAST MOUNTAIN GEOLOGICAL LTD.

inches

centimetres

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DRAWN BY	NTS	DATE	FIGURE
B K	104G/5E	JANUARY, 1990	5

- CRETACEOUS AND TERTIARY**
- UPPER CRETACEOUS AND LOWER TERTIARY**
- SLOKO GROUP**
- 24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments
 - 22 Biotite leucogranite, subvolcanic stocks, dykes and sills
 - 23 Perphyritic biotite andesite, lava domes, flows and (?) sills
- SUSTUT GROUP**
- 21 Chert-pebble conglomerate, granite-boulder conglomerate, quartzose sandstone, arkose, siltstone, carbonaceous shale and minor coal
 - 20 Felsite, quartz-feldspar porphyry, pyriticiferous felsite, orbicular rhyolite; in part equivalent to 22
 - 19 Medium- to coarse-grained, pink biotite-hornblende quartz monzonite
- JURASSIC AND/OR CRETACEOUS**
- POST-UPPER TRIASSIC PRE-TERTIARY**
- 18 Hornblende diorite
 - 17 Granodiorite, quartz diorite; minor diorite, leucogranite and migmatite
- JURASSIC**
- MIDDLE (?) AND UPPER JURASSIC**
- BOWSER GROUP**
- 16 Chert-pebble conglomerate, grit, greywacke, subgreywacke, siltstone and shale; may include some 13
- MIDDLE JURASSIC**
- 15 Basalt, pillow lava, buff-breccia, derived volcanoclastic rocks and related subvolcanic intrusions
- LOWER AND MIDDLE JURASSIC**
- 14 Shale, minor siltstone, siliceous and calcareous siltstone, greywacke and ironstone
- LOWER JURASSIC**
- 13 Conglomerate, polymictic conglomerate; granite-boulder conglomerate, grit, greywacke, siltstone; basaltic and andesitic volcanic rocks, peperites, pillow-breccia and derived volcanoclastic rocks
- TRIASSIC AND JURASSIC**
- POST-UPPER TRIASSIC PRE-LOWER JURASSIC**
- 12 Syenite, orthoclase porphyry, monzonite, pyroxenite
- HICKMAN BATHOLITH**
- 10 Hornblende granodiorite, minor hornblende-quartz diorite 11, Hornblende, quartz diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite
- TRIASSIC**
- UPPER TRIASSIC**
- 9 Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)
 - 8 Andite-andesite flows, pyroclastic rocks, derived volcanoclastic rocks and related subvolcanic intrusions; minor greywacke, siltstone and polymictic conglomerate
 - 7 Siltstone, thin-bedded siliceous siltstone, ribbon chert, calcareous and dolomitic siltstone, greywacke, volcanic conglomerate, and minor limestone
 - 6 Limestone, fossil argillaceous limestone, calcareous shale and redbed limestone; may be in part younger than units 7 and 8
 - 5 Greywacke, siltstone, shale; minor conglomerate, buff and volcanic sandstone
- MIDDLE TRIASSIC**
- 4 Shale, concretionary block shale; minor calcareous shale and siltstone
- PERMIAN**
- MIDDLE AND UPPER PERMIAN**
- 3 Limestone, thick-bedded mainly bioclastic limestone; minor siltstone, chert and buff
- PERMIAN AND OLDER**
- 2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, gneiss, minor chert, schistose buff and limestone
- MISSISSIPPIAN**
- 1 Limestone, orbicoidal limestone, ferruginous limestone; maroon buff, chert and phyllite
- PALEOZOIC**
- 0 Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic
 - A Ultramafic rocks; peridotite, dunite, serpentinite; age unknown, probably pre-Lower Jurassic

The oldest rock assemblage in the Galore Creek area consists of Permian bioclastic limestone (Unit 3) overlying metamorphosed sediments and volcanics (Unit 2) and crinoidal limestone (Unit 1).

Unconformably overlying the Permian limestone unit are Upper Triassic Hazelton Group island arc volcanics and sediments (Units 5 through 8). In the Galore Creek area, Souther (1971) grouped these volcanic and sedimentary members in Unit 9, noting however that it was composed predominantly of augite andesite breccia, conglomerate and volcanic sandstone.

Subvolcanic syenite and orthoclase porphyry stocks (Unit 12), dated as late Triassic to Early Jurassic by Souther (1971), intrude older stratified rocks, and Jurassic and Cretaceous granodiorite to quartz diorite batholiths (Unit 17) of the Coast Plutonic Complex intrude all older lithologies.

8.0 PROPERTY GEOLOGY AND GEOCHEMISTRY

8.1 GEOLOGY

Previous exploration on the Oksa Gold property concentrated on the Vein Zone, a highly mineralized quartz vein with a massive sulphide core located in the center of the Oksa Gold 3 claim. It was noted that the vein has a true width of 1.5 meters and is hosted in a dark green hornblende porphyry unit (Chung, 1988). It strikes 015 degrees with 60 - 65 degrees easterly dip. The

wall rock enveloping the vein is well altered to an aphanitic grey colour with finely disseminated pyrite. Vein sulphides include pyrite, chalcophyrite, sphalerite, galena and pyrrhotite, and are concentrated in a massive sulphide core .5 meters wide. The sulphides also occur as disseminations throughout the Vein Zone. Veining can be traced in float occurrences for 20 meters upslope at which point glacial debris covers the projected strike length.

Outcrop was examined primarily along creek exposures, as thick alder and other dense vegetation obscured bedrock elsewhere. Exposures along the western portion of the creek consist of diorite and granodiorite intrusives, while a sedimentary package occurs easterly along the creek. The contact between the two was not located, but it was observed that hornfels rock near the intrusive graded into fissile, slightly foliated rock eastward. Large quartz float containing pyrrhotite, pyrite and chalcopyrite was sampled; the source of the float most probably being an upslope extension of the Vein Zone.

8.2 GEOCHEMISTRY

Sixteen stream sediment samples were taken from active portions of major drainages on the Oksa Gold property. Two of these returned anomalous results: sample OKF-10 contained 38 parts per billion gold, and sample OK-S-W-01 contained anomalous copper and zinc values, as well as elevated gold, lead, nickel, arsenic and silver values.

Results from three of the five rock samples were anomalous. Sample OKF-01, a hornfels with minor disseminated pyrite contained 144 parts per million zinc. Sample OKF-06 was taken from the Vein Zone and returned slightly anomalous copper values. Heavy rains and a subsequent rise in Oksa Creek obscured much of the previously exposed vein, rendering detailed sampling and delineation of the Vein Zone impossible at that time.

The most encouraging results are from sample OKF-07 taken from a float of limonitic quartz containing pyrrhotite and chalcopyrite, which assayed .032 ounces per ton gold, .97 ounces per ton silver and .23% copper. The source of this float is best assumed to have originated from an extension of the Vein Zone located at an as-of-yet undiscovered location further upslope.

9.0 DISCUSSION

As the Stewart-Iskut River gold camp gains prominence, exploration will intensify for shear hosted vein deposits related to Jurassic syenite intrusions, of which favourable geology continues up through the Stikine River area. Continental Gold Corporation's Trophy Gold Project, some 25 kilometers southeast of the Oksa Gold claims, was staked because of such favourable geology. Exploration to date has identified twenty three gold and silver-bearing mineralized zones on the property, with assays of up to 4.30 ounces per ton gold and 324 ounces per ton silver.

The Oksa Gold claims are situated in a similar geologic setting

as the Trophy claims and the Stewart-Iskut River gold camp. cursory examination of the property has identified a highly mineralized vein structure and gossanous zones, and stream sediment analysis indicates good potential for mineralization. Previous sampling of the Vein Zone resulted in assays for gold up to .639 oz/t. Quartz float, which likely originated from an extension of the Vein Zone, revealed excellent precious and base metal mineralization and indicates the Vein Zone may extend over a considerable distance.

10.0 RECOMMENDATIONS

Based on the favourable geology underlying the property, the positive geochemical results from primary analysis of the Vein Zone and the mineralization potential inherent in favorable stream sediment geochemistry results, the writer feels that the Oksa Gold property represents a good target for gold exploration.

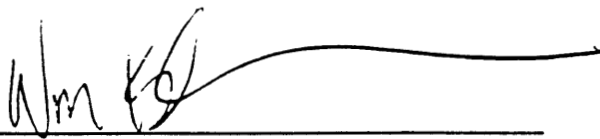
The next phase in exploration should consist of intensive sampling and detailed mapping and delineation of the Vein Zone, locating the source of the float from which sample OKF-07 was obtained, and additional silt sampling along the stream where OK-S-W-01 was taken from. Other promising areas such as the gossanous area on Oksa Gold 2 should be prospected and mapped as well.

STATEMENT OF QUALIFICATIONS

I, WILLIAM R. KUSHNER, of 1942 East 2nd Avenue, Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Geologist in the employment of Coast Mountain Geological Ltd. with offices at suite 820, 650 West Georgia Street, Vancouver, British Columbia.
2. THAT I am a graduate from the University of Alberta with a Bachelor of Science degree in Geology (1987).
3. THAT my primary employment since graduation has been in the field of mineral exploration.
4. THAT this report is based on fieldwork conducted by Coast Mountain Geological Limited on the Oksa Gold claims on September 21st, 1989, government publications and reports filed with the Government of British Columbia.
5. THAT I visited the property on September 21st, 1989.
6. THAT I do not own or expect to receive any interest in the property described herein, nor in any securities of any company rendered in the preparation of this report.

DATED at Vancouver, British Columbia, this 15th day of January, 1990.

A handwritten signature in black ink, appearing to read 'Wm R. Kushner', is written over a horizontal line. The signature is stylized and extends to the right with a long, sweeping underline.

William R. Kushner, Geologist

STATEMENT OF QUALIFICATIONS

I, Gary Schellenberg, of Vancouver, British Columbia, DO HEREBY CERTIFY THAT:

1. I am a consulting geologist and president of Coast Mountain Geological Ltd. with business office address at Suite 820 - 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.
2. I am a 1981 graduate Geologist from the University of British Columbia with a Bachelor of Science degree.
3. I have practiced my profession continuously since graduation.
4. I have conducted various mineral exploration programs in B.C., Yukon, Washington and Nevada.
5. I have not visited the subject property.
6. Todd Faragher and Willie Prokop worked on the subject property on September 21st, 1989, and are employees of Coast Mountain Geological Ltd.
7. Bill Kushner is an employee of Coast Mountain Geological and has authored this report under my direction.
8. Bill Kushner and Todd Faragher are competent geologists with a Bachelor of Science degree in Geology from the University of Alberta, with over 2 years of field experience in B.C.
9. Bill Kushner visited the subject property on September 21st, 1989.


Gary Schellenberg, B.Sc.
Geologist

Dated at Vancouver, B.C. this 15th day of January, 1990.

APPENDIX A
STATEMENT OF EXPENDITURES

STATEMENT OF EXPENDITURES

Mob/Demob	\$ 1,300.00
Geologist, (Todd Faragher) 1 day @ \$250/day	250.00
Prospector, (W. Prokop) 1 day @ \$225/day	225.00
2 camp days @ \$130/day	260.00
Communications, 2 men @ \$15/day	30.00
Equipment, 2 men @ \$15/day	30.00
Project Prep	200.00
Assays: 5 Rock Samples @ \$13.75	68.75
16 Silt Samples @ \$ 11.60	185.60
Helicopter: 1.4 hrs. @ \$767.80	<u>1,074.92</u>
Subtotal	\$ 3,624.27
12% Management Fee	434.91
Report	<u>1,150.00</u>
TOTAL	\$ 5,209.18
	=====

APPENDIX B
BIBLIOGRAPHY

BIBLIOGRAPHY

Chung, P.P.L., 1988. Report on the Oksa Creek Property.
Assessment report for Keyport Management Corp.

Souther, J.G., 1971. Telegraph Creek Map area. Geological
Survey of Canada Paper 71-44, Map 11, 1971.

Geological Survey of Canada, 1978. 1:50,000 scale aeromagnetic
survey map, Scud River, Map 9248 G.

APPENDIX C
ROCK SAMPLE DESCRIPTIONS

APPENDIX D
CERTIFICATE OF ANALYSIS

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE(604)253-3158 FAX(604)253-1716

DATE RECEIVED: NOV 29 1989

DATE REPORT MAILED: Dec. 4/89..

ASSAY CERTIFICATE

AG** AND AU** BY FIRE ASSAY FROM 1/2 A.T.
SAMPLE TYPE: ROCK PULP

SIGNED BY *C. Long* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

COAST MOUNTAIN GEOLOGICAL FILE # 89-4278R3

SAMPLE#	Cu %	Ag** OZ/T	Au** OZ/T
ANCB-02	1.07	-	.009
ANCB-12	16.71	4.26	.029
ANCB-13	15.54	2.96	.509
ANK-07	1.37	-	-
ANK-08	.50	-	.003
AKDR-19	-	-	.295
DKW-07	.23	.97	.032
JWDR-13	1.82	.87	.187
JWDR-15	4.78	4.39	3.898

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
OKCB-10	3	223	3	22	.4	43	18	93	3.28	2	5	ND	1	15	1	2	3	18	.76	.115	5	8	.10	34	.09	5	.23	.03	.04	2	5
OKCB-11	14	408	11	68	.7	35	23	599	4.80	2	5	ND	1	78	1	2	2	62	2.93	.089	2	47	1.98	148	.12	2	2.49	.06	.45	1	4
OKCB-12	3	37	63	82	1.8	4	9	960	4.04	9	5	ND	6	89	1	2	2	21	2.28	.084	9	7	.70	64	.01	10	1.28	.02	.19	1	5
OKCB-13	1	259	14	58	1.2	30	15	1464	3.38	2	5	ND	1	160	1	2	2	45	15.01	.032	2	45	1.35	9	.01	2	1.34	.01	.03	1	23
OKCB-14	1	82	3	25	.3	28	17	271	1.80	2	5	ND	1	79	1	2	3	26	2.60	.101	2	19	.46	22	.11	2	.74	.01	.03	1	8
OKCB-15	8	116	4	61	.6	84	10	208	2.38	4	5	ND	2	16	1	2	2	59	.65	.129	5	121	.87	19	.01	2	.80	.03	.06	1	13
OKCB-16	2	51	4	44	.6	6	9	1635	4.60	3975	8	ND	1	697	1	2	2	8	19.46	.113	8	9	1.39	59	.01	2	.31	.01	.15	1	77
OKCB-17	1	7	9	38	.3	14	11	2956	3.74	25	5	ND	1	438	1	2	3	53	17.16	.045	3	29	1.27	35	.01	8	1.63	.01	.05	1	9
OKCB-18	5	64	11	30	1.3	2	9	2050	10.06	49	5	ND	1	134	1	2	3	10	12.75	.011	2	16	.44	36	.01	3	.58	.01	.02	18	2
OKCB-19	2	238	6	19	.2	9	20	596	3.52	2	5	ND	1	42	1	2	2	6	3.81	.008	2	26	.08	6	.02	3	.17	.01	.02	1	3
OKCB-20	3	703	5	40	2.5	2	48	1022	3.48	3	5	ND	1	85	1	2	2	1	7.74	.017	2	3	.07	6	.02	13	.16	.01	.01	1	10
OKCB-21	1	411	5653	82765	24.7	2	4	283	43.82	53	5	ND	1	2	988	21	8	5	.09	.019	2	8	.08	5	.01	11	.09	.01	.04	4	210
OKCB-22	6	14	18	192	.3	3	4	750	1.95	17	5	ND	11	123	2	2	3	4	2.20	.036	13	3	.26	75	.01	6	.21	.01	.12	1	6
OKCB-23	6	333	5543	21061	190.6	4	3	188	9.67	785	8	ND	3	11	232	171	2	2	.16	.007	2	42	.03	5	.01	2	.15	.01	.09	3	720
OKCB-24	1	246	15	93	2.6	16	20	362	3.53	3	5	ND	1	26	1	2	2	59	.89	.053	2	14	.74	149	.12	3	1.28	.07	.42	1	2
OKCB-25	2	186	653	1063	285.4	26	20	274	6.83	44	2	127	1.45	377	14	25	2.73	55	15	2	2.47	.03	98	1	47						
OKF-01	1	26	6	144	.7	20	19	829	7.85	11	5	ND	1	112	1	3	2	150	3.08	.311	24	39	2.57	109	.10	9	3.05	.07	.09	1	12
OKF-05	1	54	5	50	1.7	270	27	731	2.48	35	5	ND	1	236	1	2	2	43	3.82	.066	2	525	4.09	5	.01	2	1.53	.01	.01	1	7
OKF-06	1	168	4	32	.4	21	15	643	2.95	2	5	ND	1	89	1	2	2	59	4.42	.080	2	31	1.14	530	.11	2	1.47	.03	.83	1	7
OKF-07	2	2172	101	625	26.8	10	8	25	2.67	8	5	ND	1	1	12	2	2	1	.03	.001	2	4	.02	4	.01	2	.02	.01	.01	1	1150
OKF-08	1	42	6	74	.2	13	15	8384	7.23	2	5	ND	1	11	1	2	2	317	.45	.034	3	24	1.53	303	.08	2	2.91	.01	.19	1	42
OKK-01	1	28	3	78	.2	4	11	586	4.57	2	5	ND	1	67	1	2	2	78	2.13	.221	5	11	1.32	347	.18	9	2.44	.13	.62	1	10
OKK-02	1	46	4	27	.2	5	13	310	3.58	2	5	ND	1	65	1	2	2	36	1.30	.139	4	8	.58	101	.09	10	1.61	.10	.14	1	12
OKK-03	1	36	9	78	.2	30	18	592	4.74	2	5	ND	1	78	1	3	2	95	1.77	.151	4	38	1.89	275	.17	8	3.19	.15	.57	1	8
OKK-04	1	6	2	59	.1	6	6	618	2.71	2	5	ND	3	37	1	2	2	48	.63	.083	6	12	.75	81	.10	8	1.24	.05	.24	1	7
OKK-05	1	12	6	39	.1	5	6	485	2.34	2	5	ND	1	29	1	2	2	34	.58	.076	5	10	.49	171	.08	5	.94	.07	.31	1	5
OKK-06	1	4	3	67	.1	5	7	730	3.10	2	5	ND	2	52	1	2	2	52	1.03	.084	6	13	.92	72	.09	2	1.36	.03	.21	1	3
OKK-07	1	8	3	52	.2	1	14	605	4.38	2	5	ND	1	98	1	2	3	82	1.59	.166	5	9	1.24	224	.15	2	2.57	.11	.67	1	2
SCCB-01	1	2	3	20	.2	3	1	457	.33	6	5	ND	1	50	1	2	2	3	28.74	.024	4	7	.34	12	.01	15	.03	.01	.01	2	15
SCCB-02	1	1	3	8	.2	1	1	36	.07	4	5	ND	1	240	1	2	2	2	35.93	.003	3	2	.19	5	.01	15	.01	.01	.01	3	3
SCCB-03	1	2	2	33	.2	2	1	124	.11	3	5	ND	1	85	1	3	2	2	31.89	.006	2	1	5.09	6	.01	2	.01	.01	.01	2	4
SCCB-04	1	1	2	13	.2	1	1	114	.16	5	5	ND	1	201	1	3	2	1	36.16	.010	2	7	.78	6	.01	5	.02	.01	.01	1	6
SCCB-05	1	2	2	23	.2	4	2	99	.36	6	5	ND	1	252	1	2	2	1	38.58	.017	3	7	.34	7	.01	4	.04	.01	.02	1	3
SCCB-06	1	2	2	25	.2	3	2	114	.86	5	5	ND	1	242	1	2	2	5	26.68	.018	3	9	.57	4	.01	6	.48	.01	.03	1	8
SCCB-07	1	10	3	36	.2	3	4	100	2.47	13	5	ND	1	373	1	2	2	14	23.36	.021	4	14	1.92	5	.01	7	.76	.01	.05	2	4
SCCB-08	1	25	2	36	.3	12	12	114	6.40	5	5	ND	1	514	1	3	2	14	13.30	.035	2	19	3.54	4	.01	2	.53	.01	.03	1	2
STD C/AU-R	18	60	42	137	7.0	69	31	1023	4.15	39	22	8	36	47	19	15	22	59	.48	.098	38	56	.88	181	.06	34	1.98	.06	.13	13	495

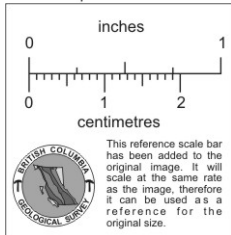
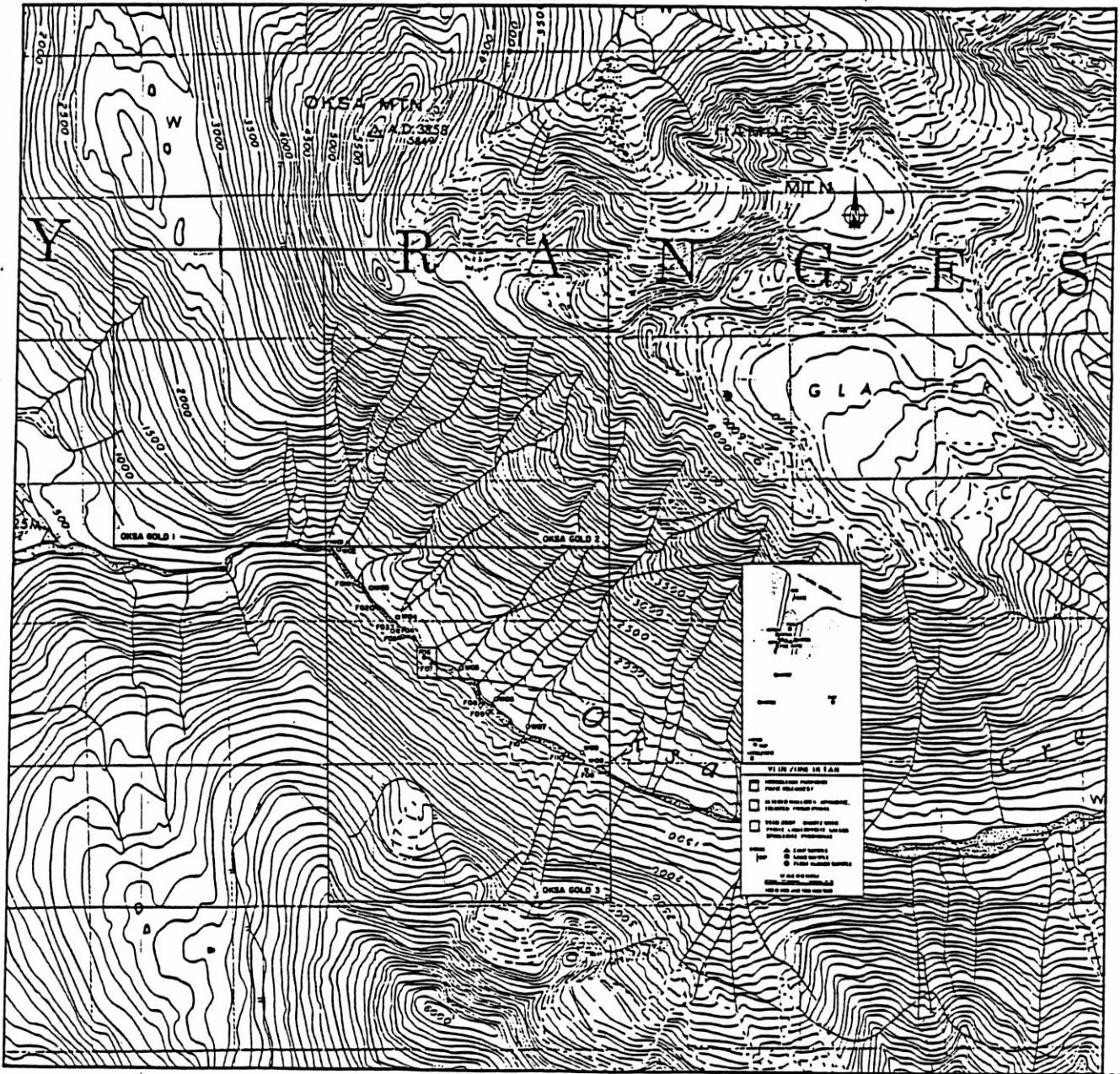
OKSA GOLD RESULTS

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
ANK-SS-91	1	155	7	92	.2	8	18	693	3.89	2	5	ND	1	95	1	2	2	98	.70	.120	7	8	1.67	56	.13	2	2.22	.03	.28	1	4
BCK-SS-01	1	19	5	42	.3	9	7	388	2.04	2	5	ND	7	43	1	2	2	31	.55	.065	21	11	.54	108	.11	5	.94	.03	.17	1	1
BCK-SS-02	1	48	6	109	.7	21	19	571	4.77	7	5	ND	2	118	1	2	2	92	2.24	.587	21	29	1.52	205	.15	2	2.51	.04	.40	1	2
BCK-SS-03	1	45	2	97	.3	20	17	522	4.58	2	5	ND	1	117	1	2	2	90	2.23	.586	21	31	1.48	190	.15	6	2.44	.04	.36	1	42
BCK-SS-04	1	17	2	40	.4	8	6	354	1.92	2	5	ND	6	39	1	2	2	28	.52	.069	19	11	.47	96	.09	7	.84	.02	.15	2	1
BCK-SS-05	1	14	4	31	.3	6	5	300	1.53	2	6	ND	6	28	1	2	2	21	.42	.059	19	7	.36	79	.07	4	.67	.02	.11	1	2
BCK-SS-06	1	15	6	38	.2	7	5	537	1.63	2	6	ND	9	21	1	2	2	23	.33	.040	17	10	.42	30	.05	8	.70	.01	.05	1	1
BCK-SS-07	1	17	8	42	.1	8	5	535	1.78	4	5	ND	11	20	1	2	2	25	.33	.042	19	11	.41	30	.05	2	.67	.01	.05	1	2
BCK-SS-08	1	16	5	38	.2	8	5	533	1.78	5	5	ND	12	20	1	2	3	25	.34	.043	21	11	.41	31	.05	2	.70	.01	.05	1	1
BCK-SS-09	1	16	5	36	.1	6	4	505	1.67	5	5	ND	11	19	1	2	2	24	.32	.037	17	10	.40	21	.05	2	.64	.01	.05	1	1
BCK-SS-10	1	18	8	43	.1	8	6	455	2.74	3	5	ND	13	30	1	2	2	38	.48	.069	26	12	.46	57	.08	10	.80	.02	.09	1	1
BCK-SS-11	1	16	3	40	.1	7	5	387	1.73	2	5	ND	6	29	1	2	2	25	.43	.059	20	9	.41	70	.07	3	.73	.02	.10	1	1
BCK-SS-12	1	18	2	35	.1	6	5	374	1.68	2	5	ND	8	27	1	2	2	24	.42	.058	21	9	.39	68	.07	2	.71	.02	.10	1	2
BCK-SS-13	1	21	5	45	.1	11	6	395	2.15	2	5	ND	8	38	1	2	2	32	.58	.081	24	12	.52	103	.10	3	.91	.03	.15	1	1
DK-F-01	1	18	18	68	.3	7	7	590	1.69	14	428	ND	7	184	1	2	2	37	1.71	.097	21	16	.58	704	.02	4	1.93	.01	.07	1	18
DKK-SS-01	10	226	14	88	.5	5	12	684	3.32	4	7	ND	14	20	1	2	2	65	.47	.063	23	8	.69	302	.03	5	.93	.01	.08	1	1
DK-S-01	4	44	19	86	18.7	12	6	604	2.62	32	204	ND	4	73	1	2	2	70	1.02	.053	29	23	.37	239	.02	5	1.67	.01	.03	1	4
JKK-SS-01	4	182	24	110	.8	20	24	1239	6.64	80	5	ND	2	197	1	2	2	184	1.25	.246	17	16	1.58	112	.09	5	1.69	.01	.38	1	9
JKK-SS-02	5	208	31	197	.4	41	27	1807	8.40	42	5	ND	1	108	1	2	2	18	.78	.166	11	17	.29	91	.01	8	.62	.01	.05	1	22
JWK-SS-01	2	290	16	185	.3	12	31	1611	6.07	11	5	ND	1	99	1	2	2	137	.95	.185	5	7	1.98	84	.11	4	2.74	.01	.24	1	19
JWS-07-S	1	124	7	76	.3	17	18	893	3.81	7	5	ND	1	100	1	2	2	93	1.14	.167	6	25	1.34	95	.07	2	1.73	.01	.14	1	4
JWS-09-S	1	128	3	81	.2	15	21	671	4.05	5	5	ND	1	95	1	2	2	82	1.04	.177	4	22	1.47	81	.08	2	1.81	.01	.18	1	5
LK-W-03	4	69	32	1219	1.0	73	16	3776	4.65	2	2	2	2	47	1.97	.071	6	49	1.09	185	.03	6	1.20	.01	.03	1	25				
LK-W-04	2	49	10	167	.5	95	12	847	3.03	2	2	2	2	36	4.76	.059	6	41	1.14	113	.03	4	.84	.01	.03	1	2				
DK-F-02	1	26	7	76	.1	22	11	403	2.89	3	5	ND	1	45	1	2	2	59	1.58	.088	8	29	.96	137	.09	2	1.55	.03	.20	1	1
DK-F-03	1	15	5	51	.1	35	7	295	1.54	2	5	ND	1	27	1	2	2	24	.50	.050	3	48	.63	51	.04	5	.81	.02	.05	1	1
DK-F-04	1	59	4	55	.2	121	17	540	3.01	7	5	ND	1	75	1	2	2	74	1.66	.085	4	218	2.26	80	.08	3	1.81	.01	.14	1	1
DK-F-08	1	39	6	99	.2	32	9	381	2.38	4	5	ND	1	40	1	2	2	49	2.11	.091	6	23	.81	89	.06	4	1.07	.02	.12	1	1
DK-F-09	1	63	7	88	.2	120	15	420	2.45	3	5	ND	1	44	1	2	2	55	2.07	.080	3	117	1.52	139	.07	2	1.54	.01	.11	1	4
DK-F-10	1	49	2	54	.2	40	11	379	2.24	5	5	ND	1	32	1	2	2	47	.91	.105	7	48	.99	105	.07	2	1.29	.02	.24	1	38
DK-F-11	1	37	8	51	.2	8	8	325	2.22	4	5	ND	2	30	1	2	2	41	.99	.140	10	11	.39	49	.05	2	.61	.01	.08	1	2
OKK-SS-01	1	24	3	66	1.3	16	7	375	2.29	5	5	ND	1	38	1	2	2	49	1.12	.077	8	20	.61	120	.06	2	1.23	.02	.09	1	1
OKK-SS-02	1	28	6	70	.5	26	11	490	2.82	5	5	ND	1	33	1	2	2	61	.87	.067	8	28	.68	127	.07	8	1.34	.02	.10	1	1
OKK-SS-03	1	35	6	60	1.3	24	10	412	2.62	4	5	ND	1	39	1	2	2	57	1.07	.087	8	28	.80	120	.07	5	1.30	.03	.16	1	1
OKK-SS-04	1	19	4	65	.1	15	6	298	1.52	5	5	ND	1	40	1	2	2	35	1.23	.060	5	21	.54	92	.05	8	.75	.01	.07	1	1
OKK-SS-05	1	15	7	52	.3	19	8	270	2.45	6	5	ND	1	34	1	2	2	58	.75	.066	7	26	.55	83	.06	5	.78	.02	.08	2	1
STD C/AU-S	18	62	39	132	6.6	68	31	1031	4.03	40	18	7	37	48	18	16	24	57	.49	.089	38	55	.89	172	.06	34	1.92	.06	.13	12	52

OKSA GOLD RESULTS

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
OKK-SS-06	1	38	7	76	.3	34	14	490	3.28	2	5	ND	1	59	1	2	3	68	1.39	.112	10	35	1.38	179	.13	2	1.79	.04	.28	1	5
OKK-SS-07	1	28	3	44	.3	13	9	376	2.73	3	5	ND	3	43	1	2	3	63	1.55	.096	12	19	.53	100	.07	2	.97	.03	.13	2	4
OKK-SS-08	1	27	3	52	.1	10	8	412	2.45	2	5	ND	2	51	1	2	3	54	1.77	.093	9	17	.64	111	.07	2	1.07	.03	.16	2	17
OKK-SS-09	1	24	3	52	.3	14	7	405	2.26	2	5	ND	2	46	1	2	2	51	1.34	.083	8	19	.75	105	.07	2	1.03	.03	.16	1	3
OKK-SS-10	1	33	7	95	3.2	17	11	659	3.45	2	5	ND	1	56	1	2	3	77	1.06	.113	10	23	.93	205	.09	2	1.73	.02	.22	1	7
OKK-SS-11	3	40	5	57	.7	16	13	434	8.35	14	5	ND	8	46	1	2	2	209	.94	.129	23	38	.49	74	.06	2	.86	.02	.09	11	250
OKK-SS-12	1	32	6	97	1.9	15	11	770	3.23	2	16	ND	1	55	1	2	2	68	1.09	.110	12	26	.93	182	.07	2	2.26	.02	.14	1	5
OKK-SS-13	1	37	6	105	3.3	21	14	890	3.88	2	5	ND	2	56	1	2	2	81	.91	.109	12	28	1.13	200	.09	3	2.34	.02	.17	1	20
OKK-SS-14	1	29	6	58	1.1	16	9	424	3.94	3	5	ND	2	36	1	2	3	95	.84	.088	12	24	.62	121	.07	2	1.15	.02	.12	1	3
OKK-SS-15	1	40	3	49	.2	27	8	355	2.59	6	5	ND	3	60	1	2	3	62	1.85	.095	10	40	.89	96	.07	2	1.10	.04	.12	4	60
OKK-SS-16	1	28	7	59	.4	14	7	453	2.97	2	5	ND	1	37	1	2	2	70	.88	.089	11	20	.54	129	.06	2	1.10	.02	.11	1	940
OKK-SS-17	1	21	3	45	.6	17	8	337	3.13	2	5	ND	7	72	1	2	2	78	.68	.080	11	25	.44	83	.06	3	.86	.02	.07	1	13
OKK-SS-18	1	39	5	77	1.1	19	11	539	3.63	2	5	ND	2	72	1	2	2	84	.99	.098	12	26	.79	174	.08	2	1.54	.02	.16	1	1020
OK-S-W-01	6	105	23	237	1.1	61	20	869	4.53	22	5	ND	1	63	2	2	2	93	1.04	.119	7	75	1.66	370	.12	5	2.33	.03	.35	1	15
OK-S-W-02	1	45	7	90	.3	20	15	470	5.52	5	5	ND	2	42	1	2	2	131	.95	.119	12	31	.88	152	.11	2	1.47	.04	.25	1	4
OK-S-W-03	1	26	2	49	.1	9	9	300	3.47	2	5	ND	2	30	1	2	2	88	.75	.094	11	16	.58	102	.08	2	1.04	.03	.16	1	4
OK-S-W-04	1	46	7	82	.1	12	12	569	3.61	3	5	ND	1	35	1	2	2	95	1.16	.106	10	22	.80	141	.09	4	1.65	.02	.22	1	9
OK-S-W-05	1	19	6	34	.1	5	8	248	2.66	3	5	ND	2	38	1	2	2	67	1.07	.083	12	12	.37	77	.06	2	.75	.03	.10	1	5
OK-S-W-06	1	29	3	77	.1	11	10	417	3.50	2	5	ND	1	36	1	2	2	87	.80	.084	9	18	.71	128	.08	2	1.22	.02	.18	1	4
OK-S-W-07	1	35	6	77	.2	16	15	439	5.34	2	5	ND	2	38	1	2	2	133	.87	.118	12	27	1.10	182	.12	2	1.73	.02	.24	2	2
OK-S-W-08	1	24	5	29	.1	11	15	220	4.70	3	5	ND	4	25	1	2	2	122	.60	.099	17	21	.39	84	.06	4	.72	.02	.08	1	2
OK-S-W-09	1	32	8	60	.1	13	11	441	4.69	4	13	ND	4	40	1	2	2	120	.98	.096	14	28	.63	98	.07	2	1.14	.02	.12	1	2
OKWS-1	1	33	17	72	.1	13	7	455	1.69	5	5	ND	1	154	1	2	2	28	11.13	.074	8	18	.48	49	.06	2	.78	.02	.08	2	7
OKWS-2	3	26	20	84	.1	6	10	629	2.91	5	5	ND	6	37	1	2	2	50	.82	.120	16	8	.74	78	.09	2	1.20	.02	.21	1	5
OKWS-3	1	23	11	64	.6	4	4	304	1.06	14	5	ND	1	220	1	2	2	16	18.89	.063	6	5	.51	33	.03	2	.45	.01	.05	1	4
OKWS-4	2	36	50	149	3.3	14	8	734	2.25	27	5	ND	5	138	2	2	2	27	10.15	.092	11	18	.71	110	.04	2	.78	.02	.10	1	26
OKWS-5	1	26	12	65	.1	8	8	445	2.48	2	5	ND	6	34	1	2	2	47	.84	.130	13	11	.63	73	.08	2	1.08	.02	.20	1	20
OKWS-6	3	48	89	240	2.7	14	13	1076	3.57	19	5	ND	7	54	2	2	2	50	1.80	.103	15	22	.93	147	.08	8	1.43	.02	.21	3	31
PHK-SS-01	1	78	4	61	.9	43	23	448	4.18	3	5	ND	1	80	1	2	2	112	2.21	.614	9	124	1.84	215	.13	2	2.09	.02	.35	1	3
SD-F-01	1	57	11	288	.5	29	12	867	3.67	10	5	ND	1	44	2	2	2	81	1.25	.118	7	35	1.09	150	.11	4	1.96	.03	.27	2	3
SD-W-01	1	51	9	78	.2	8	11	587	3.60	3	5	ND	5	54	1	2	2	65	1.29	.108	13	11	.85	106	.08	4	1.17	.02	.06	5	3
SD-W-02	12	119	8	549	1.5	70	13	692	3.82	21	5	ND	1	126	8	3	2	127	2.17	.139	7	31	.73	115	.07	2	2.06	.02	.14	1	7
SD-W-04	2	70	22	361	.3	47	12	1046	3.80	21	5	ND	1	42	3	2	2	83	1.14	.123	8	43	.95	112	.08	2	1.63	.02	.21	1	8
SD-W-05	4	147	15	208	.5	40	22	1009	5.53	17	5	ND	1	48	2	2	2	70	1.14	.189	8	29	1.02	62	.08	4	1.71	.01	.13	7	19
SNS-01-S	1	30	2	56	.2	18	9	297	2.23	5	5	ND	1	86	1	2	2	48	4.03	.059	5	17	.68	92	.08	6	1.41	.05	.15	1	2
SNS-04-S	2	62	41	209	.5	7	11	889	2.76	9	5	ND	7	153	2	2	2	38	11.99	.080	11	18	.69	146	.07	2	1.15	.02	.25	2	40
STD C/AU-S	17	63	39	132	7.1	68	31	1030	3.98	38	17	7	37	48	18	15	19	57	.48	.089	38	55	.88	176	.06	31	1.95	.06	.14	13	48

OKSA GOLD RESULTS



Symbol	Description
—	ROAD
—	FENCE
○	ROCK SAMPLE
●	PLANT SAMPLE
○	STREAM BED SAMPLE

LEGEND

- ROAD
- FENCE
- ROCK SAMPLE
- PLANT SAMPLE
- STREAM BED SAMPLE

SCALE 1:10,000

AUROUS HOLDINGS LTD.

OF SA GOLD

SAMPLE LOCATION MAP

COAST MOUNTAIN GEOLOGICAL LTD.

SCHEDULE "A"

FLOW-THROUGH SHARE SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made and dated for reference the _____ day of _____, 1990

BETWEEN:

Those persons who have subscribed for flow-through shares pursuant to the Statement of Material Facts of Consolidated Samarkand Resources Inc. with an effective date of August 22, 1990

(the "Subscribers")

OF THE FIRST PART

AND:

Consolidated Samarkand Resources Inc., a company incorporated pursuant to the laws of British Columbia and having an office at 840 - 650 West Georgia Street, Vancouver, British Columbia

(the "Company")

OF THE SECOND PART

WHEREAS:

A. The Company has certain interests in mining resource properties situated in Canada (collectively the "Property");

B. The principal business of the Company is mining or exploring for minerals;

C. The Company intends to carry out an exploration program that may include geophysical surveys, seismic testing, underground and surface diamond drilling programs, metallurgical studies and underground drifting on the Property to determine the existence, location, extent and quality of the mineral resources located thereon (the "Exploration Program") all as more fully described in the Company's Statement of Material Facts ("SMF");

D. The Company anticipates that the Expenses incurred in performing the Exploration Program (the "Exploration Expenditures") will constitute Canadian Exploration Expense ("CEE") within the meaning of subparagraph 66.1(6)(a)(iii) of the Income Tax Act of Canada (the "Act");

E. The Subscriber has agreed to subscribe for "flow-through" common shares of the Company (the "Subscriber's Contribution") and the Company has agreed to apply the Subscriber's Contribution to carry out the Exploration Program and to renounce the Exploration Expenditures associated therewith to the Subscriber in accordance with the terms of this Agreement;

F. This Agreement is the Flow-Through Share Subscription Agreement referred to in the SMF of the Company and it sets out:

- (a) the manner in which the Company shall renounce the Exploration Expenditures associated with the Exploration Program to the Subscriber;
- (b) the manner in which the Exploration Expenditures will be incurred and the flow-through shares will be issued;
- (c) the manner in which the Company shall account for the Exploration Expenditures and certain other material provisions.

NOW THEREFORE in consideration of the premises and covenants and agreements herein contained the parties agree as follows:

1. Definitions

- (a) Except as may be otherwise specifically provided herein, each word or phrase used herein shall have the same meaning as in the Company's SMF.
- (b) "SMF" means the Statement of Material Facts of the Company, bearing an effective date of August 22, 1990, prepared and filed by the Company at the offices of the Superintendent of Brokers for the Province of British Columbia and the Vancouver Stock Exchange in connection with the transactions contemplated in this Agreement.

2. Payment of Subscription Price

Each Subscriber hereby acknowledges that he has advanced funds pursuant to the Company's SMF and pursuant to this Agreement prior to December 31, 1990 as his subscription for flow-through shares.

3. **Deposit of Subscriber's Contribution and Issuance of Shares**

Upon receipt of the Subscriber's Contribution the Company undertakes with the Subscriber that:

- (a) it will deposit the Subscriber's Contribution in a separate bank account (the "Exploration Account") established by the Company for the purpose of financing the Company's Exploration Program;
- (b) the Company will issue share certificates to the Subscriber representing such number of shares as shall have been subscribed for.

4. **Additional Investors to Participate in Exploration Program**

The Subscriber acknowledges that he is aware that the Company is and will be entering into agreements similar to this Agreement with other Subscribers to the Company's SMF and that funds received by the Company pursuant to the terms of such agreements shall also be deposited in the Exploration Account. The Subscriber further acknowledges that any interest accruing on the Exploration Account shall accrue solely to the benefit of the Company.

5. **Application of the Exploration Account**

The Company agrees to apply all funds deposited in the Exploration Account exclusively for the purpose of performing the Exploration Program and the Company agrees to apply such funds to incur expenditures (the "Exploration Expenditures") which qualify as CEE, within the meaning of sub-paragraph 66.1(6)(a)(iii) of the Act, other than "Canada Exploration and Development Overhead Expenses" as that term is defined for the purposes of paragraph 66(12.6)(b) of the Act.

6. **Schedule For Exploration Expenditures**

The Company agrees to use its best efforts to expend the Exploration Account in the manner described in Paragraph 5 on or before February 28, 1991 and, in the event that any balance remains in the Exploration Account at that date, such balance will be expended by the Company to fund Exploration Expenditures as soon as is practical in the circumstances, but in any event prior to the last day of the twenty-fourth month following the date of this Agreement (the "Termination Date").

7. Representations and Warranties of the Company

The Company represents and warrants to the Subscriber that:

- (a) the Company is a reporting company duly organized, validly existing and in good standing under the laws of the Province of British Columbia and has full corporate power to conduct its business as such business is now being conducted;
- (b) there are no claims, actions, suits, judgments, litigation or proceedings pending against or affecting the Company which will or may have a material adverse effect upon the Company, nor does it know or have any reasonable ground to know of any basis for any such claims, actions, suits, judgments, litigation or proceedings;
- (c) the entering into of this Agreement by the Company has been duly authorized by the Board of Directors of the Company;
- (d) it has the full power and authority to enter into and to perform this Agreement and to do all other acts which may be necessary to consummate the transactions contemplated in the Agreement;
- (e) it has an authorized capital of 300,000,000 shares consisting of 100,000,000 voting shares without par value, 100,000,000 Class "A" Preference non-voting shares with a par value of \$1.00 each and 100,000,000 Class "B" Preference non-voting shares with a par value of \$5.00 of which 1,433,859 common shares are issued and outstanding as fully paid and non-assessable, prior to the Offering described in the SMF;
- (f) the issue of shares will, at the time of their delivery, have been approved by all requisite corporate action and will, upon issue and delivery, be validly issued and outstanding as fully paid and non-assessable;
- (g) the Company has no reason to believe that the Exploration Account will not be expended on Exploration Expenditures on or before December 31, 1990.
- (h) subject to Paragraph 19, there will be no consent, approval, authorization, order or agreement of any other person, including, without limiting the generality of the foregoing, any securities commission

or similar authority in Canada, which may be required for the issuance of the shares and their delivery to the Subscriber, not obtained and not in effect on the date of delivery of the share certificates;

- (i) it is a "principal-business corporation" within the meaning prescribed by paragraph 66(15)(h) of the Act;
- (j) the shares issued under the terms of this Agreement will qualify as "flow-through shares" as described in paragraph 66(15)(d.1) of the Act; and
- (k) the Company will at all times deal with each Subscriber at arm's length.

8. Company to File Copy of Agreement with Revenue Canada

The Company will file, together with a copy of this Agreement, the prescribed form referred to in subsection 66(12.68) of the Act with the Minister of National Revenue on or before the last day of the month following the earlier of:

- (a) the month in which this Agreement is entered into; and
- (b) the month in which any "selling instrument", as that term is defined in paragraph 66(15)(h.1) of the Act, relating to this Agreement is first delivered to the Subscriber or other potential investor of the Company.

9. Company to Renounce Exploration Expenditures in Favour of Subscriber

The Company agrees within the period set out below and in accordance with the provisions of subsection 66(12.6) of the Act, to renounce in favour of the Subscriber (together with the other parties who have made contributions to the Exploration Account) the amount of Exploration Expenditures incurred by it under the Exploration Program during the period specified, less the amount of any assistance received, entitled to be received, or reasonably may be expected to be received by the Company that are related to the Exploration Expenditures:

No.	Date of Renunciation	Effective Date of Renunciation	Period for which Exploration Expenditures to be Renounced
1.	January 1, 1991 to January 31, 1991	December 31, 1990	Any and all Exploration Expenditures incurred from the date hereof to December 31, 1990

- | | | | |
|----|--|----------------------|--|
| 2. | March 1, 1991
to March 31
1991 | December
31, 1990 | Any and all Exploration
Expenditures incurred from
January 1, 1991 to March 1,
1991 |
| 3. | January 1, 1992
to January 31,
1992 | December
31, 1991 | Any and all Exploration
Expenditures incurred from
March 1, 1991 to December 31,
1991 |
| 4. | The Termination
date as defined
in paragraph 6
to 30 days
after the
termination | Termination
date | Any and all Exploration
Expenditures incurred after
December 31, 1991 and before
the termination date |

10. **Company to File Prescribed Form in
Respect of Renunciation**

The Company will file in respect of each Renunciation specified in Paragraph 9 on or before the last day of the month following the date of such Renunciation, an information return with the Minister of National Revenue in the form prescribed by subsection 66(12.7) of the Act.

11. **Allocation of Exploration Expenses**

For purposes of determining the extent to which the Subscriber's Contribution has been the subject of a Renunciation described in Paragraph 9, the total amount expended out of the Exploration Account on Exploration Expenditures will be allocated between the Subscriber and those other persons who have contributed to the Exploration Account on a basis pro rata to the amounts of their respective subscription contributions.

12. **No Renunciation to Third Parties**

The Company agrees not to renounce any Exploration Expenditures in respect of its Exploration Program in favour of any person other than the Subscriber and the other parties who have contributed to the Exploration Account.

13. **Company Not to Claim a Deduction in Respect
of the Exploration Expenditures**

The Company acknowledges that it has no right to claim any deduction for CEE or depletion of any sort in respect of the Exploration Expenditures and covenants not to claim any such deduction where preparing its tax returns from time to time.

14. Acknowledgement of No CEIP Entitlement

The parties hereto acknowledge that the Company will not be entitled to apply for or receive, on its own account or on behalf of the Subscriber, any grants under the Canadian Exploration Incentive Program Act in respect of the Exploration Expenditures to be incurred hereunder.

15. No Entitlement to Mining Exploration Depletion Allowance

The Subscribers acknowledge that they will not be entitled to claim any deduction for mining exploration depletion allowance under section 65 of the Act in respect of the Exploration Expenditures to be incurred hereunder.

16. Company to Maintain Accounts

The Company will maintain proper accounting books and records relating to the Exploration Expenditures, and during the currency of this Agreement.

17. No Dissemination of Confidential Information

The Company will be entitled to hold confidential all exploration and production information relating to any program on which any portion of the Subscribers' contribution is expended pursuant to this Agreement and it will not be obligated to make such information available to the Subscribers except in the manner and at such time as it makes any such information available to its shareholders.

18. Subscribers Not to Acquire any Interest in the Property

The Subscribers will not, as a result of the Company incurring any Exploration Expenditures associated with its Exploration Program or by reason of this Agreement, acquire any interest in or to the Property.

19. While it is the present intention of the Company to undertake the Exploration Program, the data and information acquired during the conduct of an exploration program may cause the Company to alter the initially proposed program of exploration and the Company expressly reserves the right to alter the Exploration Program on the advice of its technical staff or consultants and further reserves the right to substitute other exploration programs on which to expend part of the subscriber's Contribution provided such programs entail the incurrance of CEE as defined in subparagraph 66.1(6)(a)(iii) of the Act, should such change of program be deemed to be in the best interest of

the Company by its Board of Directors.

20. Execution of Additional Agreements

The Parties hereto each covenant and agree to execute and deliver such further agreements, documents and writings, and provide such further assurance as may be required by the parties to give effect to this Agreement, and without limiting the generality of the foregoing, to do all acts and things, execute and deliver all documents, agreements and writings, and provide such assurances, undertakings, information, pooling agreements and investment letters as may be required from time to time by all regulatory or governmental bodies or stock exchanges having jurisdiction over the Company's affairs or as may be required from time to time under the Act and the Regulations thereunder.

21. Force Majeure

If the Company is prevented or delayed from performing any of its obligations hereunder or from incurring Exploration Expenditures or in carrying out any programs contemplated hereby by reason of any Act of God, strike, labour dispute, lockout, threat of imminent strike, fire, flood, interruption or delay in transportation, war, insurrection or mob violence, requirements or regulation of government or statute, unavoidable casualties, shortage of labour, equipment or materials, plant breakdown or failure of operating equipment or any disabling cause without regard to the foregoing enumeration beyond its control or which cannot be overcome by the means normally employed in performance, then and in every such event, any such prevention or delay shall not constitute a breach of this Agreement but performance of any of the said obligations or requirements to incur Exploration Expenditures or to perform any such program shall be suspended during such period of disability and the period of all such delays resulting from any such causes shall be excluded in computing the time within which anything required to be permitted by the Company is to be done hereunder, it being understood that the time within which anything is to be done, or made pursuant hereto, shall be extended by the total of all such delays.

22. Notices

Any notice given under this Agreement shall be deemed to be well and sufficiently given if delivered when delivered or two days after it is deposited in a postal box in Canada as registered or certified mail, postage prepaid, addressed as follows:

If to a Subscriber:

To his address as stated to the Company by the

Subscriber (or his fiscal agent, as the case may be) at the time of the issuance of flow-through shares to the Subscriber;

If to the Company:

To the address of its registered and records office in British Columbia from time to time;

Provided that any Subscriber may, by notice so given to the Company from time to time, change his address for further notice hereunder.

23. Incorporation and Binding Effect

This Agreement sets out the terms and conditions which apply to the contracts of subscription made between the Subscribers and the Company for flow-through shares to be issued pursuant to the Company's SMF, and it is binding upon each Subscriber and upon the Company as of the day and year first above written.

24. Governing Law

This Agreement shall be deemed to have been made in the Province of British Columbia and shall be construed in accordance with the laws of that Province.

25. Time of the Essence

Time is of the essence in this Agreement.

26. Interpretation

Whenever the singular and neuter are used throughout this Agreement, the same shall be construed as meaning the plural or the feminine or masculine or a body corporate where the context of the parties so require.

27. Entire Agreement

This Agreement supercedes all prior negotiations between the parties with respect to the matters herein referred to and contains the entire agreement between the parties hereto and may be modified only by an instrument in writing signed by the party against whom modification is asserted.

28. This Agreement shall ensure to the benefit of and be binding upon the parties hereto and each of their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

SIGNED, SEALED AND DELIVERED BY)

in the presence of:)

_____)
_____)

WITNESS

SOCIAL INSURANCE NUMBER

THE COMMON SEAL OF CONSOLIDATED)
SAMARKAND RESOURCES INC., was)
hereunto affixed in the)
presence of:)

_____)
AUTHORIZED SIGNATORY

c/s

SCHEDULE "B"

POWER OF ATTORNEY

TO: CONSOLIDATED SAMARKAND RESOURCES INC.
840 - 650 West Georgia Street
Vancouver, British Columbia

(the "Company")

RE: Flow-Through subscription agreement ("Flow-Through Agreement") and participation in the flow-through Offering pursuant to the Company's Statement of Material Facts dated August 8, 1990, (the "SMF")

The undersigned investor hereby irrevocably nominates, constitutes and appoints the President or the Secretary of the Company (the "Attorney"), with full power of subscription, as his agent and true and lawful Attorney to act on behalf of the undersigned with full power and authority in his name, place and stead to execute, acknowledge, date, deliver, file and record as and where the Attorney considers it appropriate, the Flow-Through Agreement in the form which accompanies the SMF as Schedule "A" thereto, and any amendment, change or modification of that Agreement, subject to the terms of the Flow-Through Agreement.

The undersigned agrees to be bound by any representation and action of the Attorney made or taken in conformity with this Power of Attorney. This Power of Attorney shall be irrevocable and shall bind the undersigned, his heirs, executors, administrators, successors and assigns, as the case may be, notwithstanding the death, incapacity or bankruptcy of the undersigned.

The Attorney shall have the power to execute the Flow-Through Agreement in the name of the undersigned pursuant to this Power of Attorney by affixing his signature thereto with the indication that the Attorney is acting on behalf of the undersigned.

DATED this _____ day of _____, 1990.

THIS POWER OF ATTORNEY MUST BE DULY EXECUTED AND RETURNED BY THE UNDERSIGNED TO THE AGENT OR SELLING PARTICIPANT WITHIN 28 DAYS OF THE OFFERING DAY OR THE UNDERSIGNED WILL NOT BE ENTITLED TO RECEIVE ANY "FLOW THROUGH" TAX TREATMENT FOR HIS SUBSCRIPTION.

If the Undersigned is an individual:

SIGNED, SEALED AND DELIVERED)
by the Undersigned in the)
presence of:)
)

_____)
SIGNATURE)

_____)
NAME OF WITNESS)

_____)
ADDRESS)

_____)
OCCUPATION)

_____)
SIGNATURE OF UNDERSIGNED

_____)
NAME OF UNDERSIGNED
(PLEASE PRINT)

_____)
RESIDENT ADDRESS

_____)


_____)

11.(1) CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

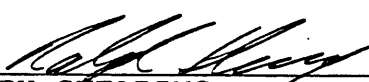
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

DATE: AUGUST 8, 1990

CONSOLIDATED SAMARKAND RESOURCES INC.

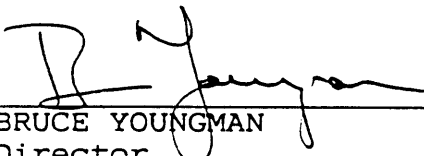


RALPH SHEARING
Chief Executive Officer




RALPH SHEARING
Chief Financial Officer

ON BEHALF OF THE
BOARD OF DIRECTORS




BRUCE YOUNGMAN
Director



GARY E. POWELL
Director

THE PROMOTER



RALPH SHEARING
Promoter

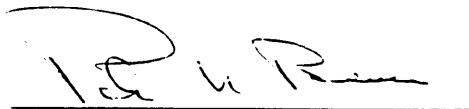
11.(2) CERTIFICATE OF THE AGENTS:

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.

DATE: AUGUST 8, 1990

L.O.M. WESTERN SECURITIES LTD.

Per:



BRINK, HUDSON & LEFEVER LTD.

Per:

