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THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENSE.

NEW ISSUE

PROSPECTUS
AUGUST 15, 1987

D.L.
PROPERTY FILE ✓
104K/11 8/14

BASABA ENTERPRISES INC.

(HEREINAFTER CALLED THE "ISSUER")
600 - 890 WEST PENDER ST.
VANCOUVER, BRITISH COLUMBIA

MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES
Rec'd NOV 15 1987
SMITHERS, B.C.

PUBLIC OFFERING

800,000 COMMON SHARES AT \$0.35 PER SHARE
(MINIMUM SUBSCRIPTION - 500,000 SHARES)

<u>SHARES</u>	<u>PRICE TO PUBLIC</u>	<u>COMMISSION</u>	<u>NET PROCEEDS TO BE RECEIVED BY THE ISSUER</u>
PER SHARE	\$0.35	\$0.05	\$0.30
TOTAL (MAX.)	\$280,000	\$40,000	\$240,000
TOTAL (MIN.)	\$175,000	\$25,000	\$150,000

* BEFORE DEDUCTION OF THE COSTS OF THE ISSUE ESTIMATED TO BE \$15,000.

THERE IS NO MARKET FOR THE SECURITIES OF THE ISSUER.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. SEE ALSO PARAGRAPH ENTITLED "RISK FACTORS".

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE ISSUER.

UPON COMPLETION OF THE MAXIMUM OFFERING THIS ISSUE WILL REPRESENT 37.80% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 40.17% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENTS. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENTS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO THE HEADING "DIRECTORS AND OFFICERS" FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THE VANCOUVER STOCK EXCHANGE (THE "EXCHANGE") HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE EXCHANGE ON OR BEFORE MARCH 21, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NAME AND ADDRESS OF AGENTS

C.M. OLIVER & COMPANY LIMITED
2ND FLOOR, 750 WEST PENDER STREET,
VANCOUVER, BRITISH COLUMBIA,
V6C 1B5

EFFECTIVE DATE: SEPTEMBER 23, 1987

Mineral exploration and development involves a high degree of risk. The marketability of minerals which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of mineral markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, 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. The existence of title opinion should not be construed to suggest that the Issuer has good and marketable title to the property described in this Prospectus. The Issuer follows the usual industry practice in obtaining title opinions with respect to its lands.

BUSINESS OF THE ISSUER

The principal business of the Issuer is the acquisition and development of mineral properties of merit and in particular the properties described below. The Issuer intends to seek and acquire additional resource properties worthy of exploration and development.

PROPERTIES OF THE ISSUER

KAP CLAIMS

ATLIN MINING DISTRICT

BRITISH COLUMBIA

LOCATION AND ACCESS

Pursuant to an agreement dated June 1, 1986, between the Issuer and Darrell Krell (the "Vendor") of #7-6680 Sussex Avenue, Burnaby, British Columbia, the Issuer acquired the KAP #1 and KAP #2 claims located in the Atlin Mining Division (the "Property"), in the Province of British Columbia, for a selling price of \$50,000.00 and the issuance of 200,000 shares of the Issuer upon the completion of certain criteria. The purchase price of \$50,000 represents the vendor's costs in acquiring the Property from Skukum Gold Inc..

The Property is more particularly described as:

<u>NAME OF CLAIM</u>	<u>NO. OF UNITS</u>	<u>RECORD NO.</u>	<u>EXPIRY DATE</u>
KAP #1	18	2614	May 12/90
KAP #2	18	2615	May 12/90

The 200,000 shares to be issued as part of the purchase price will be issued as follows:

- (a) 50,000 shares upon approval of the Agreement by the Exchange;
- (b) 50,000 shares upon completion of the first phase of a work program on the Property recommended by a qualified engineer or geologist and the filing of a report on the results acceptable to the Exchange;
- (c) 50,000 shares upon completion of the second phase of a work program on the Property recommended by a qualified engineer or geologist and the filing of a report on the results acceptable to the Exchange; and
- (d) 50,000 shares upon completion of the third phase of a work program on the Property recommended by a qualified engineer or geologist and the filing of a report on the results acceptable to the Exchange.

Some of the directors, officers or insiders of the Issuer or companies with which they are associated may acquire an interest in properties contiguous to the Issuer's properties or in which the Issuer has an interest. To date, no directors, officers or insiders of the Issuer or such associated companies hold any such interest.

The KAP #1 and KAP #2 mineral claims are located in the Atlin Mining Division of northwestern British Columbia. The Property is situated within the river bottom of the Taku River and extend eastward over the steep westward slopes of King Salmon Mountain. Access to the claims is via Atlin by helicopter.

PRIOR EXPLORATION WORK

History - current field work found old claim posts estimated to be 40 years old in the prospect area. More recent posts with legible markings show that the area was staked in 1973 by G. Bacon.

The Property was subsequently re-staked in 1980 by Omni Resources Inc. during an intensive regional exploration program. Following preliminary prospecting, Omni completed several core holes, one of which encountered a 6.1 meter intercept grading Ag 1.69 oz/t, Au 0.024 oz/t, Pb 0.84%, Zn 1.08%, and Cu 0.06%. In all, total expenditures by Omni amounted to some \$170,000.00. The Omni claims were allowed to lapse, and were subsequently re-staked and eventually acquired by the Issuer.

CURRENT EXPLORATION WORK

In June of 1986 the Issuer commissioned Herb Wahl, P.Eng., to examine and prepare a report on the KAP #1 and KAP #2 claims. This report was based on a field examination and a study of available literature assessment and government reports.

The Issuer completed pre-drilling fieldwork at a cost of \$24,054. The significant results of this phase are:

- (1) identification of banded stratiform sulphide lenses with Cu Pb Zn As Ag Au metal signature. While surface mineralization is not particularly impressive, its association with a probable former volcanogenic hot springs environment may be a signature of larger, better mineralized zones under cover and at depth.
- (2) the I.P. survey has screened, refined and in some cases eliminated from consideration conductors detected by the preceding pulse EM survey. Strongly conductive zones have been outlined, associated with low resistivities having chargeability values in excess of 60 Msecs. The ultimate significance of the I.P. conductors, whether due to graphite, barren sulphides, commercial sulphides or some combination of the foregoing, can only be determined by drilling.

Rock samples were taken from the Property and the highest gold assays were found to be 14,800 ppb or 0.446 ounces per ton by fire assay and 3,350 ppb or 0.092 ounces per ton by fire assay.

RECOMMENDATIONS

Further work is recommended by Herb Wahl, P.Eng., in his report dated June 30, 1986. In his report he outlines a two phase work program:

Phase I

Contract coring, 1574 ft. @ \$40/ft.	\$ 63,000
Charter flying, 30 hrs. @ \$550/hr.	16,500
Mobilization and de-mobilization	2,000
Drill pad preparation	5,000
Assaying	6,000
Geological supervision	5,000
Reporting	<u>2,500</u>
Total Phase I	<u>\$100,000</u>

Phase II

Allowance for additional surface exploration	\$ 50,000
Additional 4,000 feet of drilling at all inclusive cost of \$60/ft.	<u>240,000</u>
Total Phase II	<u>\$290,000</u>

Phase II is contingent upon the results of the Phase I program.

The Issuer intends to expend \$100,000 on phase I of this work program.

None of the directors or officers of the Issuer have an interest in mineral properties in the area.

For further information please see the report of Herb Wahl, P.Eng., dated June 30, 1986 attached to this Prospectus.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the sale of all the securities being offered will be the sum of \$240,000, and together with cash on hand as of May 31, 1987 of \$59,335 amount to an aggregate net proceeds of \$299,335

The principal purposes for which the aggregate net proceeds of \$299,335 are to be spent and in order of priority are as follows:

	<u>Minimum</u>	<u>Maximum</u>
A. To pay the costs of this issue	\$ 15,000	\$ 15,000
B. provisions for Vancouver Stock Exchange Developing Board Listing Fee	\$ 3,250	\$ 3,250
C. to pay current accounts payable and accrued liabilities including management fees accruing during the Offering Period	\$ 36,994	\$ 36,994
D. costs of the phase I of the work program recommended on the Kap Claims recommended by Herb Wahl, P.Eng., in his report dated June 30, 1986	\$ 100,000	\$100,000
E. provisions for working capital and general corporate purposes	<u>\$ 54,091</u>	<u>\$144,091</u>
	<u>\$ 209,335</u>	<u>\$299,335</u>

RESULTS OF PRELIMINARY 1986 EXPLORATION WORK

KAP #1 and KAP #2 MINERAL CLAIMS

ATLIN MINING DISTRICT, BRITISH COLUMBIA

NTS 104K-11,14 Latitude 58°46', Longitude 133°18'

For

BASABA ENTERPRISES INC.

#3200 - 1055 DUNSMUIR STREET

VANCOUVER, B.C. V7X 1P2

Prepared by:

Herb Wahl, P.Eng., BC
June 30, 1986

Revised: January 9, 1987

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- Figure 2 Claim Location Map
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- Figure 2A Geological Location Map
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- Figure 3 KAP Project, Geology and Sample Location Map
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- Figure 4 KAP Project, Geological x-section Line 0,
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- Figure 5 KAP Claim Group, Induced
 Polarization Survey Plan, Scale 1:2,500 (reduced)
- Figure 6 Induced Polarization Pseudo Section Line 1+50W,
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- Figure 7 Induced Polarization Pseudo Section Line 1+00W,
 Scale 1:1,000 (reduced)

APPENDICES

- Appendix 1 Information Letter dated 3. June 1986
 by Aurum Geological Consultants Inc.
- Appendix 2 Rock Sample Location and Description Record
 by Aurum Geological Consultants Inc.
- Appendix 3 Assay Certificates, Acme Analytical Laboratories Ltd.
- Appendix 4 Letter of Endorsement by Harman J. Keyser
- Appendix 5 Geophysical Report: David G. Mark

SUMMARY

This report documents the results of recently completed field work in the KAP Mineral Claims situated along the east side of the Taku River near Tulsequah, B.C., within the Atlin Mining Division. This area is the site of former mining operations that include the Big Bull and Tulsequah Chief mines that cumulatively produced 1,029,089 st, with recovered metal grades of 0.09 opt Au, 3.30 opt Ag, 1.32% Cu, 1.30% Pb, 6.05% Zn, and 0.02% Cd during the period 1951-1957.

The Polaris Taku mine, also in the same general area, produced (1937-1951) 719,336 st of ore with a recovered grade of 0.31 opt Au based upon gold at US \$35.00/oz.

The geological, geochemical, and geophysical surveys were performed under contract to Basaba Enterprises Inc. and conform generally to recommendations in the author's report of 20 May 1986.

The KAP prospect is located within Triassic Stuhini volcanogenic stratigraphy. Discontinuous sulphide lenses are found within a metal-rich sequence of tuffs, tuff-breccia, sandstones, shales, and argillites. The richer sulphide layers carry sub-commercial values in Cu, Pb, Zn, Ag, and Au. The entire sequence of pyritic volcanic-derived sediments carries a fairly strong arsenic overprint and is further characterized by numerous acid dikes, and silica, argillic, and carbonate alternation. This sequence appears to form the east limb of a northwesterly fold. The best assays recorded from 1986 surface sampling were 0.446 opt from rusty float on a scree slope on line 0, and 0.09 opt from a grab sample of in-place fine-grained grey sulphides also on Line 0.

Peek-hole drilling in 1980 by earlier operators cut a 6.1 meter massive sulphide intercept grading Ag 1.69 opt, Au 0.024 opt, Pb 0.84%, Zn 1.08%, and Cu 0.06% some 90 meters vertically below surface. This hole, in retrospect, was drilled in close parallelism with the stratigraphic dip.

In summary, all information to date indicates a metal-rich former volcanic hot springs site favourable for precious metals-massive sulphide deposition, and possibly vein-type or disseminated gold potential based upon more recent surface sampling results (1986).

The I.P. survey has considerably enhanced the property potential as a strong conductor zone was detected on strike with the known mineralization and at depth. The survey further revealed that overburden increases dramatically west of the base-of-slope, thus a number of previously detected EM conductors have no bedrock significance. A 4-hole diamond drilling program is proposed to test the I.P. conductor zones and cross-section the sulphide bearing stratigraphy. Costs of the first phase 1,574-foot drill program are estimated at \$100,000.

INTRODUCTION

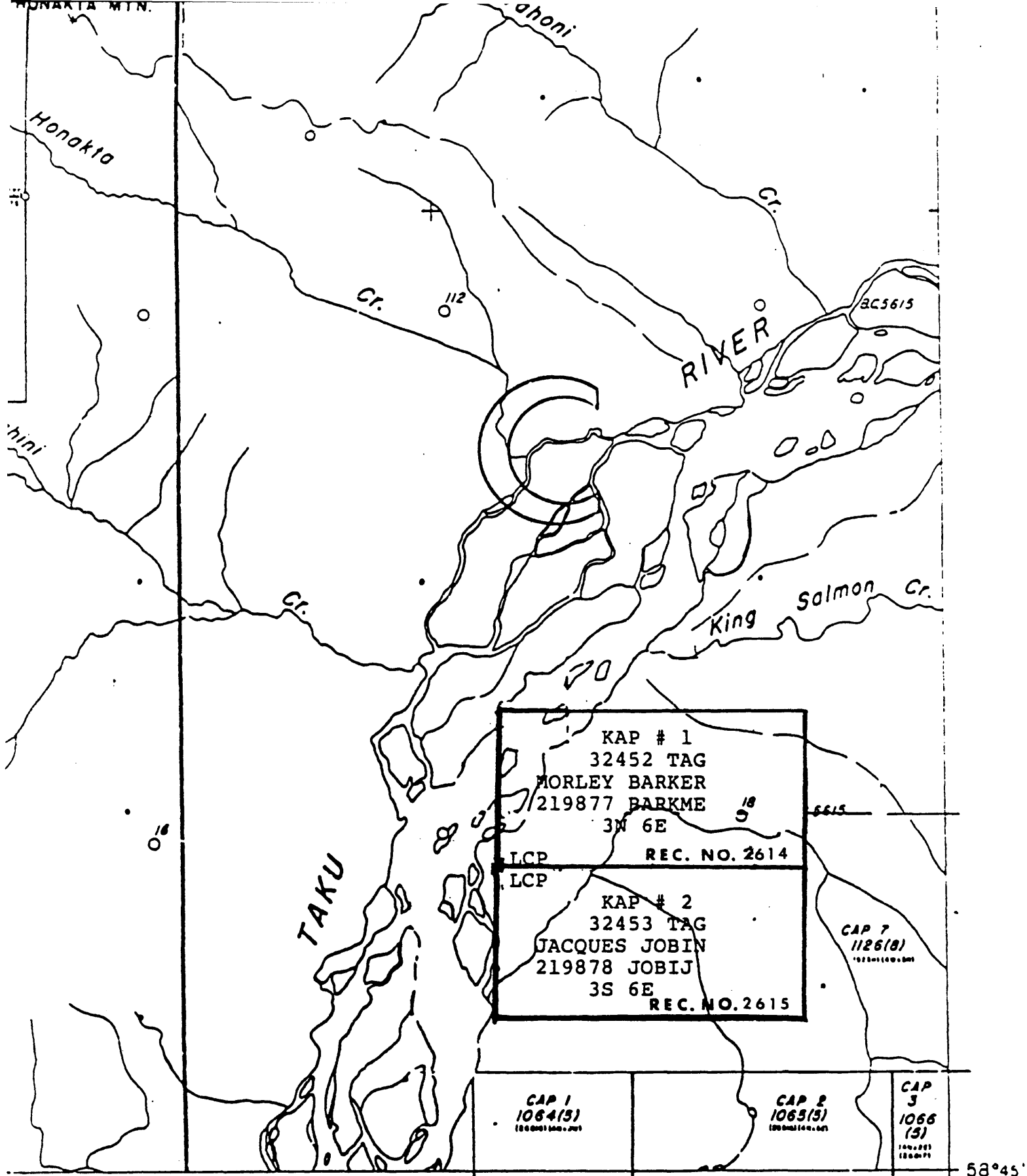
This report is prepared at the request of Basaba Enterprises Inc. and documents the results of field work conducted during the period 25 May - 3 June 1986 inclusive on the subject property. The completed program including reconnaissance geological work, geochemistry, and induced polarization survey conform generally to the recommendations of the author's earlier report of 20 May 1986.

Geological field work was performed by Aurum Geological Consultants Inc., while the I.P. Survey was conducted by Geotronics Surveys Ltd. Assays of collected samples were performed by Acme Analytical Laboratories Ltd. of Vancouver, B.C.

The Basaba prospect is a potential massive sulphide zone with a gold-silver overprint. Information covered in the earlier 20 May evaluation report will not be reiterated, except where necessary to maintain the cohesiveness of this review.

While the writer has not been physically present on the property of Basaba Enterprises Inc., he has conducted field work on the Red Cap sub-volcanic mineral zone located 4 kilometers south-southeast of the KAP claims, and has prepared an earlier evaluation report on the KAP/Goldcap prospect for Omni Resources Inc. dated January, 1983.

In compliance with listing regulations, this report has been presented to Mr. Harmen J. Keyser, Geologist with Aurum Geological Consultants Inc. for his review and comment. Mr. Keyser conducted the geological-geochemical portion of the field work reported herein. Mr. Keyser's "letter of endorsement" is included with this report.



KAP # 1
 32452 TAG
 MORLEY BARKER
 219877 BARKME
 3N 6E
 LCP REC. NO. 2614

LCP
 KAP # 2
 32453 TAG
 JACQUES JOBIN
 219878 JOBIJ
 3S 6E
 REC. NO. 2615

CAP 1
 1064(5)
 10000100.001

CAP 2
 1065(5)
 10000100.001

CAP 3
 1066
 (5)
 10000100.001

FIG. 2

LOCATION (Figures 1 and 2)

The KAP#1 and KAP#2 Mineral Claims are located in the Atlin Mining Division of northwestern B.C. The claims are situated within the river bottom of the Taku River and extend eastward over the steep westward slopes of King Salmon Mountain. There is a strong contrast in elevation, ranging from 150 feet ASL in the river valley to a peak elevation of over 4,000 feet ASL. The main focus of mineralization at present, is located at the break of slope in the lower elevation area. This site is 18.5 km N40°E of the former producing operations of Cominco Ltd. at Tulsequah.

ACCESS

Access from British Columbia is via Atlin by helicopter to the prospect.

PROPERTY (Figure 2)

The KAP Claims consist of 36 units in total. Specific details are:

<u>Name</u>	<u>Tag No.</u>	<u>Record No.</u>	<u>Units</u>	<u>Record Date</u>
KAP#1	32452	2614	18	12 May 1986
KAP#2	32453	2615	18	12 May 1986

An annual expenditure of \$100/unit is required to maintain the claims in good standing for the first three years of tenure. Thereafter, the annual assessment requirement increases to \$200/unit. No warranty of title is either given or implied in this report.



1. Polaris Taku Mine
2. Tulsequah Chief Mine
3. Big Bull Mine
4. Kap Claims

KAP MINERAL CLAIMS
 GEOLOGICAL LOCATION MAP
 FROM GSC MAP 1262A, 1971
 SCALE: 1:250,000

Figure 2A

Lithologies

Symbols

CENOZOIC	QUATERNARY PLEISTOCENE AND RECENT	
	19	Fluvialite gravel, sand, silt; glacial outwash, till, alpine moraine and undifferentiated colluvium; 19a, landslides
	TERTIARY AND QUATERNARY LATE TERTIARY AND PLEISTOCENE LEVEL MOUNTAIN GROUP	
	18	Basalt, olivine basalt, related pyroclastic rocks; in part younger than some of 19
	17	HEART PEAKS FORMATION: rusty-weathering trachyte and rhyolite flows, pyroclastic rocks, and related intrusions
	CRETACEOUS AND TERTIARY LATE CRETACEOUS AND EARLY TERTIARY SLOKO GROUP	
	14	Light green, purple and white rhyolite, dacite, and trachyte flows, pyroclastic rocks, and derived sediments
	15, 16	Probably genetically related to 14; 15. Felsite, quartz-feldspar porphyry; 16. Medium- to coarse-grained, pink, biotite-hornblende quartz monzonite
	PRE-UPPER CRETACEOUS	
	13	CENTRAL PLUTONIC COMPLEX: granodiorite, quartz diorite; minor diorite, leuco-granite, migmatite and gneiss; age and relationship to 12 uncertain
JURASSIC AND/OR CRETACEOUS POST MIDDLE JURASSIC		
12	12a, hornblende-biotite granodiorite; 12b, biotite-hornblende quartz diorite; 12c, hornblende diorite; 12d, augite diorite. Age and relationship to 13 uncertain	
JURASSIC LOWER AND MIDDLE JURASSIC LABERGE GROUP (10, 11)		
11	TAKWAHONI FORMATION: granite-boulder conglomerate, chert-pebble conglomerate, greywacke, quartzose sandstone, siltstone, shale	
10	INKLIN FORMATION: well bedded greywacke, graded siltstone and silty sandstone, pebbly mudstone, limy pebble conglomerate; 10a, limestone	
MESOZOIC	TRIASSIC UPPER TRIASSIC	
	9	SINWA FORMATION: limestone, minor sandstone, argillite, chert
	TUMBLE GROUP (7, 8)	
	7, 8	7. Mainly volcanic rocks; andesite and basalt flows, pillow lava, volcanic breccia and agglomerate, lapilli tuff; minor volcanic sandstone, greywacke, and siltstone 8. KING SALMON FORMATION: thick bedded, dark greywacke, conglomerate, mudstone, siltstone, and shale; minor andesitic lava, volcanic breccia, tuff, limestone, limy shale; locally enclosed in 7
	LOWER OR MIDDLE TRIASSIC (?)	
	6	Fine- to medium-grained, strongly foliated diorite, quartz diorite; and minor granodiorite; age uncertain
	TRIASSIC AND EARLIER PRE-UPPER TRIASSIC	
	4	Fine-grained, clastic sediments and intercalated volcanic rocks, largely altered to greenstone and phyllite; chert, jasper, greywacke, limestone; 4a, mainly chert, slate, argillite; minor greenstone; 4b, mainly greenstone; 4c, limestone, may include some 1
	Quartz-sillite-amphibole gneiss; quartz-biotite schist, garnetiferous schist, augen gneiss, tremolite marble; mainly metamorphosed equivalents of 3 and 4, may be in part older than 3	
	PERMIAN	
3	Chiefly limestone and dolomitic limestone; minor chert, argillite, sandy limestone	
PERMIAN (?)		
1, 2	May not all be of the same age 1. Peridotite, serpentite, small irregular bodies of gabbro and pyroxene diorite 2. Fine- to medium-grained gabbro and pyroxene diorite	
A Diorite gneiss, amphibolite, migmatite; age unknown		

Geological boundary (defined, approximate, assumed)	
Bedding, tops known (horizontal, inclined, vertical, overturned)	
Bedding, tops unknown (inclined)	
Primary flow structures in igneous rocks (inclined, vertical)	
Schistosity, gneissosity (inclined, vertical)	
Lineation (inclined)	
Trend of complexly folded beds	
Fault (defined, approximate, assumed)	
Thrust fault (defined, assumed)	
Major dyke swarm	
Anticline (arrow indicates plunge)	
Syncline	
Zone of hydrothermal alteration, silicification and pyritization	
Fossil locality	
Landslide scar	
Self-dumping ice-dammed lake	
Mineral occurrence	
Mineral property	

MINERALS
(Lode occurrences only)

Antimony	Sb	Molybdenum	Mo
Asbestos	asb	Nickel	Ni
Copper	Cu	Silver	Ag
Gold	Au	Zinc	Zn
Lead	Pb		

INDEX TO MINERAL PROPERTIES

1. Polaris Taku	8. Bing
2. Tulaquah Chief	9. FAE
3. Big Bull	10. Nan
4. Ericksen-Ashby	11. Elaine
5. Red Cap	12. Surveyor
6. B.W.M.	13. Council
7. Thorn	14. Baker

Geology by J.G. Souther 1958, 1959, 1960

Geological cartography by the Geological Survey of Canada, 1968

Road, dry weather	
Trail	
Building	
Horizontal control point	
Boundary monument	
International boundary	
Intermittent stream	
Alkali flat	
Marsh	
Contours (interval 500 feet)	
Sand	
Glacier	
Height in feet above mean sea-level	

LEGEND FOR FIGURE 2A. Adapted from Souther, 1971.

HISTORY

Current field work found old claim posts estimated to be 40 years old in the prospect area. More recent posts with legible markings show that the area was staked in 1973 by G. Bacon.

The property was subsequently re-staked in 1980 by Omni Resources Inc. during an intensive regional exploration program. Following preliminary prospecting, Omni completed several core holes, one of which encountered a 6.1 meter intercept grading Ag 1.69 oz/t, Au 0.024 oz/t, Pb 0.84%, Zn 1.08%, and Cu 0.06%. In all, total expenditures by Omni amounted to some \$170,000. Omni carried out a pulse Em Survey (White, 1983). The Omni claims were allowed to lapse, and were subsequently re-staked by Basaba Enterprises Inc.

RESULTS OF CURRENT WORK

GEOLOGY (Figures 3 and 4)

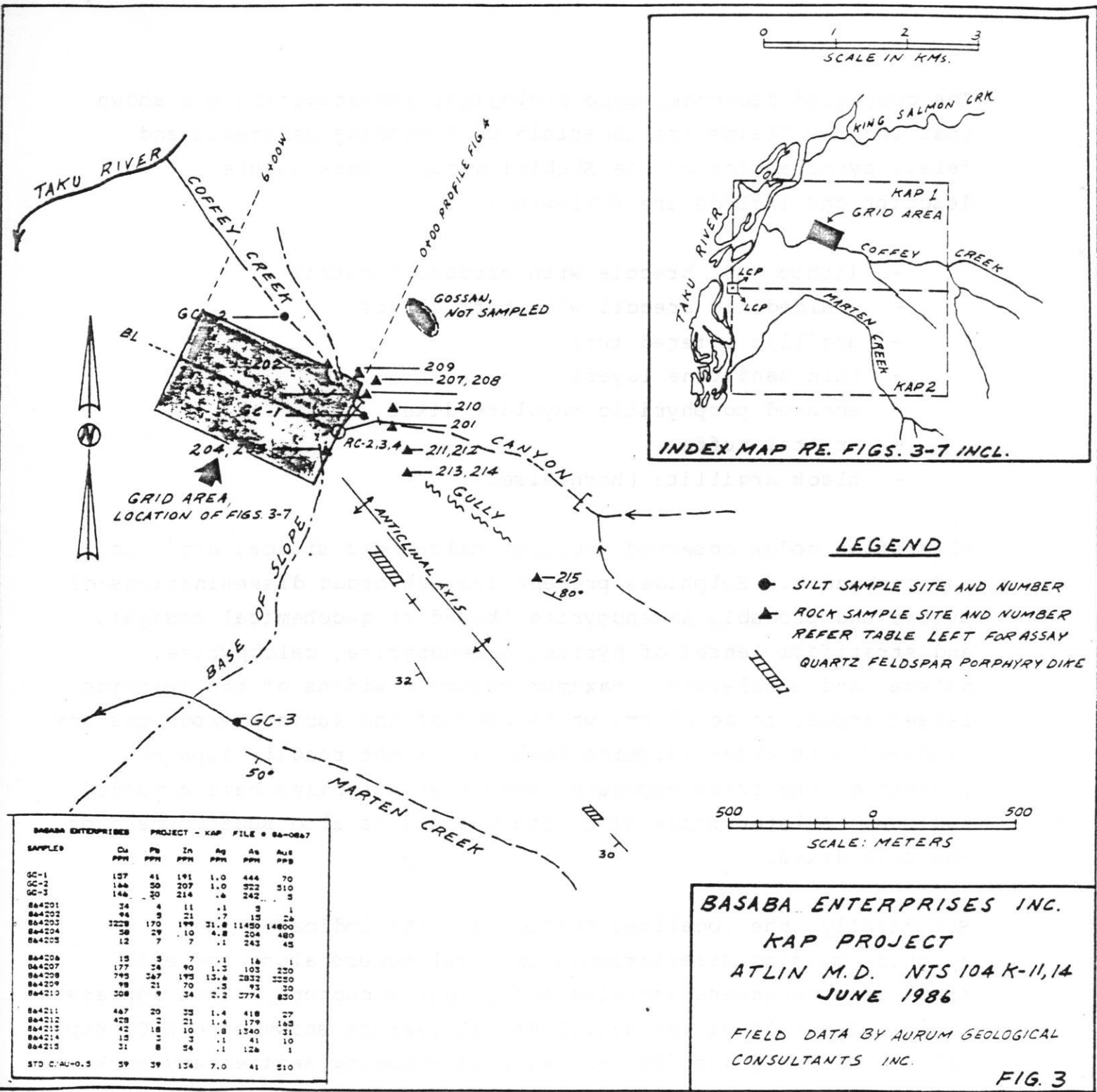
Regionally, the area is largely a Triassic-Jurassic island-arc assemblage of volcanics and volcanic-derived sediments, super-imposed on an older Paleozoic basement complex. The layered Mesozoic rocks are bounded to the east by the Atlin horst, and on the west by the Coast Plutonic Complex. The most favourable unit for mineralization and the host formation for numerous prospects is the Triassic Stuhini group (Units 7 and 8 on Figure 2A). The massive sulphide deposits of the Tulsequah camp are found within this unit accompanied by shearing and quartz (silica)-carbonate alteration.

The completed reconnaissance geological investigation has shown that the KAP Claims are underlain by submarine sediments and felsic pyroclastics of the Stuhini group. Rock sample descriptions include the following:

- lithic tuff breccia with carbonate matrix
- chalcedonic breccia with tuff clasts
- argillic altered tuff
- thin sandstone layers
- sheared porphyritic rhyolite dikes
- crystal tuffs
- black argillite (hornfelsed)

Alteration modes observed include chalcedonic silica, argillic, and carbonate. Sulphides present include broad disseminations of pyrite and probably arsenopyrite (based on geochemical assays), and stratiform lenses of pyrite, arsenopyrite, calcopyrite, galena, and sphalerite. Maximum observed widths of the sulphide lenses appear to be 20 cm, while many of the surface exposures are oxidized with exact sulphide composition not readily apparent. Certain of the fresh exposures show that sulphides have a banded texture. A later stage of quartz veining is also superimposed on the acid dikes.

Structurally, the localized geological data indicates the sulphide-bearing stratigraphic interval occurs along the east flank of a northwest striking anticlinal structure. This appears to be a sub-fold of the anticlinorial feature shown on G.S.C. Map 1262A. Easterly dips for the sulphide-bearing sedimentary package are also indicated by the I.P. Survey. It is thus concluded that original drilling in holes RC-2, 3, and 4 was largely down-dip or at a very flat angle to stratigraphy.



GRID AREA
LOCATION OF FIGS. 3-7

LEGEND

- SILT SAMPLE SITE AND NUMBER
- ▲ ROCK SAMPLE SITE AND NUMBER
REFER TABLE LEFT FOR ASSAY
- ▨ QUARTZ FELDSPAR PORPHYRY DIKE

BASABA ENTERPRISES PROJECT - KAP FILE # 86-08a7

SAMPLED	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au PPM
GC-1	137	41	191	1.0	444	70
GC-2	166	50	207	1.0	322	510
GC-3	146	30	214	.6	242	3
864201	34	4	11	.1	3	1
864202	94	9	21	.7	13	26
864203	3228	170	199	31.8	11450	14800
864204	58	29	10	4.8	204	480
864205	12	7	7	.1	243	45
864206	15	3	7	.1	16	1
864207	177	36	90	1.3	103	230
864208	795	267	193	13.6	2832	3250
864209	98	21	70	.3	93	30
864210	308	9	34	2.2	3774	830
864211	467	20	33	1.4	418	27
864212	428	12	21	1.4	179	163
864213	42	18	10	.8	1340	31
864214	13	7	3	.1	41	10
864215	31	8	54	.1	126	1
STD C/AU-0.3	59	39	134	7.0	41	210

BASABA ENTERPRISES INC.
KAP PROJECT
 ATLIN M.D. NTS 104 K-11, 14
 JUNE 1986

FIELD DATA BY AURUM GEOLOGICAL
 CONSULTANTS INC.

FIG. 3

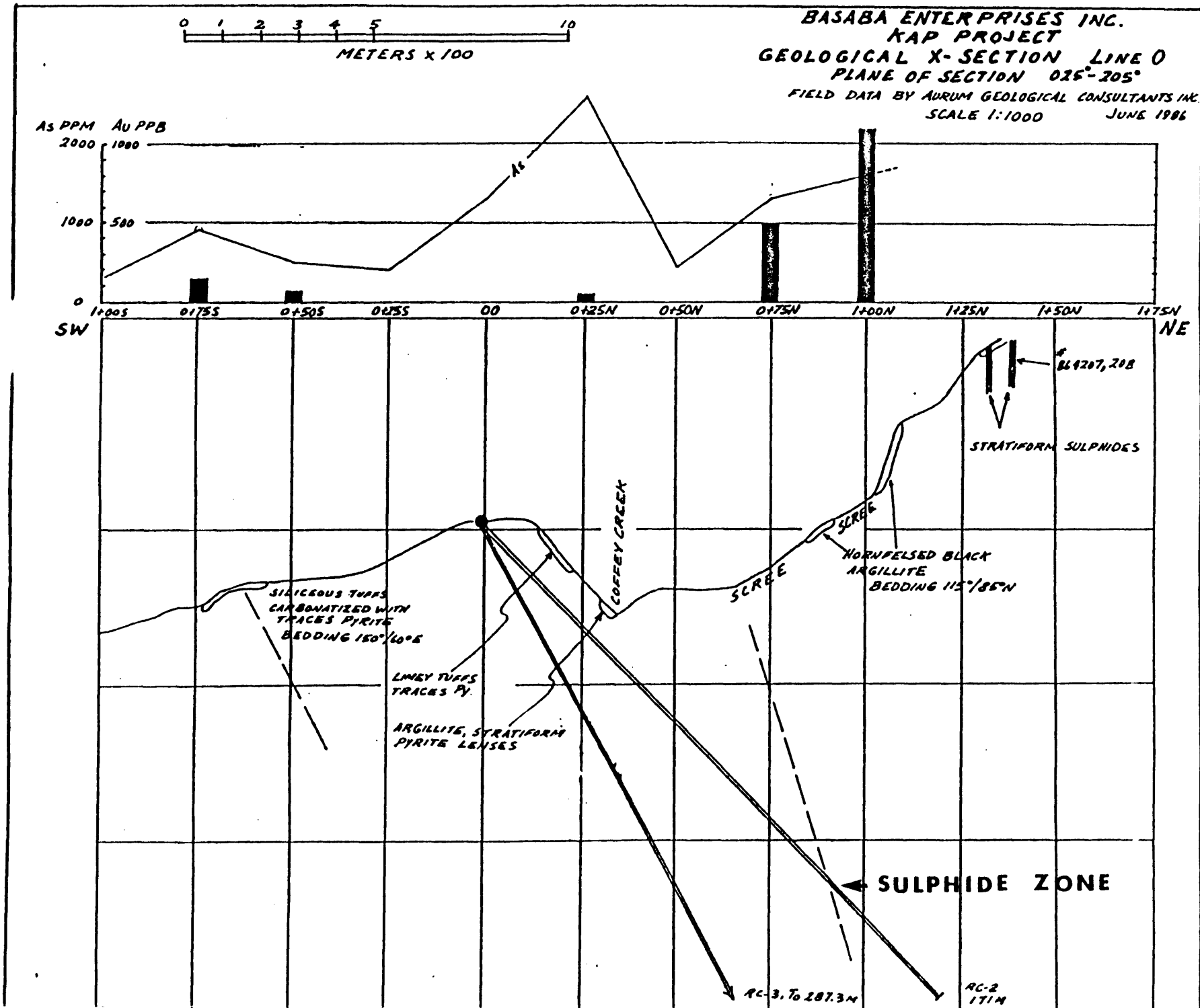


FIG. 4

The presence of a major fault zone that trends northwesterly is also indicated by a debris-filled gully whose alignment passes approximately through the collar of RC-2; the southeast extension of this feature is manifested in a photo-linear.

In summary, geological observations point to a distal volcanic environment with shallow basin sedimentation close to a volcanic source. The chalcedonic silica and banded sulphides likely indicate an episodic hot springs or vent environment with periodic pulses of sulphide-rich hydrothermal solutions charged with base and precious metals.

GEOCHEMISTRY AND ASSAYS (Figures 3, 4 and Appendix 3)

Soil sampling was conducted along line 0, 0+75W, 1W, 1+50W and 2W. Results for line 0 were plotted in profile on fig. 4. Results for the remaining lines were not plotted for two reasons. Firstly, inspection of the data indicates an anomalous but rather uniform range of values for Cu, Pb, Zn, and silver. Values for the base metals Cu and Zn rarely exceed 200 ppm. Silver shows no obvious anomalous trends, however, gold shows some sub-anomalous trends with local spikes that reach a maximum value of 1,600 ppb. Secondly, the I.P. Survey indicates a fair amount of overburden, which is largely transported, thus the meaning of surface geochemical data is conjectural.

The sectional plot for L0 shows a fairly high gold maxima between 0+75N and 1+00N from source slopes below an exposure of stratiform sulphides showing elevated gold values, i.e. 207 - 230 ppb. Of more general interest is the broad halo of anomalous arsenic values that embrace the sulphide bearing sedimentary package. The strong arsenic overprint plus scattered but anomalous gold values indicate potential for stratiform disseminated gold zones.

The highest rock sample assays for Au were as follows:

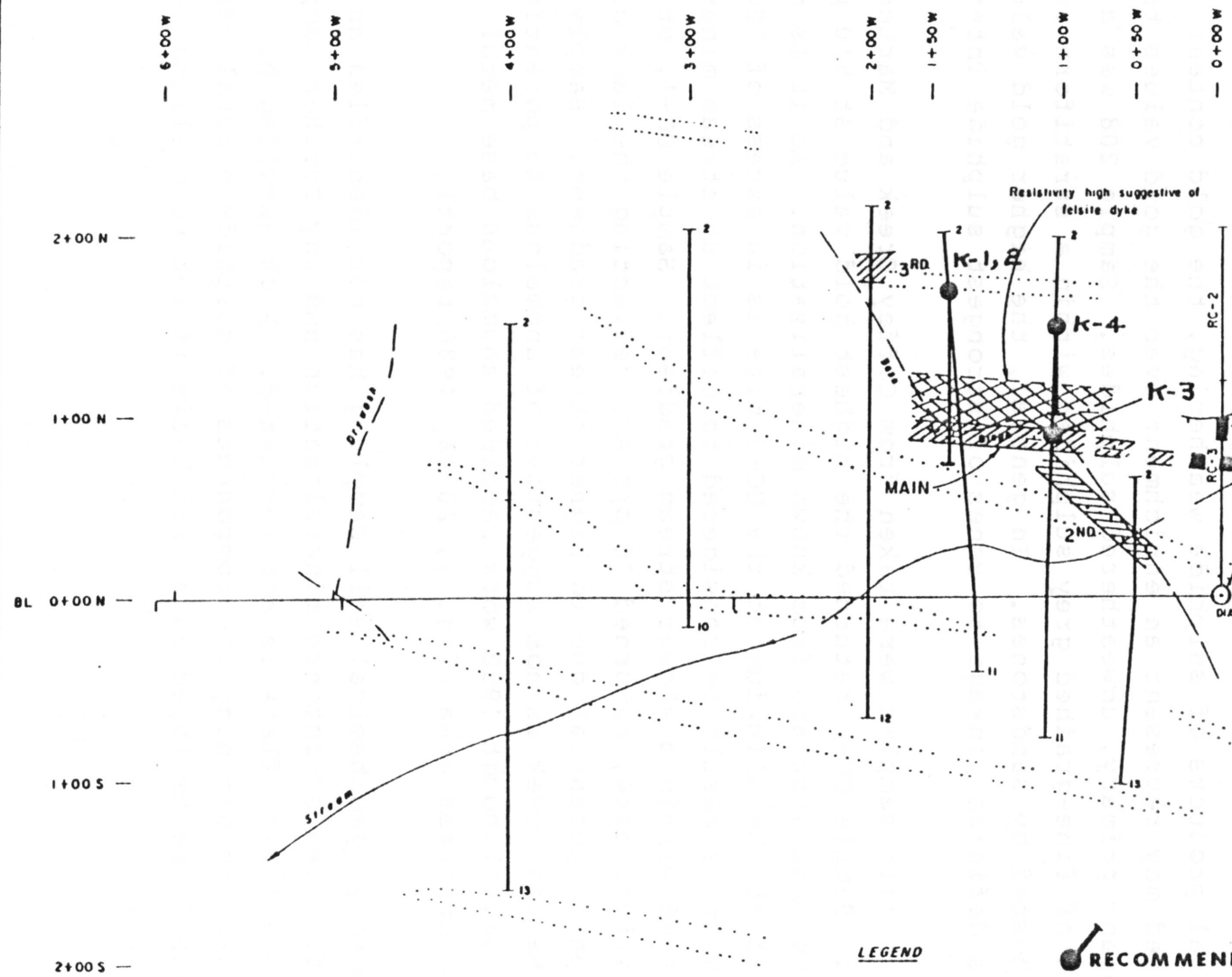
864203 - 14,800 ppb or 0.446 oz/t Au by fire assay

964208 - 3,350 ppb or 0.092 oz/t Au by fire assay

Sample 203 was an isolated 5 x 2 x 1 cm piece of float with rusty boxworks and copper stain. As sample No. 203 consisted of the residual products of sulphide weathering, the gold content reported may represent an enrichment over the gold values that accompany primary, unweathered sulphides. Sample 208 was a grab sample of fine-grained grey sulphides within a stratiform rusty zone hosted by sandstones. In general, the higher gold values show a definite linkage to zones of strongest sulphide intensity.

Several silt samples were taken from Coffey Creek and Marten Creek. Sample GC-2 returned the highest gold value at 510 ppb at the greatest distance from known mineralization. As it is now known that the alluvium at the GC-2 site is in excess of 100 meters, this result is considered to reflect up-stream mineral deposited within a slower stream gradient. Sample GC-1, at the mineralized site, returned 70 ppb Au, reflecting the lack of entrapment potential due to higher stream gradient. Sample GC-3 from Marten Creek is not suggestive of anomalous Au potential upstream, although 1980 work recorded anomalous base metal values in the upstream area (fig. 3, 20 May 1986 report).

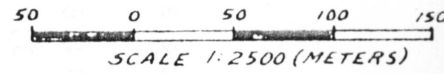
In summary, geochemical soil sampling has not identified any specific area of intense mineralization and any further sampling in the alluvial flats is not warranted. Rock sampling has been effective in defining the components of sulphide mineralization, and should be employed on a grid basis if future drilling is positive.



Resistivity high suggestive of felsite dyke

Intersection of sulphide zone

Sub-outcrop of sulphide zone assuming NE dip



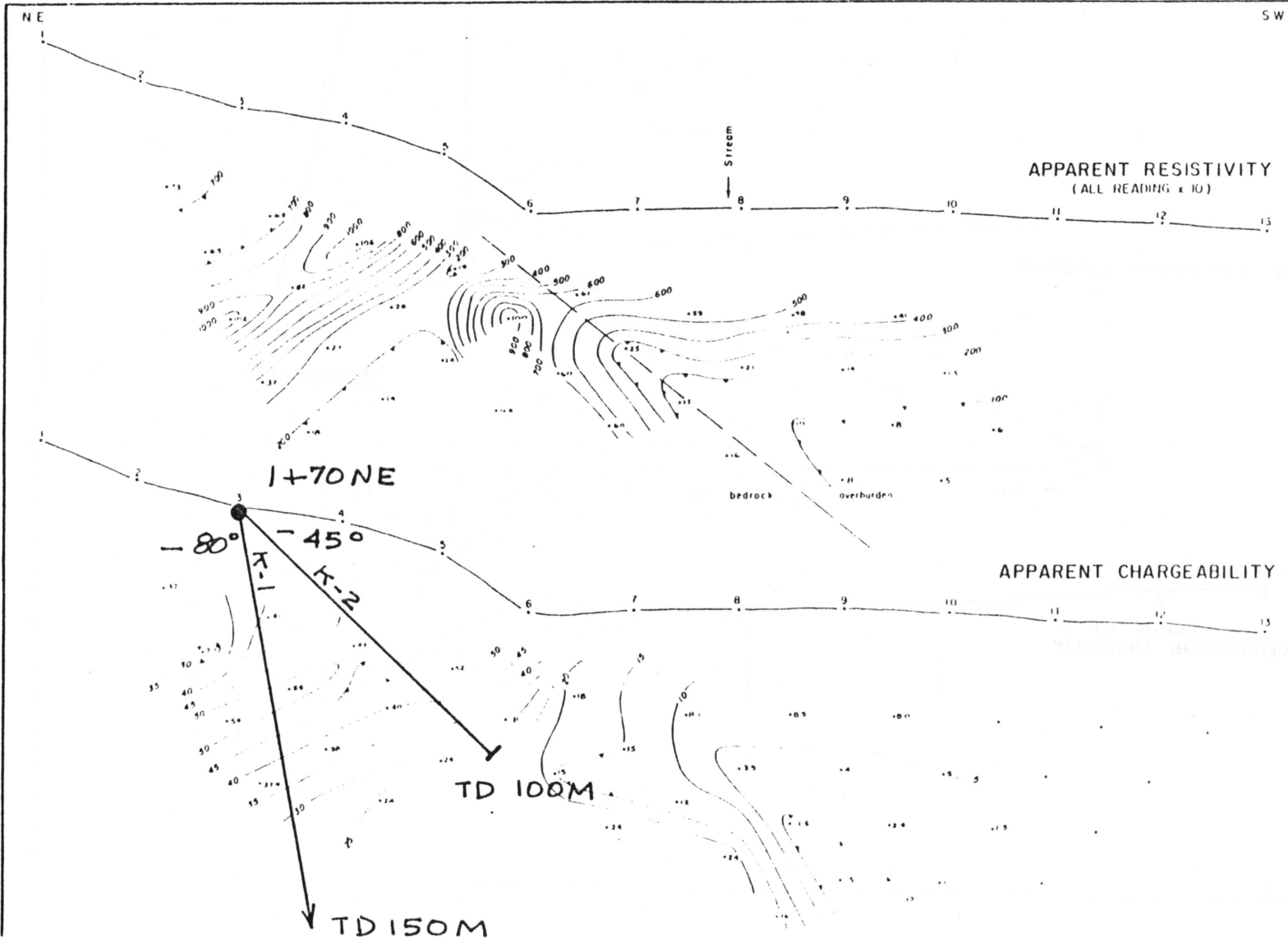
LEGEND

- I.P. ANOMALY
- Pulse E M Conductors

RECOMMENDED DDH

GEOTRONICS SURVEYS LTD					
BASABA ENTERPRISES INC.					
KAP CLAIM GROUP					
KING SALMON CREEK, TULSEQUIAH AREA					
ATLON MINE DIVISION, B.C.					
INDUCED POLARIZATION					
AND RESISTIVITY SURVEYS					
SURVEY PLAN					
DRAWN BY A R	DATE JUNE 1988	PROJECT DE 11	SHEET 1 OF 1	SCALE 1:2500	MAP No 3

FIG 5



LEGEND

APPARENT RESISTIVITY
CONTOUR INTERVAL 100 ohm-meters

RESISTIVITY LOG

APPARENT CHARGEABILITY
CONTOUR INTERVAL 5 mV/meters

CHARGEABILITY LOG

SURVEY PARAMETERS

SURVEY MADE TIME DOMAIN

ARRAY DIPOLE DIPOLE

DIPOLE LENGTH 30 meters

DIPOLE SEPARATION 1 to 5

DELAY TIME 1500 milliseconds

CHARGE TIME 2 sec

R second cycle

INSTRUMENTATION

RECEIVER BUNNEY MODEL MR 12

TRANSMITTER GEOPHYS 1 PE-1

GENERATOR PHOENIX MS 2

MEETERS
0 10 20 30 40 50

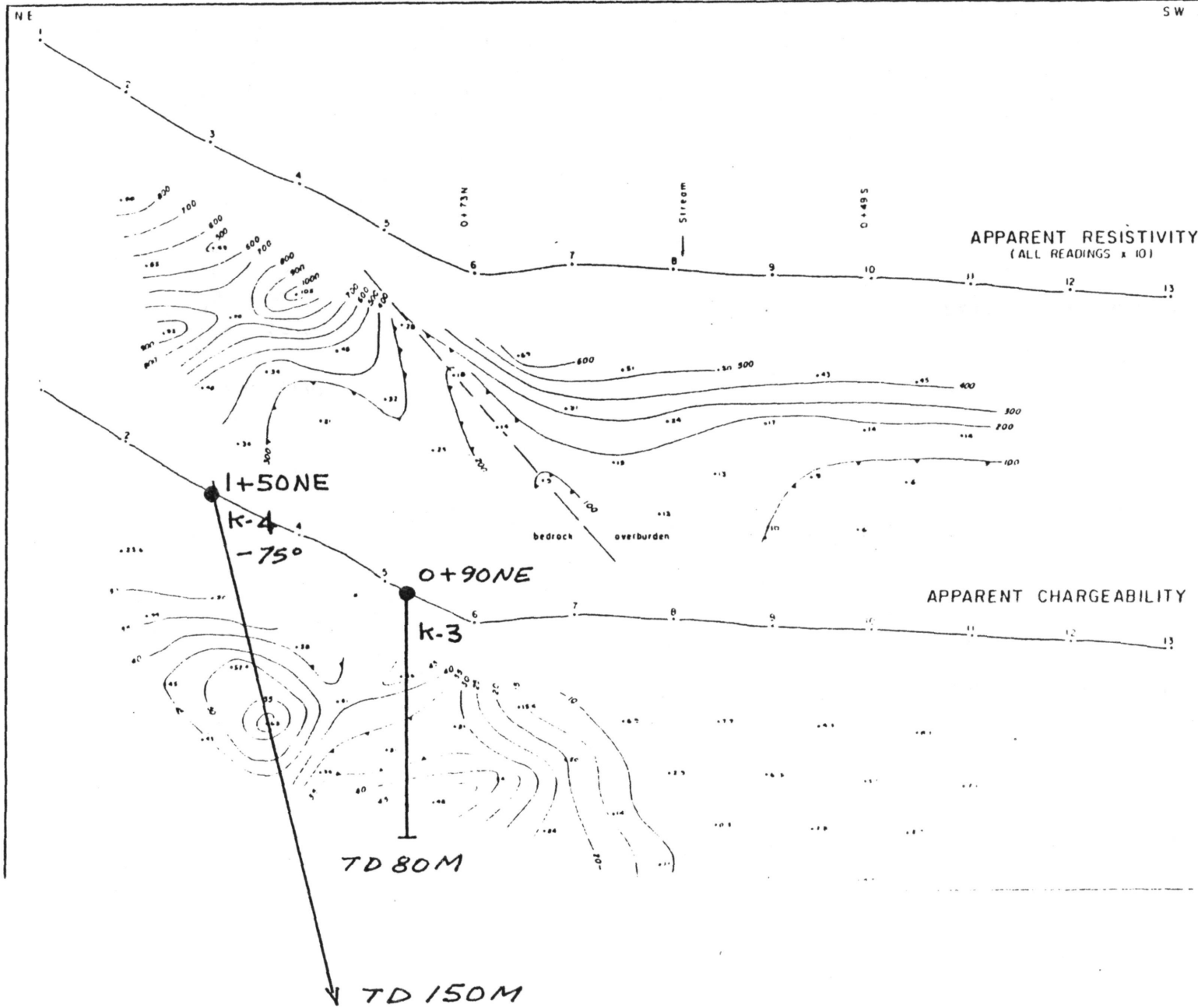
TO ACCOMPANY GEOLOGICAL REPORT BY DAVID G. WALKER

GEOTRONICS SURVEYS LTD
BASABA ENTERPRISES INC

KAP CLAIM GROUP
KING SALMON CREEK, TULSEQUAH AREA
ALTAIR MINING DISTRICT, B.C.

INDUCED POLARIZATION
AND RESISTIVITY SURVEYS
PSEUDO SECTION LINE 1+50W
DATA AND CONTOURS

FIG. 6

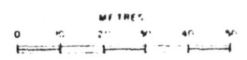


LEGEND

- APPARENT RESISTIVITY**
CONTOUR INTERVAL 100 ohm-meters
- RESISTIVITY LOW**
- APPARENT CHARGEABILITY**
CONTOUR INTERVAL 5 milliseconds
- CHARGEABILITY LOW**

SURVEY PARAMETERS
 SURVEY MODE TIME DOMAIN
 ARRAY DIPOLE - DIPOLE
 DIPOLE LENGTH 33 metres
 DIPOLE SEPARATION 1 to 4
 DELAY TIME 1500 milliseconds
 CHARGE TIME -2 sec -
 8 second cycle

INSTRUMENTATION
 RECEIVER HUNTER MODE, MK IV
 TRANSMITTER PHOENIX I PT - 1
 GENERATOR PHOENIX MG - 2



TO ACCOMPANY GEOPHYSICAL REPORT BY DAVID L. MANN, GEOPHYSICIST

GEOTRONICS SURVEY LTD.
 BASABA ENTERPRISES INC

KAP CLAIM GROUP
 KING SALMON CREEK, TULSEQUAH AREA
 ATLIN MINING DIVISION BC

INDUCED POLARIZATION
 AND RESISTIVITY SURVEYS
 PSEUDO SECTION LINE 1+00W
 DATA AND CONTOURS

DRAWN BY A. R.	DATE JUNE 1984	PROJECT K6 11	SHEET 1044/1140	SCALE 1:1000	EMAP/PL A
-------------------	-------------------	------------------	--------------------	-----------------	--------------

FIG. 7

GEOPHYSICS (Figures 5, 6 and 7)

An I.P. Survey in the time domain mode using Hunttec equipment was conducted over the survey grid with a dipole-dipole array at an initial 15 meter, and subsequent 30 meter interval with 4 to 7 separations. The results and survey procedures are documented in ref. 7.

The purpose of the survey was to confirm the validity of previously detected pulse EM conductors and test the I.P. response over suspected subsurface mineralization. Both objectives were accomplished. Positive anomalies were detected on the easternmost grid lines on strike with known mineralization. The I.P. survey further demonstrated that the base of slope marks a substantial increase in overburden depth and that EM conductors in this area have no bedrock significance. The I.P. survey data confirm that the conductive stratigraphy has a northeast dip and that the conductor zone is flanked by a more resistive feature which could be an acid dike or zone of hornfelsed argillite.

CONCLUSIONS

Pre-drilling fieldwork has been successfully concluded. The significant results of this phase are:

- (1) Identification of banded stratiform sulphide lenses with a Cu Pb Zn As Ag Au metal signature. While surface mineralization is not particularly impressive, its association with a probable former volcanogenic hot springs environment may be a signature of larger, better mineralized zones under cover and at depth.

- (2) The I.P. survey has screened, refined, and in some cases eliminated from consideration conductors detected by the preceding pulse EM survey. Anomalous conductive zones have been outlined associated with areas of low resistivities. The magnitude of the anomalous results exceed the 35 Msec threshold categorized in the geophysical report as being "definitely anomalous". The ultimate significance of the I.P. conductors, whether due to graphite, barren sulphides, commercial sulphides or some combination of the foregoing, can only be determined by drilling.

RECOMMENDATIONS (Figures 5, 6 and 7)

Further development is recommended and requires drill testing of the significant I.P. responses identified to date. It is most important that test holes be drilled to intersect the I.P. conductors across the formational dip, consistent with the constraints of terrain conditions. Accordingly, a series of 4 test holes is proposed as follows:

- K-1 (-80°, TD150M) site on L1+50W @ 1+70NE
- K-2 (-45°, TD100M) same set-up
- K-3 (vertical TD80M) site on L1+00W @ 0+90NE
- K-4 (-75°, TD150M) site on L1+00W @ 1+50NE

The total coring program amounts to 480 meters or 1,574 feet. Hole K-4 can be considered an optional hole dependent on the trend of drilling costs and results.

It is further recommended that entire cores be split and sampled at 3 meter increments consistent with lithologic unit boundaries and analyzed for gold by atomic absorption to test for the

of sub-micron gold content. This sampling would be in addition to fire assaying of obvious sulphide sections.

BUDGET

Phase I Conductor Testing

\$ 63,000	Contract coring 1,574 ft. @ \$40/ft.
16,500	Charter flying, 30 hrs. @ \$550/hr.
2,000	Mobilization and de-mobilization
5,000	Drill pad preparation
6,000	Assaying
5,000	Geological supervision
<u>2,500</u>	Reporting
<u>\$100,000</u>	Total Phase I

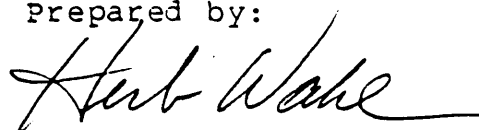
Phase II Follow-up Drilling (contingent on results of Phase I and an independent engineering review)

\$ 50,000	Allowance for additional surface exploration
240,000	Additional 4,000 feet of drilling at all inclusive cost of \$60/foot
<u>\$290,000</u>	Total Phase II

Recapitulation

\$100,000	Phase I	Conductor Test
<u>290,000</u>	Phase II	Expanded Program
<u>\$390,000</u>	Grand Total Program Cost	

Prepared by:



Herb Wahl, P. Eng., BC

REFERENCES

1. Geology and Mineral Deposits of Tulsequah Map Area, British Columbia by J.G. Souther, Memoir 362, GSC 1971.
2. A Diamond Drilling Report on the Goldcap Property by T.M. Elliott, 1981.
3. Tulsequah Area Properties, Atlin M.D., Preliminary Evaluation Report for Island Mining and Exploration Co. Ltd., by H.J. Wahl, January 1981.
4. Aspects of Metal Abundances and Mineral Deposits in the Canadian Cordillera, by Dr. A. Sutherland Brown, CIM Bull., January 1974.
5. Evaluation Report, Goldcap Prospect, Atlin M.D., NTS 104K-11, 14 for Omni Resources Inc., January 1983, by H.J. Wahl, P. Eng., BC.
6. Geophysical Report on a Vector Pulse Electromagnetometer Survey on the Goldcap Property, Atlin M.D., August 1983, by Glen E. White, P. Eng., BC.
7. Geophysical Report on Induced Polarization and Resistivity Surveys Over a Portion of the KAP Claim Group by David G. Mark, Geophysicist, Geotronics Surveys Ltd., June 16 1986.
8. Evaluation Report, KAP#1 and KAP#2 Claims (former Goldcap Prospect of Omni Resources), for Mr. Darrell Krell, by Herb Wahl, P. Eng., BC, 20 May 1986.

CERTIFICATION

This is to certify that:

1. I, Herbert J. Wahl, am a resident of British Columbia and live at R.R.#4, Gower Point Road, Gibsons, B.C., V0N 1V0.
2. I am a graduate of Dartmouth College, Hanover, New Hampshire, with the Degree of Bachelor of Arts with Honours in Geology (1957).
3. I am a member of the Association of Professional Engineers of British Columbia and have practised my profession continuously from 1961 to the present.
4. I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in the property of Basaba Enterprises Inc. or of any associate or beneficially own, directly or indirectly, any securities that may be issued in the future using the KAP Claims as principal object.
5. This report is based upon data furnished by Omni Resources Inc. and other independent contractors employed by Basaba Enterprises Inc., which I judge to be accurate within the limitations of any technology employed.
6. Consent is given to submit this report as herein presented to the Vancouver Stock Exchange and Superintendent of Brokers in support of a Statement of Material Facts or Prospectus.



Herb Wahl, P. Eng., BC



AURUM GEOLOGICAL CONSULTANTS INC.

1614 - 675 West Hastings Street, Vancouver, B.C., Canada V6B 4W3 Telephone (604) 683-9656

Reply to: #8, 4078-4th Avenue, Whitehorse, Y.T. Y1A 4K8

The Directors,
 Basaba Enterprises Inc.,
 c/o Fraser Gifford,
 3200 Four Bentall Centre,
 1055 Dunsmuir Street,
 Vancouver, B.C.
 V7X 1P2

3 June 1986

Gentlemen:

The following is a summary of a preliminary examination on the KAP 1 and 2 property in the Taku River area, Atlin Mining District, from May 25-29, 1986. Results of geochemical and geophysical work have not been received at time of preparation of this report.

Ground covered by the KAP 1 and 2 claims was staked previously as the B.J. 1-4 claims by a G. Bacon on June 23, 1973, as evidenced by claim posts found near Omni's RC-2 to RC-4 drill hole locations. Older illegible posts were also found in the drill hole area and about 2 km to the southeast. These posts are estimated to be some 40 years old; therefore, it would seem that the potential for mineralization has been recognized since at least the 1940's.

Intercalated submarine sediments and felsic pyroclastics of the Triassic King Salmon Formation (Stuhini Group) underlie the property. These rocks are folded into an open anticline with its axial plane dipping steeply to the northeast. This is interpreted as a suitable host for potential volcano-genic polymetallic mineralization.

A Tertiary(?) quartz-feldspar porphyry dike cuts the volcano-sedimentary sequence, approximately paralleling the axial plane of the anticline. Locally hornfelsed strata, particularly in the area of the 1980 drill holes, form prominent rusty gossans, readily identifiable from the air.

Elliott (1981) reports that one of the 1980 drill holes (RC-2) intersected 6.1 metres of sulfide mineralization averaging 1.69 oz/ton Ag, 0.024 oz/ton Au, 0.84% Pb, 1.08% Zn and 0.06% Cu. The true thickness of this structure is thought to be considerably less than 6.1 metres, given that the hole roughly paralleled the northeast limb of the anticline (i.e. it was

/2

drilled downdip). Mineralization intersected in the drill hole could not be found on surface. Exposures are limited, and it could easily be masked by overburden, especially scree (refer to accompanying cross-section).

Numerous lenses of sulfide mineralization were located on the KAP 1 and 2 property during the 1986 examination. Maximum widths approached 20 cm, and identified sulfides include pyrite and arsenopyrite. A deeply weathered matrix indicates other sulfides may have been present. The sulfide lenses are definitely stratiform and probably syngenetic (i.e. volcanogenic).

Evidence of vein-type epigenetic mineralization was also found as chalcidonic breccia boulders in Coffey Creek. The source could not be located, but their abundant occurrence and angular nature would suggest that it was local.

Pulse electromagnetometer surveying carried out in 1983 outlined six NW trending conductive zones (White, 1983). The surveyed area is thought to be an overburden-filled glacial valley, with overburden thicknesses most likely exceeding 100 metres. Because the depth to conductive sources has been estimated at 10 to 40 metres, some of the conductors probably represent paleo-stream channels. Further exploration work in the valley floor area is not warranted.

The presence of probable volcanogenic massive sulfide-type mineralization in a 1980 drill hole combined with the location of stratiform sulfide lenses on the KAP 1 and 2 property suggests that there is excellent potential for the discovery of syngenetic massive sulfide deposits. More effort should be spent on understanding the structural and stratigraphic control of mineralization before initiating a second drill program.

We would be pleased to review the geochemical/geophysical results, prepare a formal report, and/or discuss this project with you at your request.

Sincerely,
AURUM GEOLOGICAL CONSULTANTS INC.



Harmen Keyser, Geologist.

Enc. (Cross-section)
(Sample descriptions and geological sketch map to follow)



AURUM GEOLOGICAL CONSULTANTS INC.

1614 - 675 West Hastings Street, Vancouver, B.C., Canada V6B 4W3 Telephone (604) 683-9656

15 January, 1987

Alex Devlin
Basaba Enterprises Inc.
600-890 West Pender Street
Vancouver, B.C.
V6C 1J9

Dear Mr. Devlin;

At your request I reviewed the report by Mr. H.J. Wahl, P.Eng. on the Kap 1 & 2 claims, Atlin M.D., B.C. dated January 9, 1987. Mr. Wahl's descriptions of geology and mineralization conform well with my observations during an exploration program on the property May 25-29, 1986.

With reference to my original descriptive letter to you dated June 3, 1986, and to subsequent analytical and geophysical results, there appear to be two distinct types of mineralization present; (1) epigenetic vein-type and/or disseminated gold mineralization (possibly conformable), and (2) syngenetic massive sulfide mineralization.

Soil and stream sediment geochemistry appears to indicate that gold mineralization occurs over a larger area than what was tested by the 1980 drilling in the immediate Coffey Creek area. Background arsenic values are very high, which is more characteristic of gold deposits than of massive sulfides.

In summary, the Kap claims are underlain by submarine sediments and pyroclastics suitable for the development of volcanogenic massive sulfides. A younger metallogenic hydrothermal event may have introduced gold deposits. Therefore the property has excellent potential for the discovery of both gold and polymetallic massive sulfide deposits. The proposed budgets of \$ 100,000 in Phase I and \$ 290,000 in Phase II are warranted.

Sincerely,
AURUM GEOLOGICAL CONSULTANTS INC.

Harmen J. Keyser, B.Sc.
Partner/Geologist

HK/ns

Date: May 26-29, 1986Project: Goldcap - KAP 1+2 Claims Area: Taku River, Atlin M.D., B.C.Page 1 of 3

Sample No.	Location	Description	Attitude	Width	Analytical Results					
					Cu	Pb	Zn	Ag	As	Au
864201	Coffey Creek, 50m below underfalls, N side of creek.	Lithic breccia with calcite matrix. Clasts - angular lithic fragments to 4cm. Rusty, carbonatized. Matrix - Euhedral calcite crystals to 1cm; occasional quartz. 40% clasts, 60% matrix. 10x10x15 cm.	float		34	4	11	.1	5	1
864202	Coffey Creek. 1+60 W 0+20 N	Chalcedonic breccia. Silicified fine grained to gray tuffaceous clasts. Banded chalcedonic matrix. Narrow (1-2 mm) pyrite filled fractures in angular clasts. 60% matrix, 40% clasts. Several pieces found; 50x30x30 cm.	Float.		94	5	21	.7	15	26
864203	Coffey Creek valley, N scree slope. 10 0+60 N	Rusty boxwork. Presumably weathered sulfides. Only one piece found; 5x2x1 cm. Scoradite and malachite staining.	Float.		3228	170	199	3.8	1145	148
864204	10 0+70 S	Yellowish clay altered tuff. 1% cubic pyrite, disseminated. Rusty fractures. Representative sample of outcrop.	-	± 3 m	58	29	10	4.8	204	480

Date: May 26-27, 1986Project: GoldcapArea: Atlin M.D.Page 2 of 3

Sample No.	Location	Description	Attitude	Width	Analytical Results					
					Cu	Pb	Zn	Ag	As	Au
864205	L0 c+70S	as 864204, but clay alteration not as strong	-	± 3 m	12	7	7	.1	243	45
864206	L0 0+90N	Vuggy calcite breccia. Minor banded lithic (argillite?) angular fragments. 15x10x4 cm.	Float.		15	5	7	.1	16	1
364207	L0 1+40N.	Chip sample of stratiform rusty zone, Includes (North →) 5 cm sandstone; 15 cm rusty gouge (presumably weathered sulfides including identified py, aspy), 40 cm silicified sandstone (← south). Another parallel rusty zone seen 10 m south of here, but not accessible for sampling.	120/90	60 cm	177	34	90	1.3	103	23
364208	L0 1+40N	Grab sample of f.g. grey sulfides. In N wall of 864207 sample.	120/90	4 cm.	795	367	195	13.6	2832	33
364209	c+scw 1+30N	Py-Aspy vein/lens. stratiform, visibly discontinuous. 864207 strikes abt. 10 m N of here. Wallrock: sandstones, shales, argillites. Soft sediment deformation seen.	120/90	1 cm	98	21	70.5	93	30	

Date: May 26 29, 1986Project: GoldcapArea: Atlin M. D.Page 3 of 3

Sample No.	Location	Description	Attitude	Width	Analytical Results					
					Cu'	Pb'	Zn'	Ag'	As'	A
864210	46 m below waterfalls, N side slope.	Float. 3% total f.g. black sulfides, including identified galena. Banded sulfides. Crudely banded quartz, calcite, barite(?) veinlets overprint remnant brecciated texture. Source could be 207 vein. Single piece found; 5x7-10 cm.	Float.	-	308	9	34	2.2	3774	83
64211	50 m SSE of base of falls	Rusty sulfide bearing lens in greyish tuffs. Lens is ± 3 m long and visibly discontinuous. Weathered.	115/85N	10 cm.	467	20	35	1.4	418	20
64212	10 m S of #211	as above.	115/90	15 cm	428	2	21	1.4	179	163
364213	75 m S of base of falls.	Chip sample of clay altered silicified sheared rhyolite dike. Porphyritic. Traces disseminated pyrite. Cut by numerous narrow quartz veinlets.	150/90	5 m.	42	18	10	.8	1340	31
64214	as above.	Selected sample of quartz veining from above dike. Veins individually up to 4 cm wide. As staining.	-	-	15	3	3	.1	41	10
364215	Upper Coffey Creek valley; 600 m above 1st falls. S side.	Representative sample of outcrop. Pinkish brown quartz crystal tuff. 2% limonite staining. Occasional round quartz eyes and pyrite clots (probably both secondary) to 4 mm.	-	-	31	8	54	.1	126	1

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS, VANCOUVER B.C.
PH: (604) 253-3158 COMPUTER LINE: 251-1011

DATE RECEIVED JUNE 18 1986

DATE REPORTS MAILED

June 20/86

ASSAY CERTIFICATE

SAMPLE TYPE : PULP
AU** BY FIRE ASSAY

ASSAYER *D. Toye* DEAN TOYE . CERTIFIED B.C. ASSAYER

BASABA ENTERPRISES PROJECT KAP FILE# 86-0867 R

PAGE# 1

SAMPLE	Au** oz/t
864203	.446
864208	.092

ACME ANALYTICAL LABORATORIES LTD.
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: JUNE 4 1986

DATE REPORT MAILED: *June 10/86..*

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN.FE.CA.P.CR.MG.BA.TI.B.AL.NA.K.W.SI.ZR.CE.SN.Y.NB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: P1 STREAM SEDS & SOILS -80 MESH P2 ROCKS AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

ASSAYER: *D. Toye* DEAN TOYE. CERTIFIED B.C. ASSAYER.

BASABA ENTERPRISES

PROJECT - KAF FILE # 86-0867

PAGE 1

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
GC-1	157	41	191	1.0	444	70
GC-2	166	50	207	1.0	522	510
GC-3	146	30	214	.6	242	5
LO 1+00N	675	50	225	4.2	829	1100
LO 0+75N	449	23	177	2.3	654	490
LO 0+50N	107	35	173	.3	209	5
LO 0+25N	147	50	147	1.1	2633	65
LO 0+00N	141	28	131	.7	1329	15
LO 0+25S	122	38	129	1.2	411	20
LO 0+50S	109	53	192	1.1	500	90
LO 0+75S	118	50	195	1.0	976	160
LO 1+00S	93	21	136	.7	308	10
LO 1+25S	88	15	142	.3	87	5
LO 1+50S	93	17	154	.3	133	20
STD C/AU-0.5	62	41	137	7.1	42	520

ACME ANALYTICAL LABORATORIES LTD.
 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
 PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: JUNE 13 1986

DATE REPORT MAILED: *June 18/86*....

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN, FE, CA, P, CR, MG, BA, TI, B, AL, NA, K, W, SI, ZR, CE, SM, Y, NB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: SOILS -80 MESH AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE.

ASSAYER: *D. Deys* DEAN TOYE. CERTIFIED B.C. ASSAYER.

BASABA RESOURCES FILE # 86-0995

PAGE 1

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Au* PPM
L2+00W 3+00N	120	18	81	.1	5
L2+00W 2+75N	147	34	136	.4	1
L2+00W 2+50N	183	22	128	.5	11
L2+00W 2+25N	164	19	118	.5	36
L2+00W 2+00N	170	10	128	.2	5
L2+00W 1+75N	129	21	129	.3	32
L2+00W 1+50N	147	18	146	.5	17
L2+00W 1+25N	92	17	122	.5	13
L2+00W 1+00N	81	18	131	.6	95
L2+00W 0+75N	84	21	173	.5	18
L2+00W 0+50N	77	25	131	.3	15
L2+00W 0+25N	150	37	161	.9	22
L2+00W BL	136	26	146	.6	22
L2+00W 0+25S	135	40	188	.5	43
L2+00W 0+50S	105	18	138	.5	6
L2+00W 0+75S	131	29	171	.7	10
L2+00W 1+00S	144	34	144	.8	1600
L2+00W 1+25S	134	43	194	1.0	60
L2+00W 1+50S	113	24	145	.7	19
L2+00W 1+75S	88	22	139	.6	90
L2+00W 2+00S	110	26	173	.5	25
L2+00W 2+25S	150	38	211	.9	49
L2+00W 2+50S	172	45	162	.7	77
L2+00W 2+75S	133	33	157	.7	55
L2+00W 3+00S	62	20	110	.3	10
L2+00W 3+25S	150	44	212	.9	47
L2+00W 3+50S	29	14	76	.1	12
L2+00W 3+75S	39	17	79	.2	6
L2+00W 4+00S	29	16	81	.2	13
L1+50W 2+50N	111	17	115	.3	6
L1+50W 2+25N	158	18	114	.3	36
L1+50W 2+00N	156	12	120	.3	16
L1+50W 1+75N	150	16	113	.7	35
L1+50W 1+50N	163	15	134	.4	11
L1+50W 1+25N	192	65	197	1.3	5
L1+50W 1+00N	99	16	128	.6	7
STD C/AU-0.5	59	42	136	7.0	510

SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	As PPM	Au* PPB
864201	34	4	11	.1	5	1
864202	94	5	21	.7	15	26
864203	3228	170	199	31.8	11450	14800
864204	58	29	10	4.8	204	480
864205	12	7	7	.1	243	45
864206	15	5	7	.1	16	1
864207	177	34	90	1.3	103	230
864208	795	367	195	13.6	2832	3350
864209	98	21	70	.5	93	30
864210	308	9	34	2.2	3774	830
864211	467	20	35	1.4	418	27
864212	428	2	21	1.4	179	165
864213	42	18	10	.8	1340	31
864214	15	3	3	.1	41	10
864215	31	8	54	.1	126	1
STD C/AU-0.5	59	39	134	7.0	41	510

BASABA RESOURCES

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SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Au* PPB
L1+50W 0+75N	108	33	178	.8	31
L1+50W 0+50N	190	43	207	.9	35
L1+50W 0+25N	132	44	168	.7	95
L1+50W BL	100	26	182	.5	10
L1+50W 0+25S	82	27	149	.4	11
L1+50W 0+50S	118	34	138	.5	35
L1+50W 0+75S	86	20	148	.2	17
L1+50W 1+00S	112	32	151	.5	340
L1+50W 1+25S	97	32	183	.3	28
L1+50W 1+50S	142	39	187	.6	41
L1+00W 2+25N	137	28	137	.4	35
L1+00W 2+00N	132	28	157	.3	11
L1+00W 1+75N	80	28	175	.7	14
L1+00W 1+50N	181	20	138	.3	16
L1+00W 1+25N	243	20	131	.8	65
L1+00W 1+00N	262	99	258	1.2	26
L1+00W 0+75N	106	25	126	.6	5
L1+00W 0+50N	107	16	164	.7	7
L1+00W 0+25N	119	27	131	.5	60
L1+00W BL	79	15	163	.4	1
L1+00W 0+25S	157	24	144	.6	5
L1+00W 0+50S	82	20	158	.4	6
L1+00W 0+75S	114	30	160	.5	34
L1+00W 1+00S	109	22	151	.6	7
L1+00W 1+25S	101	35	207	.3	15
L1+00W 1+50S	99	29	186	.6	16
L0+50W 0+50N	87	19	214	.4	8
L0+50W 0+25N	102	26	161	.5	14
L0+50W 0+00S	68	15	134	.3	3
L0+50W 0+25S	27	2	165	.1	1
L0+50W 0+50S	45	10	100	.2	4
L0+50W 0+75S	195	15	133	.4	1
L0+50W 1+00S	107	29	144	.4	16
L0+50W 1+25S	90	18	146	.4	12
L0+50W 1+50S	52	17	185	.3	6
L1+00E 0+12S	59	38	103	.4	24
STD C/AU 0.5	61	49	140	7.0	500

BASABA RESOURCES

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SAMPLE#	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Au* PPB
L1+00E 0+25S	88	51	241	.9	22
L1+00E 0+50S	86	26	182	.4	8
L1+00E 0+75S	191	23	156	.5	3
L1+00E 1+00S	176	15	87	.9	9
L1+00E 1+25S	157	91	115	2.2	19
L1+00E 1+50S	54	20	140	.9	7
STD C/AU 0.5	61	40	135	7.1	500

CERTIFICATE OF THE DIRECTORS AND PROMOTERS

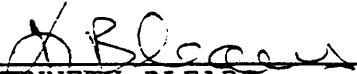
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the Securities Act and its regulations.

DATED at Vancouver, British Columbia this 15 day of August 1987.

THE ISSUER



ALEXANDER JOSEPH DEVLIN,
Chief Executive Officer



KENNETH BLEARS,
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS



EDWARD GUNNAR KENNEDY



GREGORY DARYE BASHAM

THE PROMOTER



ALEXANDER JOSEPH DEVLIN