

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 OFFENCE.

INITIAL PUBLIC OFFERING

DATE: AUGUST 29, 1997

EFFECTIVE DATE: SEPTEMBER 3, 1997

PROSPECTUS

NORWOOD RESOURCES LTD.

Suite 1104, 750 West Pender Street
Vancouver, British Columbia
V6C 2T8
(604) 683-0343

1,200,000 Common Shares at \$0.35 per share⁽¹⁾

	Price to public ⁽²⁾	Agents' discounts or commissions ⁽³⁾	Proceeds to Issuer ⁽⁴⁾
Per Share	\$0.35	\$0.05	\$0.30
Total	\$420,000	\$60,000	\$360,000

- (1) The Agent is entitled to over-allot shares in connection with this Offering, and the Issuer has granted an option (the "Greenshoe Option") to sell up to a maximum of 15% or 180,000 common shares in the event of an over-subscription. Refer to "Plan of Distribution".
- (2) The price of the Common Shares was determined through negotiations between the Issuer and the Agent.
- (3) The Issuer has agreed to pay the Agent a commission of \$0.05 per share of the Offering and has agreed to grant the Agent non-transferable Agent's Warrants for the purchase of up to 100,000 common shares. In addition, the Issuer has agreed to pay the Agent a corporate finance fee of 25,000 common shares of the Issuer in relation to the agency agreement and a sponsorship fee for the Vancouver Stock exchange listing of \$15,000 in consideration of the Agent agreeing to act as a sponsor for a period of one year. Refer to the sections headed "Sponsorship and Fiscal Agency Agreements" and "Plan of Distribution" herein.
- (4) Before deduction of the costs of the Offering estimated to be \$35,000.

The Vancouver Stock Exchange has conditionally listed the securities being offered under this prospectus. This listing is subject to the Issuer fulfilling all of the listing requirements of the Vancouver Stock Exchange, including prescribed distribution and financial requirements, on or before December 2, 1997.

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVE A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER'S PROPERTIES ARE IN

administration costs, \$4,500 were allocated for monthly office rent and office administration expenses, and \$7,500 were allocated for management fees.

Management's Discussion of Interim Operating Activities

During the four month period from April 1 to July 31, 1997 monthly office administration expenses totalled \$6,000 and management fees totalled \$10,000. The Issuer's working capital deficiency as at July 31, 1997 amounted to \$4,039.

After adding the net proceeds of this Offering to its existing financial resources, the Issuer expects on completion of the Offering to have total net working capital of \$355,961 available to implement its business plans. See "Use of Proceeds" and "Properties of the Issuer" herein.

PROPERTIES OF THE ISSUER

Alexandria Property

The Issuer's only property is the Alexandria Property, which is the subject of an engineering report dated November 28, 1996, as amended February 25, 1997, entitled "Development and Economic Potential of the Alexandria Property" prepared by John Ostler, M.Sc., P.Geo. (the "Report"). Mr. Ostler has no beneficial interest, either directly or indirectly, in the Alexandria Property and he does not own, directly or indirectly, any securities of the Company or of its affiliates.

A copy of the Report is available for inspection during the period of the Offering and for 30 days thereafter at the registered and records office of the Issuer at Suite 1750, 750 West Pender Street, Vancouver, British Columbia, V6C 2T8. The technical information on the Alexandria Property contained in this section has been extracted or summarized from the Report.

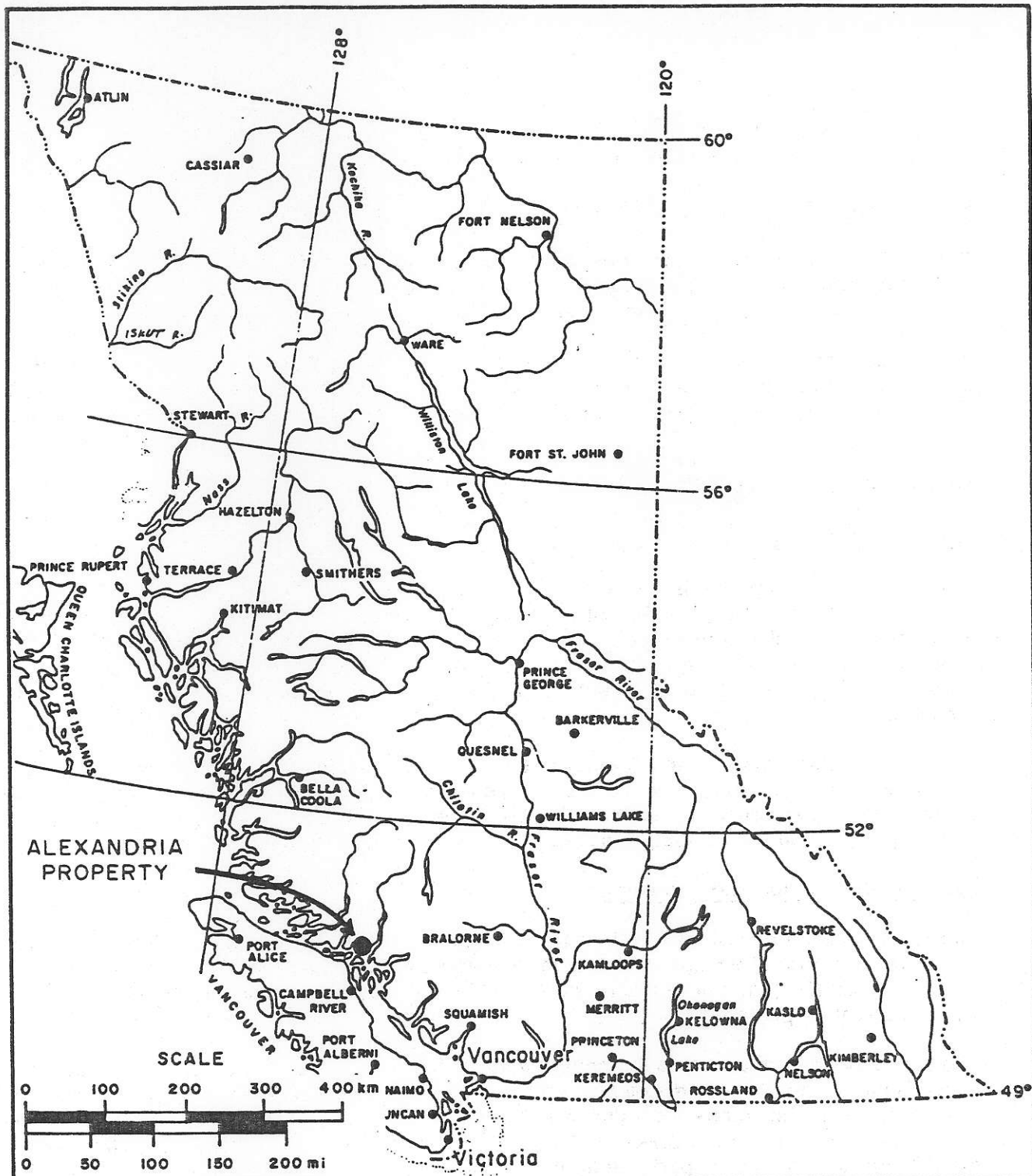
Location, Description and Acquisition

The Alexandria Property is located on the slopes of the Pembroke Range above the western shore of the mouth of Phillips Arm, British Columbia (the "Property") at Figure 1. The Property is about 60 km (36.6 mi) north-northwest of Campbell River, British Columbia and is accessible by boat and float plane.

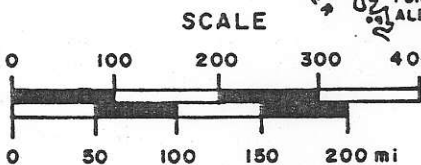
The Property comprises 17 claims covering about 537.5 ha (1290 A) after deducting areas of overlapping claims. The claims making up the Property (as listed in the table below) cover old gold prospects and mines including the Alexandria, Enid-Julie, Empress and All Up. The Property is adjoined to the Deratha Morten gold mine property to the northwest. The location map at Figure 2 and the property geology map at Figure 3 shows the location of the old mines and workings on the Property.

The Alexandria workings, the most extensive workings on the Property, are covered by the Hope 3 claim, and are located in the southeastern part of the Property.

Access to the south-central part of the Property is by a series of logging roads that terminate at tide water at Picton Point, about 3 km (1.8 mi) southwest of the Alexandria workings. All major access routes to the Property area were cleared of brush during the 1996 exploration program undertaken by the Issuer.



ALEXANDRIA PROPERTY



N.

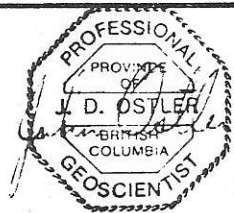


Figure 1

NORWOOD RESOURCES LTD.

GENERAL LOCATION

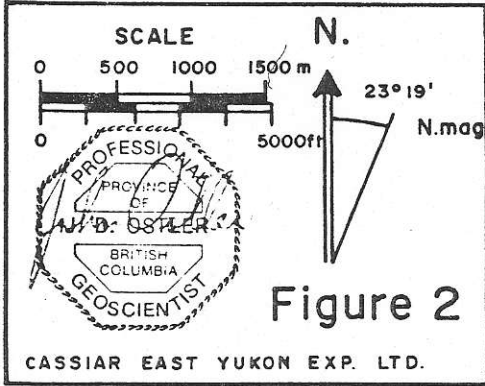
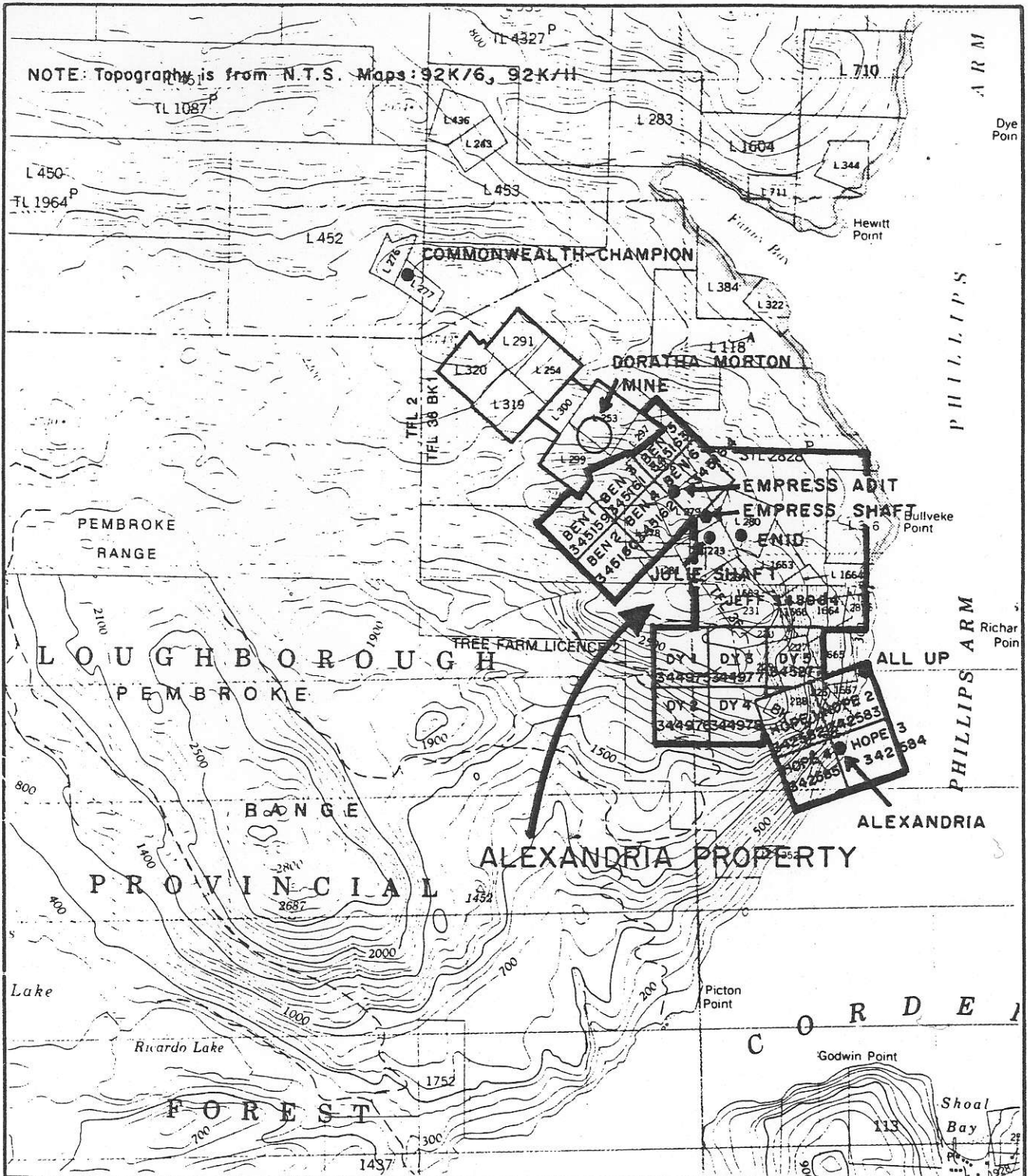
ALEXANDRIA PROPERTY

50°29'22" N., 125°22'45" W.

U.T.M. 5595200N., 331250E.

N.T.S. 92 K/6-K/11 VANCOUVER M.D., B.C.

JOHN OSTLER; M.Sc., P.Geo. NOVEMBER, 1996



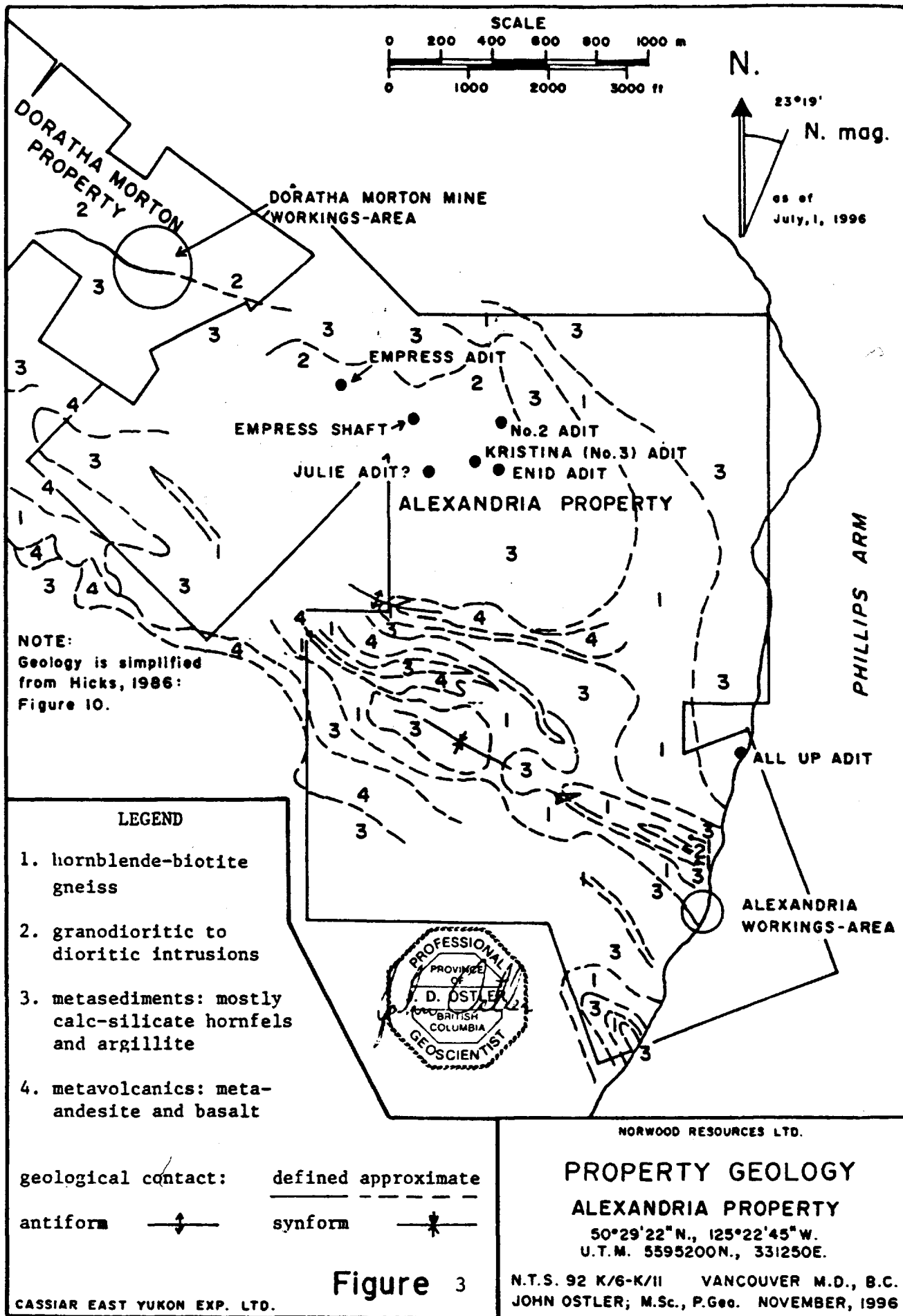
NORWOOD RESOURCES LTD.

LOCATION and TERRAIN

ALEXANDRIA PROPERTY

50°29'22" N., 125°22'45" W.
U.T.M. 5595200N., 331250E.

N.T.S. 92 K/6-K/11 VANCOUVER M.D., B.C.
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Elevations on the Property range from sea level to 993.6 m (3260 ft). The southwestern part of the claims is covered by second growth forest. The extremely steep slopes on the northeastern part of the claims have not been logged very far up from the shore. There is sufficient available timber on the Property to support a mining operation. There are no significant creeks on the Property, however adequate fresh water for mining purposes could be obtained from a creek located south of the claims.

The following is a table detailing the status of the claims:

CLAIM NAME	RECORD NO.	NO. OF UNITS	EXPIRY DATE
Hope #1	342582	1	December 13, 1997
Hope #2	342583	1	December 13, 1997
Hope #3	342584	1	December 13, 1997
Hope #4	342585	1	December 13, 1997
Ben 1	345159	1	March 31, 2001
Ben 2	345160	1	March 31, 2001
Ben 3	345161	1	March 31, 2001
Ben 4	345162	1	March 31, 2001
Ben 5	345163	1	March 31, 2001
Ben 6	345164	1	March 31, 2001
Dy #1	344975	1	April 2, 2001
Dy #2	344976	1	April 2, 2001
Dy #3	344977	1	April 2, 2001
Dy #4	344978	1	April 2, 2001
Dy #5	345277	1	April 21, 2001
Dy #6*	345278	1	April 21, 2001
Jeff	348964	9	July 23, 2000

*The Dy #6 is substantially overlapped by Hope #1 and appears as a minute fraction at the northwest corner of Hope #1. See Figure 2.

Ownership

By an Option Agreement (the "Option Agreement") dated the 2nd day of August, 1996, with C. Dyakowski, of 3750 West 49th Avenue, Vancouver, BC and Bernard Fitch of 304-420 Seventh Street, New Westminster, BC (collectively the "Optionors") the Issuer was granted an option (the "Option") to acquire a 100% interest in the Property, subject to a 2% Net Return Royalty in favour of the Optionors (Net Return Royalty is the net amount of money received by the Issuer from the sale of ore or ore concentrates or other products from the Property after deduction of the related charges, costs, commissions taxes and assessments). The Option may be exercised through the payment of an aggregate of \$95,000 and the issuance of an aggregate

of 200,000 shares of the Issuer to the Optionors and the expenditure of an aggregate of \$500,000 on the Property as follows:

1. \$15,000 payable on execution of the Agreement (paid);
2. 50,000 shares of the Issuer upon the date the Issuer's shares are listed, posted and called for trading on the VSE (the "Listing Date");
3. \$100,000 on exploration on the Property by no later than the date which is the earlier of the date the Issuer obtains a receipt for a prospectus filed by the Issuer with the British Columbia Securities Commission and the first anniversary of the Agreement (expended);
4. \$20,000 payable no later than 15 business days after the Listing Date;
5. \$100,000 on exploration on the Property and \$20,000 payable and 50,000 common shares issuable to the Optionors upon the filing of an engineering report acceptable to the Vancouver Stock Exchange recommending further exploration work on the Property, by no later than the first anniversary of the Listing Date. This exploration requirement will be satisfied by the proposed phase 1 program;
6. \$20,000 payable and 50,000 common shares issuable to the Optionor upon the filing of an engineering report acceptable to the Vancouver Stock Exchange recommending further exploration work on the Property, by no later than the second anniversary of the Listing Date;
7. \$300,000 on exploration on the Property and \$20,000 payable and 50,000 common shares issuable to the Optionor upon the filing of an engineering report acceptable to the Vancouver Stock Exchange recommending further exploration work on the Property, by no later than the third anniversary of the Listing Date.

The Issuer may accelerate the exercise of the Option, and has the right to make any of the payments referred to above before their respective due dates.

If the Issuer does not fulfill its obligations as set out above, the Option shall terminate and the Issuer will forfeit to the Optionors any interest in the Option Agreement free and clear of all encumbrances. Any monies already paid by the Issuer will be non-refundable.

Upon the Issuer having exercised the Option and at any time following the commencement of commercial production, the Issuer shall have the right to purchase the Net Return Royalty for the sum of \$1,500,000.

To keep the Option Agreement and the Property in good standing the Issuer must fulfil the obligations as set out above and file assessment work on the claims before their respective due dates as set out above.

The consideration under the Option Agreement was determined by arms length negotiations between the Issuer and the Optionors. The Optionors are at arm's length to the Issuer.

Exploration and Development History

Early Exploration and Development

Prospecting was conducted in the area around Phillips Arm in the late 1880s and early 1890s. By 1900, a Phillips Arm gold camp had been defined, extending from the northern part of Sonora Island northwestward to Loughborough Inlet.

The central and most intensely mineralized part of the camp extended for 6 km (3.7 mi) from the northern shore of the entrance to Phillips Arm, up the mountain toward Loughborough Inlet. This area contained several old gold prospects and mines, including the Alexandria workings, Enid adit, Julie shaft, Empress adit and shaft and All Up adit.

Alexandria Mine (now covered by the Hope 3 Claim)

Work at the Alexandria mine was underway by 1896 with the claims being prospected and surveyed and the No. 1 adit being driven in on the vein system from a portal located just above high tide. Work proceeded underground on the No.1 and No.2 tunnels at the Alexandria mine, and from 1896 to 1898 several small shipments of ore totalling 48.8 tons grading 1.23 oz/ton gold were sent to a Tacoma smelter. The area encompassing the All Up adit was also examined. It was found that the Alexandria vein was mineralized throughout with gold in white to grey ribboned quartz containing minor amounts of sulphide. Underground work continued until about 1910.

As development continued on the Alexandria mine the rest of the Phillips Arm camp went into a decline that lasted until the end of the first world war in 1918. In 1919, the Alexandria workings, by then comprising the No.1 to No.4 tunnels were cleaned out, surveyed and sampled by Henry Rhodes for the Phillips Arm Gold Mines Company ("PAGM"). Assays from 108 samples taken from adits No.1, 3 and 4 ranged "from about \$25 in gold and silver down to low values". According to the B.C. Ministry of Mines Annual Report for 1920, the No.1, 3 and 4 adits were driven on gold-bearing quartz veins. The No.2 adit was driven in the hanging wall of the main Alexandria vein with the intention of using it as a haulage way during full-scale production.

PAGM sold the Alexandria mine to the Alexandria Mines Company, Limited in 1925. During that year, a raise connecting the No.1 and No.2 adits was completed for ventilation, and the workings were cleaned out. Work at the Alexandria mine continued through 1928, comprising surface prospecting, driving of the No.5 tunnel and preliminary work on the shaft (winze) to the proposed 100 and 200 foot levels below the No.1 adit. Mining was supported by a 30-man camp located on the shore just south of the No.1 portal, and a large dock for landing heavy machinery and supplies. By 1933 the shaft beneath the No.1 adit was over 60 m (200 ft) down and extensive work had been done on the 100 and 200 levels (actually located 92 ft. and 192 ft. below the surface, respectively) out from the shaft.

R.S. Mellum inspected and sampled the Alexandria workings during 1931 for Premier Gold Mining Company, Limited ("Premier"). Premier optioned the property in 1932 and worked in the Alexandria mine in 1934. The underground workings were sampled by Premier. Ore-zones were located by sampling on the main or No.1 level and on the 100-foot level, with almost negative results being obtained on the 200-foot and No.2 levels. Later that year, Premier dropped its option on the Alexandria property. It was subsequently reoptioned to R. Crowe-Swords, the founder of the Glasford Mining Corporation Ltd. which had developed the Doratha Morton mine and the properties on which the Enid adit and the Julie shaft were found. R. Crowe-Swords' option terminated by 1939.

The Alex Mining Company was formed in 1939 to exploit the proven ore in the Alexandria No.1 adit. Two stopes located between the portal and the shaft were worked from the No.1 level up to the No.2 level, a distance of about 15.4 m (50 ft). A third was up about 3 m (12 ft) when work ceased. A total of 1867 tons of ore was shipped to a smelter from 1939 to 1940. Work may have ceased because of a shortage of explosives brought about by the second world war. Further exploration did not occur until the 1970's, possibly as a result of increased mining costs and a gold price which was artificially held down to \$US 35/oz.

According to the Report, the Alexandria mine was the second largest gold producer in the Phillips Arm gold camp. Approximately 773.66 ounces of gold and about 1,340.5 ounces of silver were recovered from 1,915 tons of ore from the Alexandria mine from 1898 until 1940.

Enid-Julie and Empress Adits and Shafts (now covered by the Jeff and Ben Claims)

In 1898, the Enid, Julie and Empress adits and shafts were controlled by the Fairfield Exploration Syndicate of London, England. Northwest of the Enid, Julie and Empress adits and shafts the Dorothea Morton mine was in production, which mine was also owned by the Fairfield Exploration Syndicate. The Dorothea Morton mine, located immediately to the northwest of the Ben claims, was the most important gold producer in the Phillips Arm gold camp. During the 1890s, prospecting on the Empress and Enid-Julie adits and shafts were conducted in conjunction with development of the Dorothea Morton workings. By 1897 the ground comprising both the Empress and Enid-Julie adits and shafts (collectively the "Enid-Julie Prospect") had been crown-granted.

A shaft was excavated on the Empress claim, located west of the Enid-Julie Prospect near the edge of the ridge (Figure 2). The shaft was probably sunk in the mid-1890s.

By 1929 the Enid-Julie Prospect was owned by Morton Woolsey Consolidated Mines, Limited which also controlled the Dorothea Morton mine. An unspecified amount of prospecting was conducted on the Enid-Julie Prospect in that year but no more underground development was recorded.

In August, 1933, Enid-Julie Mines Ltd. was formed to develop the property covering the Enid, Julie Prospect and Empress claim. A significant amount of work was conducted on those sites that year. It was discovered that the area was bedded with sedimentary rocks and that, lying on the east side of a 10-foot basic dyke, there was a quartz vein up to 25 and 30 feet in width. This vein was discovered at an elevation of 2,900 feet, where a 15-foot shaft showed good gold values. It was traced down the hill and a tunnel was started at 2,140 feet elevation. This tunnel is about 30 feet east of the dyke and has been driven about 155 feet in mineralized quartz, without any walls showing. The mineralization consists of iron sulphides, mainly pyrrhotite, carrying values up to 0.4 oz. gold per ton, except where cross-fracturing causes enrichments.

During road-construction a second vein was discovered about 600 feet northeast of the main vein and a little lower down the hill. Stripping exposed this vein on the surface for a few hundred feet and a 30-foot crosscut intersected it underground. The No.3 vein was exposed about 500 feet up the hill from this discovery. Work in the Enid adit continued until July, 1934.

Recent Exploration and Development

Hope, Ben and Jeff Claims

Late in 1976, a soil geochemical survey (the "MacLeod survey") was conducted on the Alexandria workings by J.W. MacLeod for M.P. Warshawski. Warshawski's holdings comprised all of the reverted crown-granted claims from the Alexandria mine to the Dorothea Morton mine

(see Figure 1). The MacLeod Survey covered part of the current Ben and Jeff claims just west of the Enid-Julie and Empress workings-areas. Soils were tested for copper, lead, zinc and silver. At the time this survey was conducted soil gold analyses were generally considered expensive and unreliable, and soils were commonly not tested for gold. Of 152 soil samples taken and analyzed for copper, lead, zinc and silver only four isolated lead assays could be considered anomalous. MacLeod concluded that there was no significant mineral occurrences within the area tested, or that the approach of using tracer elements for the gold showing in this area was not effective.

Silver analyses from the MacLeod Survey ranged from detection limit (0.2 ppm) up to 2.2 ppm. Two parallel silver anomalies trending about 055° across the 1976 grid-area were defined by the 1.0 ppm silver contour. A seemingly conjugate structure trending about 100° was evident in the northern part of the grid-area.

Warshawski and, by then his co-owner MacLeod, optioned their claims on the Enid-Julie workings to Corpac Minerals Ltd. ("Corpac") Corpac reconsidered the value of soil surveys in the area and commissioned G.A. Noel (1980) to conduct soil surveys near the Enid-Julie workings-area in an attempt to discover the extent and trend of mineralization.

Noel's exploration crew were successful in locating the Empress shaft and the Enid adit (see Figure 1). Large gold and silver anomalies were found that extended from just down hill of the Empress shaft to the creek near the Enid adit. Gold concentrations in that anomaly were up to 6,000 ppb and silver concentrations were up to 6.0 ppm. A small gold and silver anomaly was located near the No.2 adit near the north end of a southeasterly grid. The grid was one of three that had been laid out along the trend joining the Enid-Julie and Doratha Morton workings. A central grid covered an exposure of pyritic quartz near the centre of the Empress claim. Soil-gold values of up to 1,310 ppb and silver concentrations of up to 2.4 ppm confirmed that a gold-bearing structure probably extended from the central grid to the Empress shaft.

Noel's crew returned to the area between the Doratha Morton mine and the Enid-Julie workings during 1981 for Corpac to continue soil sampling. Soils from that program were analyzed for silver, copper, zinc arsenic and antimony. More soil-silver anomalies were discovered along the trend.

Two other soil grids were sampled that year, numbered 1 and 2 but no significant values were found.

Corpac concluded that a mineralized structure extended for a distance of at least 1500 m (4920 ft) from the Enid-Julie workings to the Doratha Morton mine. The lack of soil-silver and gold anomalies along the trend between the two workings-areas was attributed to sparse mineralization in those areas.

Late during 1982, G. Wares and G.H. Carriere calculated an inferred resource on the main Alexandria vein within the workings using the 1931 Premier sampling data. The total estimated inferred resource in the Alexandria mine between the No.2 and 100 levels after deduction of certain material was 17,190.8 tons containing a potential 5,214.3 ounces of gold.

By 1983, the area now covered by the Property was held under option by Charlemagne Oil and Gas Ltd. (subsequently Charlemagne Resources Ltd.). A work program was conducted that year by G.H. Carriere. Emphasis was on the Alexandria workings and comprised underground mapping, sampling and drilling.

Carriere's mapping along the main vein was confined to the No.1 and No.2 levels. The 100 and 200 levels were not dewatered. Carriere found that the main Alexandria vein was a composite

structure comprised of up to six quartz units having composite widths of up to 10 m (32.8 ft). The Premier Fault intersects the No. 1 and 2 adits and the 100 level at a northwesterly dipping 45° angle. It appears to be a normal fault that has displaced rocks on its northerly hanging wall downward juxtaposing mineralized quartz in the southern part of the Alexandria vein with a barren section to the north. South of the Premier fault in the area of the main ore shoot the vein generally had a northwesterly strike and a dip of 80° to 85° southwest. A few quartz stringers were found but only one major vein system was mapped in the workings.

Mineralization was found to occur south of the Premier Fault in white to grey vitreous quartz also containing elongate lenses and masses of pyrite aligned with the vein strike. Gold concentration was found not to be directly related to local concentration of sulphides. High assays were obtained from quartz and crystals of feldspar. Sampling on the No.1 level confirmed Premier's 1931 sampling, thus increasing confidence in the Wares and Carriere 1982 reserve estimate of the main ore shoot at Figure 4. A recalculation of the earlier Inferred resource done by Mr. Ostler is included in his report as follows:

**Inferred Resource Calculation
after 1931 to 1940 Production**

<u>No. of Blocks</u>	<u>Total Tonnage</u>	<u>Gold Content oz/ton</u>	<u>Gold Content Troy Ounces</u>
26	9,382.1	0.317	2,889.71
12	7,808.7	0.298	2,324.63

The total estimated inferred resource in the Alexandria mine between the No. 2 and 100 levels after deduction of all material contained within the four blocks mined from 1931 to 1940 is 17,190.8 tons containing a potential 5,214.3 ounces of gold.

The foregoing estimates were generated from data contained within an appendix to a 1983 regional report by R.J. Cathro and J.F. Carne. Neither Carriere's 1982 report nor the original 1931 Premier Mines report were available to Mr. Ostler. Consequently, parameters of these estimates were unknown reducing them to qualitative value only.

The main Alexandria vein was traced north of the Premier Fault where similar-looking quartz and pyrite contained no significant gold values.

Carriere mapped the No. 3, 4 and 5 tunnels, located up the hill and northeast of the main workings. The No. 3 penetrated a vein similar to that in the No.1 tunnel. No significant gold values were found in the No. 3 tunnel.

The No.4 adit penetrated four quartz veins in andesite with generally southeasterly strikes and dips ranging from 50 to 55° SW. The veins themselves returned low gold values but a 1.42 m (4.66 ft) wide section of silicified andesite; named the WAR zone, contained an average of 0.367 oz/ton gold.

Carriere did not map the No.5 adit in detail.

To test his reserve calculations beneath the No.1 level, Carriere had five holes drilled through the main Alexandria vein among the lower workings. The results were as follows:

1. Gold values in the quartz veins are related to the proximity of the dark granite.
2. The Premier Fault truncates gold values to the northwest.
3. The diorite contact is displaced at least 85 metres southwest across the Premier Fault.

CALCULATIONS

a)

Block	Area Sq Ft	Width (ft)	Volume Cu Ft	Tons	Assay	Oz Au
a	325	3.11	1,011	84.3	0.271	22.85
b	925	4.41	4,079	339.9	0.564	191.70
c	750	3.68	2,760	230.0	0.119	27.37
d	875	3.89	3,404	283.7	0.366	103.83
e	2,525	3.54	8,939	744.9	0.401	298.70
f	1,500	2.93	4,395	366.3	0.384	140.66
g	650	3.11	2,022	168.5	0.271	45.66
h	925	4.41	4,079	339.9	0.564	191.70
i	750	3.68	2,760	230.0	0.49	27.37
j	875	3.89	3,404	283.7	0.366	103.83
k	2,525	3.54	8,939	744.9	0.401	298.70
l	1,500	2.93	4,395	366.3	0.384	140.66
m	2,650	5.04	13,356	1113.0	0.305	339.47
n	1,000	8.01	8,010	667.5	0.138	92.12
o	2,250	7.57	17,033	1419.4	0.316	448.53
p	2,650	5.04	13,356	1113.0	0.305	339.47
q	1,000	8.01	8,010	667.5	0.138	92.12
r	2,250	7.57	17,033	1419.4	0.316	448.53
TOTAL	25,925	4.90	10582.2	0.317	3353.27	

b)

Block	Area Sq Ft	Width (ft)	Volume Cu Ft	Tons	Assay	Oz Au
s	494	3.11	1,536	128.0	0.271	34.69
t	703	4.41	3,100	258.3	0.564	145.68
tt	570	3.68	2,098	174.8	0.119	20.80
u	665	3.89	2,587	215.6	0.366	78.91
v	2,020	3.54	7,151	595.9	0.401	238.96
w	1,380	2.93	4,043	336.9	0.384	129.37
x	2,332	5.04	11,753	979.4	0.305	298.72
y	920	8.01	7,369	614.1	0.138	84.75
z	2,070	7.57	15,670	1305.8	0.316	412.63
aa	2,650	5.04	13,356	1113.0	0.305	339.47
bb	1,000	8.01	8,010	667.5	0.138	92.12
cc	2,250	7.57	17,033	1419.4	0.316	448.53
TOTAL	17,054	5.50	7808.7	0.298	2324.63	

NOTES: For location on property, see Figure 2.
 For plans of Alexandria workings as of 1940, see Figures 5 and 7.
 For plans of 1983 and 1985 drilling, see Figure 10.
 This table and figure are from Wares and Carriere, 1982 as appended
 in Cathro and Carne, 1983.

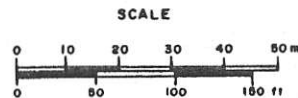
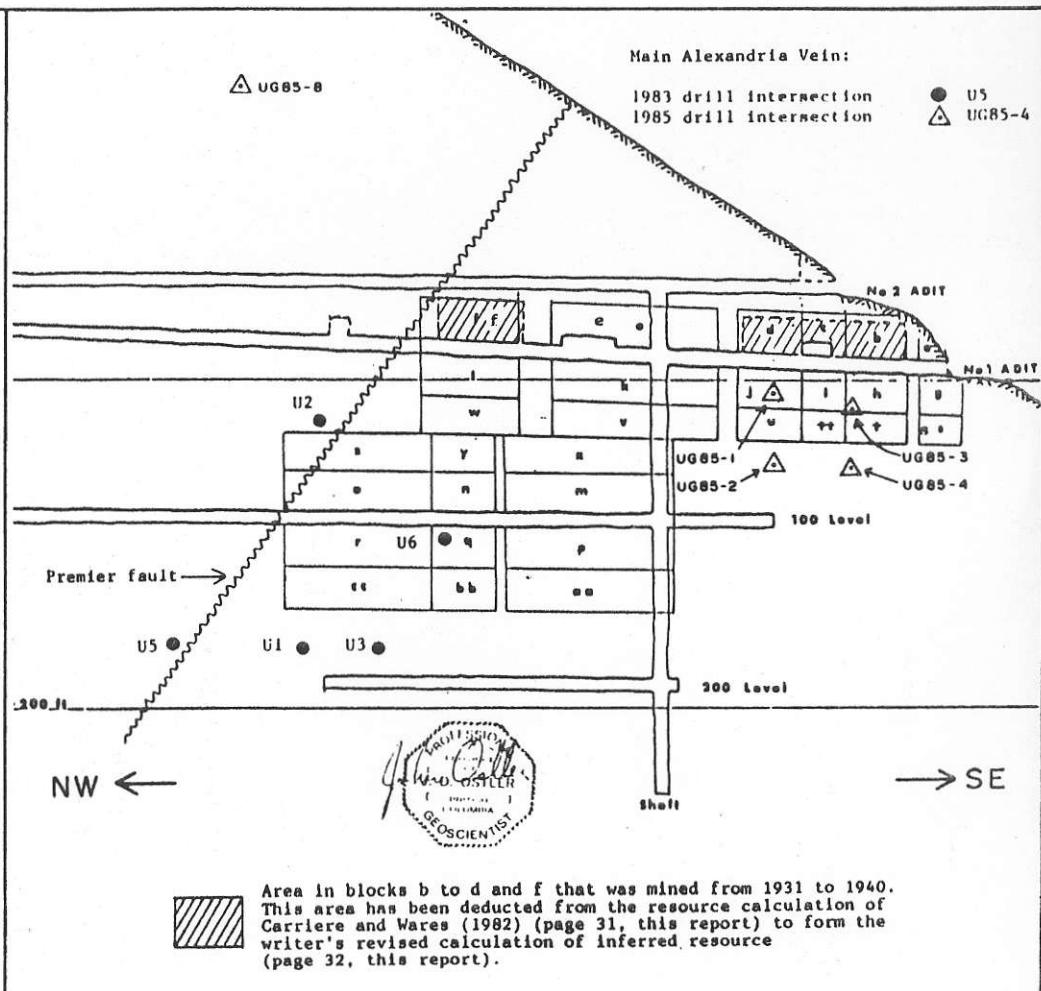


Figure 4

NORWOOD RESOURCES LTD
1982 INFERRED RESOURCE CALCULATIONS
 ALEXANDRIA PROPERTY
 50°29'22"N, 125°22'45"W
 U.T.M. 5595200N, 331250E

N.T.S. 92 K/6-K/11 VANCOUVER M.D., B.C.
 JOHN OSTLER, M.Sc., P.Geo. NOVEMBER, 1998

4. Gold occurring in quartz veins is generally associated with a narrow heavily pyritized white/grey vitreous quartz unit.
5. Assays taken by Premier in the 1930s correlate favourably with those taken during the 1983 program.
6. The Alexandria ore shoot extends below the 100 level.
7. A lateral offset below the 100 level moves the ore 5 to 10 metres southwest of the anticipated down dip projection.
8. The 200 level was driven in the hanging wall of the ore zone and as such does not necessarily limit the down dip extension of the Alexandria ore shoot.
9. The No.3 and No.5 adits intersect different geological structures than that of the Alexandria vein.
10. The No.4 adit is northeast of the Alexandria vein.
11. Gold values may be present in the silicified andesite formations of the Phillips Arm shear zone, as seen in the No.4 WAR zone.
12. Further exploration is required to correlate the geology of the 5 main adits and the Enid-Julie gold and silver anomalies to the northwest.
13. Exploration potential exists for the discovery of gold-bearing zones in the following areas:
 - (a) Southwest of the Alexandria vein and northwest of the Premier Fault
 - (b) Below the 200 level and within the lower block of the Premier Fault
 - (c) The No.4 adit wall rock zone (WAR zone)
 - (d) The granite contact southwest of the No.4 adit
 - (e) Enid-Julie workings
 - (f) Northwest of, and on strike with the Enid-Julie workings towards the Doratha Morton property line.

During 1983, Charlemagne Resources Ltd. acquired a large block of claims covering the northeasterly facing slope between the Enid-Julie workings, the Doratha Morton mine and Fanny Bay. The southern part of that claim-area is ground now covered by the northern part of the Jeff and Ben claims (Figure 2).

Charlemagne retained G.H. Carriere and Robert Simpson to conduct a program of prospecting the following year. A large piece of angular quartz-pyrite float assaying 7.17 oz/ton gold and 21.8 oz/ton silver was found in Bullveke Creek about 984 ft downstream from the Enid-Julie workings.

The results of the 1983 drilling are summarized as follows:

Alexandria Mine: 1983 Underground Drilling

Hole No.	Intersection Location	Vein Width		Gold Content	
		m	ft	gm/mt	oz/ton
U1	9 m above 200 level south of Premier fault and 10 m SW of working	0.4	1.3	90.3	2.73
U2	15 m above 100 level north of Premier fault	narrow intersection with low values			
U3	15m SE of U1 south of Premier fault and 5 m SW of working	Int. 1:	1.6 5.3	8.6	0.26
		Int. 2:	1.7 5.6	9.6	0.29
U4	not drilled				
U5	15m? NW of U1 just north of the Premier fault	narrow intersection with low values			
U6	30m SE of U1 and 5 m below the 100 level	1.9	6.2	12.2	0.37

Falconbridge Limited ("Falconbridge") optioned part of Charlemagne's interest in the claims. Falconbridge conducted an extensive exploration over most of the area from Fanny Bay southward past Picton Point (Figure 1) including all of what is now the Property.

The 1985 exploration program included the following:

1. underground mapping in the Alexandria, All Up, Empress and some of the Enid-Julie workings
2. more drilling in the Alexandria workings
3. regional mapping and prospecting
4. airborne geophysical surveys
5. soil surveys and ground geophysical surveys west of the Enid-Julie workings and around the Alexandria workings.

Detailed mapping and sampling was conducted at the Alexandria in the No.1 level to the waste pass from the 1983 program and in the No.2 to No.5 workings. The 1983 work of Carriere and his estimates of an inferred gold resource were confirmed.

A total of 15 holes were drilled across the shear zone hosting the Alexandria vein from stations in the No.1 and No.2 adits.

Drill holes UG85-1 to 4 were drilled from a station located in the first drift extending southwestward from the No.1 adit. They were drilled back into the main Alexandria vein and penetrated it less than 30 m (100 ft) below the No.1 level. The holes hit a complex vein structure with variable gold contents. The best intersections in that area were in UG85-3, 0.38 oz/ton gold over 1.0 m and in UG85-4, 0.149 oz/ton gold over 0.2 m.

Hole UG85-5 was drilled northeastward from the end of the first northeasterly drift in the No.1 adit. That hole penetrated volcanic rocks northeast and at the same elevation as the No.1 adit and encountered no significant mineralized intersections. UG85-6 was drilled northeasterly into similar rocks from the top of the man way to the No.2 level with similar results.

Hole UG85-7 was drilled southwestward from a point in the No.2 adit about 20 m (66 ft) in from the top of the man way. The main Alexandria vein structure was encountered just west of the No.2 adit where a 1.8 m intersection returned 0.03 oz/ton gold.

Holes UG85-8 to 15 were drilled from several locations along the No.2 adit north of the Premier fault. Holes UG85-8 and 11 to 14 intersected a series of lean gold-bearing quartz-filled structures that returned up to 0.07 oz/ton gold over widths in excess of 1 m (3.3 ft). These structures were parallel with the main vein and located just east of the No.2 adit through a vertical distance of at least 50 m (164 ft).

The results of the 1985 drilling into the main Alexandria vein is summarized as follows:

Alexandria No.1 Vein: 1985 Underground Drilling

Hole No.	Intersection Location	Vein Width		Gold Content	
		m	ft	gm/mt	oz/ton
UG85-1	-6 m below No.1 level, 38 m in from portal	1.2	3.9	6.45	0.19
UG85-2	-18 m below No.1 level, 38 m in from portal	1.0	3.3	1.2	0.04
	-5 m west of vein, 15 m below No. 1 level	0.8	2.6	5.8	0.17
UG85-3	-9 m below No.1 level, 18 m in from portal	1.0	3.3	12.6	0.38
UG85-4	-20 m below No.1 level, 18 m in from portal	1.0	3.3	1.2	0.04
	-5 m west of vein, 16 m below No.1 level	1.5	4.9	2.0	0.06
UG85-8	-37 m above No. 2 level, 80 m in from the main shaft area, above and north of the Premier Fault	1.9	6.2	3.0	0.09

Geological mapping, soil, magnetic and electromagnetic surveys were conducted throughout the Alexandria mine. Gold concentrations in those soils ranged up to 2,200 ppb. Generally, the highest values were coincident with the old working-ports, probably due in part to blasting contamination. It was found that there was no obvious correlation of electromagnetic conductors and known gold-bearing structures. A significant northeasterly trending anomaly located along line 090° E. had no obvious correlation with anything on the ground (Figure 3).

The All Up adit (Figure 1) was located along the shoreline about 2,624 ft north-northeast of the Alexandria No.1 adit. It was sampled and mapped by the Falconbridge crew. No significant gold concentrations were found in the All Up.

The Falconbridge crew prospected along the area between the Doratha Morton mine and Enid-Julie workings areas. They discovered a caved adit near where Noel's (1980) central soil grid was located. From the dump, pyritic grab samples assayed up to 132 gm/mt (3.99 oz/ton) gold. They followed a sparsely mineralized quartz vein for 984 ft northwest where it "horsetailed out". They identified that adit as the Empress working.

Farther along the trend near the southeastern corner of the reverted Empress crown-grant they found a water-filled shaft reported to be 5 m (16.4 ft) deep. Pyritic quartz from the dump area returned very low assays.

The Enid adit was mapped and sampled, confirming earlier results. Channel samples contained generally low gold concentrations.

The No.3 adit was found to have been driven into a quartz lens in calcareous metasediments. Gold values from samples taken within the tunnel were low. A float sample near the entrance returned an assay of 4.48 oz/ton gold.

Soils were sampled for several elements including gold and silver on two extensive grids. One was located just southwest of the trend between the Doratha Morton mine and the Enid-Julie workings; the other was southwest of the Enid-Julie workings. There were no significant gold anomalies on either grid, only a few spot highs.

A ground electromagnetic survey was conducted over an area extending across the southeasterly Enid-Julie soil grid to near the Enid-Julie workings. It was concluded that there was little anomalous response. Other surveys that were tried during the 1985 program and found to be ineffective in the Alexandria property-area were: airborne geophysical surveys, remote sensing surveys using satellite data and ground piezoelectric surveys. Falconbridge Ltd. dropped its options to claims in the area during 1986.

Later that year Charlemagne Resources continued drilling along the Enid-Julie to the Doratha Morton trend. The program comprised five holes that were drilled from October, 1986 to February 1987. The first three holes were drilled north of the Doratha Morton mine in the Commonwealth-Champion workings-area. The last two holes were drilled at the Enid-Julie workings. The drill was moved by helicopter onto a platform located up hill and to the west of the Kristina (No.3) and Enid adits. The holes were oriented to test gold-bearing structures mapped in the adits. Jenna Hardy described the results of that work with regard to Hole CHG.86-4 in her 1988 report at page 14 as follows:

While lithologies as shown vary considerably, much of CHG.86.4 lies within the metavolcanics and metasediments of a roof pendant, through a small sequence of medium grained hornblende diorite occurs at the top of the hole. Anomalously thick sections of ash feldspar crystal tuff in the upper portions of the hole, pass downward to interlayered metavolcanics and metasediments. Both basalt and andesite dykes occur nearer the bottom of the hole above and below the vein system (Map Unit 5) (Figure 13). Narrow intervals of calc-silicate alteration are present in both metavolcanics and metasediments. The basalt dykes shown appear most often to trend sub-parallel to a major shear zone running through the area

The hole was placed to test values of up to 3.8 oz gold per ton and 15.4 oz silver per ton in caved material from the floor of the Kristina adit, and penetrated about 14 m beneath the adit floor. It failed to intersect any mineralization that could be attributable to a mineralized feature extending from the area of the Kristina adit. The extension of the Enid structure is however geochemically and geologically recognizable in the hole by values up to 550 ppt Au. Three distinct anomalous zones are in fact present.

1996

The Issuer's involvement with the property dates from August, 1996 when it entered into the Option Agreement. The pre-prospectus 1996 exploration program by the Issuer on the Property was intended as the first part of a program of exploration intended to identify areas with a high potential for gold mineralization and to define easily minable gold reserves. The objectives of the 1996 work were:

- (a) to determine whether there was a mineralized northward extension of the main Alexandria vein or whether it was replaced by an en echelon structure located near the No.3 to No.5 adits northeast of the main vein; and
- (b) to determine if the mineralized structure at the Doratha Morton was located on the Alexandria property south of the Alexandria-Doratha Morton claim boundary.

With respect to objective (a), prospecting, geochemical and geophysical surveys were conducted on the western part of the Dy claim and in the Alexandria workings-area. The 1996 Dy claim grid was on the slope just above the cliffs adjacent to the Alexandria workings-area. Soils were analyzed for a broad range of elements including copper, silver and gold. Soil gold concentrations were generally near background values. Only two soils samples had gold concentrations in excess of 50 ppb. Silver results were consistent with those obtained by Noel's crew. Almost all values were below a detection limit of 0.03 ppm.

Previous work by Falconbridge had indicated that at least one other mineralized vein lying sub-parallel with and northeast of the main Alexandria vein was located somewhere near the No.4 and No.5 adits. To test and accurately locate such a structure, prospecting and a soil survey were conducted across the Alexandria workings-area where Falconbridge's 1985 work had been done.

Soil-gold concentrations from the 1996 survey of the Alexandria area were up to 2760 ppb. Most high values were from near the No.3 to No.5 portals where contamination from mining would probably be significant. The 1996 survey did not test the area up hill from the No.4 adit and consequently, must be considered incomplete. Further detailed work up hill from those workings could be useful in identifying the structure that reportedly had been traced for 1,000 feet up the hill in 1928 by the Alexandria Mines Company, Limited.

The most significant result of the Issuer's 1996 exploration program was the location of the Doratha Morton gold trend on the Alexandria mine workings-area now covered by the Ben 3 claim. Soils were tested from across a grid located on the Ben claims extending southeastward from the Doratha Morton-Alexandria mine workings-area (Ben 3 claim) boundary. The Issuer's 1996 Ben claim grid was in the area of Noel's (1980) northwestern soil grid.

Soil-gold concentrations taken from the 1996 Ben claim grid were found to range up to 585 ppb gold. Almost half of the grid-area has soils containing over 20 ppb gold. The Report concludes that aprons of gold ore being transported down the steep slope from source-areas along the base of the bluffs near the southwestern margin of the grid. Intense soil-gold anomalies in that area suggest that a significant amount of gold mineralization encompassing an extension of the Doratha Morton gold trend is buried along the base of the bluffs.

The breakdown of the exploration expenses for the 1996 exploration program done pre-prospectus is as follows:

Equipment Rentals	\$ 10,916.00
Field Supplies	4,359.00
Field Lodging & Transport	15,941.00
Travel & Accommodation	4,814.00
Assays	6,779.00
Geological Consulting & Reporting	10,695.00
Wages (7 men) & Workers Compensation Board	41,747.00
Overhead	6,421.00
Assessment of Mineral Claims Filing	<u>440.00</u>
	\$102,112.00
GST	<u>7,117.00</u>
Total	<u>\$109,229.00</u>

Phase I of the proposed work program will be financed by this prospectus offering.

Proposed Exploration Program

The recommended Phase I exploration program has been budgeted at \$107,000 and will consist of work on the two areas as set out below:

Doratha Morton Trend

Gold bearing structures have been found along the Doratha Morton trend that extends from the Enid-Julie workings located on the Ben and Jeff claims to the northern property boundary of the Ben claims near the Doratha Morton mine.

The Report recommends the 1996 Ben claim soil survey be continued southeastward along the 1996 base-line for another 500 m to the Empress adit-area. The Report further recommends that an orthogonal grid with 25 m lines and station spacings be constructed. Where bluffs located on the Ben claims recede, the Report recommends the survey-area be widened to 300 m to ensure that all mineralized structures are tested. Following the Report's recommendations the Issuer also intends to conduct prospecting along the trend between the Julie shaft-area and the northwestern end of the 1996 Ben soil grid to locate and sample any old workings, dumps and mineralized outcrops.

Alexandria Workings Area

The Report recommends that a detailed chart should be made from soundings taken of the floor of Cordero Channel southeast of the Alexandria No.1 portal to determine the potential for minable reserves on the main vein in that area.

The Issuer intends to conduct prospecting on the slopes around and above the No.4 adit to find the quartz vein that was traced for 1,000 ft up the hill during the 1920s, according to the B.C. Ministry of Mines Annual Report for 1928.

The Report further recommends that close-spaced soil surveying be conducted on the slope above the base-line of the 1996 Alexandria soil survey.