

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.

PROSPECTUS

DATED: July 24, 1990

CANADIAN WEST RESOURCES LTD.

(hereinafter called the "Issuer")

Suite 2140, 650 West Georgia Street
P.O. Box 11512
Vancouver, British Columbia
V6B 4N7

PUBLIC OFFERING: 600,000 Units, each Unit consisting of one common share and one Series "A" share purchase warrant

Units	Price to Public ⁽¹⁾	Agents' Commission	Net Proceeds to the Issuer ⁽²⁾
Per Unit	\$ 0.60	\$ 0.06	\$ 0.54
Total	\$360,000.00	\$36,000.00	\$324,000.00

1. The price of the securities has been determined by the Issuer in negotiation with the Agents.
2. Before deduction of the expenses of this issue, which are estimated not to exceed \$30,000.

There is no market through which these securities may be sold.

The securities offered by this Prospectus must be considered speculative securities as the Issuer's property is in the exploration and development stage. There has been no survey of the Issuer's mining property and until such a survey is conducted the area and boundaries of such property could be in doubt. See "Risk Factors" for details of such matters as dilution, inherent risks and conflicts of interest.

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.

Certain of the directors of the Issuer are also directors of other companies engaged in the acquisition, exploration and development of resource properties. See "Directors and Officers" for additional information.

Upon completion of this Offering, this issue will represent 21.1% of the shares then outstanding as compared to 54.1% that will then be owned by the controlling persons, promoters, directors and senior officers of the Issuer and associates of the Agents. See "Principal Holders of Securities" for details of shares held and percentages of shares held by promoters, directors, officers and substantial security holders.

Based on the offering price of \$0.60 per unit, the net tangible book value, after payment of the Agents' commission and estimated costs of this issue, for each of the 2,839,501 shares then outstanding would be approximately \$0.234 per share resulting in an immediate dilution of approximately 61%. See the discussion of dilution under the heading "Risk Factors".

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before November 9, 1990, including prescribed distribution and financial requirements.

The Agents' warrants have been distributed to the Agents under this prospectus. Any Units acquired by the Agents under their guarantee will also be distributed under this prospectus through the facilities of the Vancouver Stock Exchange at the market price at the time of the sale. See "Plan of Distribution".

The Issuer, through its Agents, conditionally offers these securities subject to prior sale, if, as and when issued by the Issuer and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" in this Prospectus, subject to approval of all legal matters on behalf of the Issuer by Coglou, Holmes & Wizinsky, Vancouver, British Columbia.

AGENTS:

WOLVERTON SECURITIES LTD.

1750-701 West Georgia Street
Vancouver, British Columbia
V7Y 1J5

YORKTON CONTINENTAL SECURITIES INC.

1000 - 1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1L4

EFFECTIVE DATE: July 31, 1990

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Audited Financial Statements
as at April 30, 1990

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PROSPECTUS SUMMARY

THE FOLLOWING IS A SUMMARY ONLY.

THE ISSUER:

CANADIAN WEST RESOURCES LTD. (the "Issuer") is a natural resource company engaged in the acquisition, exploration and development of mining properties.

THE OFFERING:

600,000 units, each unit consisting of one common share and one Series "A" share purchase warrant. Each Series "A" share purchase warrant will be transferable and in bearer form will entitle the holder thereof to purchase one common share of the Issuer at a price of \$0.60 per share at any time within one year from the date that the shares of the Issuer are listed for trading on the Vancouver Stock Exchange.

USE OF PROCEEDS:

The net proceeds of this offering will be approximately \$324,000 which, combined with the Issuer's general working capital of \$24,770, as at June 30, 1990 will be used (a) to carry out Phase I of the work program on the Jan, Mar and Black Panther Property recommended by M.P. Dickson, P. Eng. in his Report dated January 2, 1990, and (b) for general working capital.

THE PROPERTY:

The Issuer holds a 100% interest in two located mineral claims and eight crown-granted mineral claims covering an area of approximately 825 hectares located in the Victoria Mining Division of British Columbia. These claims are known as the "Jan, Mar and Black Panther Property". The mineral claims and the crown grants are subject to net smelter returns totalling 3%. The entire property is subject to an option in favour of Candorado Mines Ltd. which entitles it to acquire a 50% interest in the property by paying the capital costs of any recommended mining facilities for the property.

Previous work on the property has consisted for the most part of exploration activity with limited mineral production and has been carried on sporadically since the beginning of this century. The most significant mineralization is at the Black Panther workings where an upper drift averaged 0.89 oz. gold/ton over an average width of 38.70 cm. for 21.3 m. The main level according to A.M. Richmond, P.Eng., indicated two mineralized shoots which average 0.88 oz. gold/ton and 1.91 oz. silver/ton over average widths of 135.60 cm. for a length of 54.86 m. Surface drilling has confirmed values and continuity of the main zone with depth. In the immediate area of the Black Panther workings, cross-cutting, drifting and trenching by Pioneer Gold Mines Ltd. (1941 - 1946)

II

have outlined mineralization at the C and B adits which returned values of 0.75 oz. gold/ton over a 23.48 cm. width for 45.72 m. and 2.09 oz. gold/ton over 12.8 cm. for 36.58 m. respectively.

At the Black Lion area, some 610 m. to the south along the strike of the main zone, earlier work located a 61 m. long section of vein which assayed 0.60 oz. gold/ton over a 61 cm. width. Recent work here has also located a strong parallel structure which averaged 0.084 oz. gold/ton over 4 m.

The northeast corner of the property hosts veins similar to those of the Black Panther workings and further enhance the mineral finding potential of the property.

In particular, trenching north and south of Summit Lake has outlined a number of veins which contain good gold values. Diamond drilling in 1980 returned some interesting values (0.22 oz. gold/ton across a 1.83 m. interval; 0.09 oz. gold/ton across a 1.83 m. interval; and 0.14 oz. gold/ton across a .91 m. interval) and indicated some continuity with depth.

Mineral reserves for the entire property have been calculated by M.P. Dickson, P. Eng. using all available information for the earlier years as well as from the more recent work. Reserves have been broken into three categories - proven, probable and possible. Total reserves and average grade for all three categories amount to 59,605 tons at 0.27 oz. gold/ton and 0.50 oz. silver/ton.

SPECULATIVE ASPECTS:

Investment in the shares of the Issuer must be considered speculative due to the nature of the Issuer's business and the present stage of development. Based upon the offering price of \$0.60 per unit, the net tangible book value, after payment of the Agents' commission and estimated costs of this issue, for each of the 2,839,501 shares then outstanding would be approximately \$0.234 per share, resulting in an immediate dilution of approximately 61% per share.

Reference is made to the warnings on the cover of this prospectus, the description of the Issuer's business, the section headed "Risk Factors" and other relevant disclosure contained herein.

THE FOREGOING IS A SUMMARY ONLY AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS.

NAME AND INCORPORATION

Canadian West Resources Ltd. (the "Issuer") was incorporated as Canadian Vermilion Resources Corp. under the British Columbia Company Act on August 17, 1987 by the registration of its Memorandum and Articles. On September 27, 1989 the Issuer changed its name to the present form.

The address of the head office of the Issuer is Suite 2140, 650 West Georgia Street, P.O. Box 11512, Vancouver, British Columbia, V6B 4N7.

The address of the registered and records offices of the Issuer is 700 - 605 Robson Street, Vancouver, British Columbia, V6B 5J3.

BUSINESS AND PROPERTY OF THE ISSUER

BUSINESS OF THE ISSUER

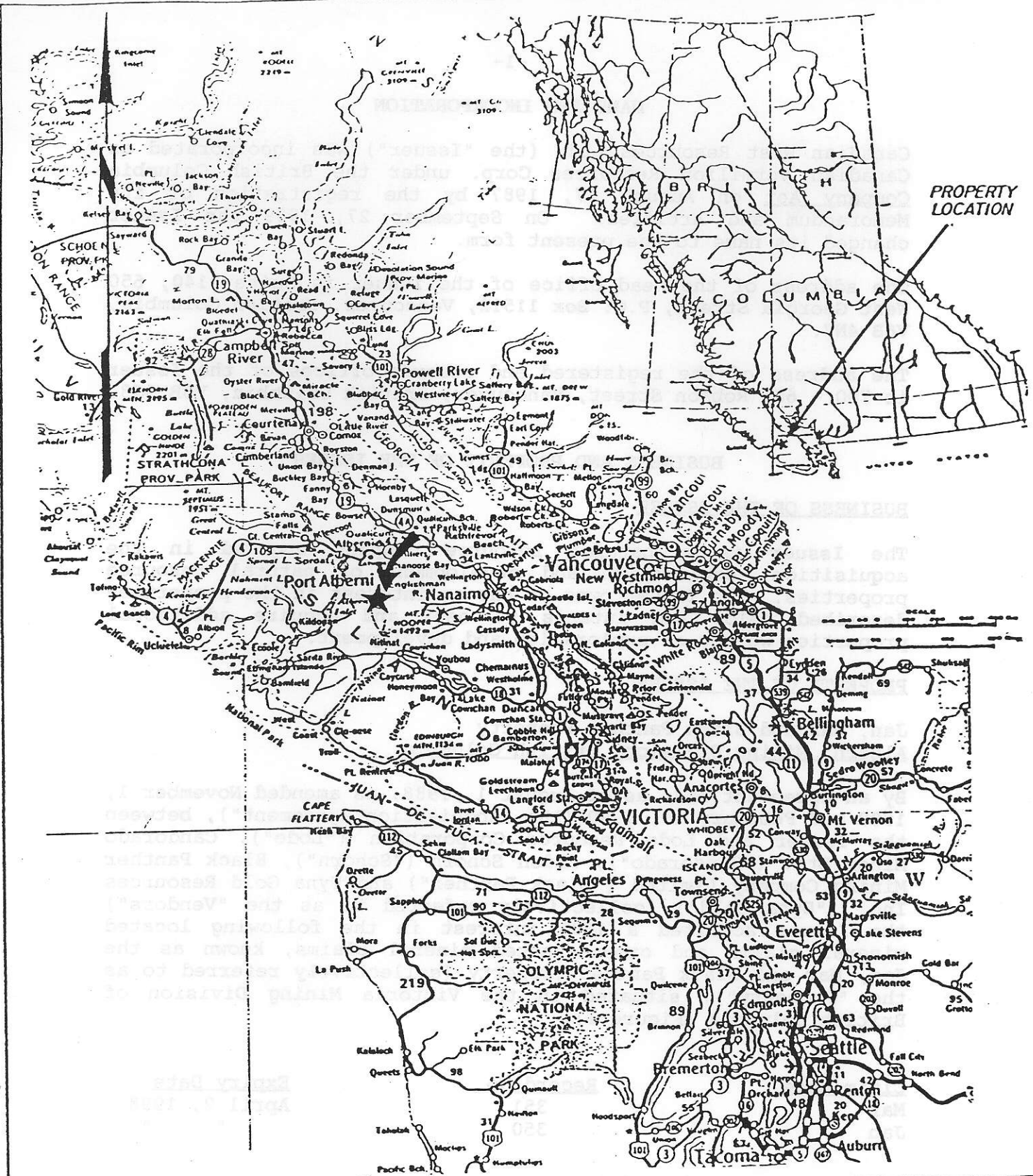
The Issuer is a natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Issuer owns or has an interest in the properties described below and intends to seek and acquire additional properties worthy of exploration and development.

PROPERTY OF THE ISSUER

Jan, Mar and Black Panther Property
Alberni Mining Division, British Columbia

By an agreement made as of August 1, 1988, as amended November 1, 1989 and February 19, 1990 (the "Acquisition Agreement"), between the Issuer and Lode Resource Corporation ("Lode"), Candorado Mines Ltd. ("Candorado"), Elden Schorn ("Schorn"), Black Panther Mining Company Limited ("Black Panther") and Dyna Gold Resources Inc. ("Dyna Gold") (collectively referred to as the "Vendors") the Issuer acquired a 100% interest in the following located mineral claims and crown-granted mineral claims, known as the Jan, Mar and Black Panther Property (collectively referred to as the "Property"), situated in the Victoria Mining Division of British Columbia (Figure 1):

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Mar	351	April 2, 1998
Jan	350	" "



CANADIAN WEST RESOURCES LTD.		
SCALE: AS SHOWN	APPROVED BY:	DRAWN BY: <i>M.P.D.</i>
DATE: 27/11/88	M.P. Dickson	REVISED: 2/1/90
Jan-Mar-Black Panther-Black Lion Property		
Property Location		DRAWING NUMBER 1

M.P. Dickson

<u>Claim Name</u>	<u>Record No.</u>	<u>Record Date</u>
Black Panther No. 1	8094/851	August 5, 1950
Black Panther No. 2	8095/851	" "
Black Panther No. 3	8096/851	" "
Black Panther No. 4	8097/851	" "
Black Panther No. 5	8098/851	" "
Black Panther No. 6	8099/851	" "
Black Panther No. 7	8100/851	" "
Black Panther No. 8	8101/851	" "

The consideration for the Property was the issuance by the Issuer of 1,000,000 common shares in the capital of the Issuer at a deemed price of \$0.25 per share to the Vendors as follows:

<u>Vendors</u>	<u>No. of Shares</u>
Lode	225,000
Candorado	575,000
Schorn	25,000
Black Panther	100,000
Dyna Gold	75,000

Subsequently, Dale E. Wallster, a director and officer of the Issuer, purchased a total of 177,000 common shares from the Vendors (Lode as to 100,000, Schorn as to 7,000, Black Panther as to 45,000, and Dyna Gold as to 25,000).

All of the foregoing shares are subject to Pooling Agreements dated October 18, 1989. (See "Pooled Shares" for details of the pooling requirements).

In addition, Lode and Schorn have each been granted a 1% net smelter return in respect of the mineral claims and crown grants. Black Panther has been granted a 1% net smelter return in respect of the crown grants. The Issuer purchased the Property subject to a 1% net smelter return granted in favour of Thomas D. McEwan in respect of the mineral claims. Accordingly, the mineral claims and crown grants are subject to net smelter returns totalling 3%.

Candorado was granted an option entitling it to acquire a 50% interest in the Property by paying the capital cost of any production facilities recommended for the Property. This option may be exercised by Candorado within 6 months of delivery to Candorado of a duly completed feasibility report recommending the construction of mining facilities and the commencement of commercial production of gold on the Property. In order to exercise the option, Candorado shall pay to the Issuer an amount equal to the amount stated in the said feasibility report, which

amount shall be used by the Issuer for the projected aggregate capital costs of the recommended mining facilities.

Pursuant to the terms of the Acquisition Agreement, the Issuer has delivered to the solicitors for the Issuer duly executed and recordable bills of sale and such other registrable documents as are necessary to transfer 100% interest in and to the Property to Candorado (the "Escrow Documents"). In the event that the Superintendent of Brokers for British Columbia refuses to accept this prospectus for filing or if the prospectus is accepted for filing but the Issuer fails to complete the offering hereby on or before August 31, 1990, then Candorado shall have the right to obtain the Escrow Documents and have title registered in its name but subject to certain conditions set out in an agreement dated September 15, 1986 among all of the Vendors. In the event that the Issuer obtains a receipt for its prospectus before August 31, 1990 and the offering is not completed before such date then it will be a condition of closing of this Prospectus that the Issuer must obtain an extension for time of completion pursuant to the Acquisition Agreement (See "Plan of Distribution").

All of the Vendors are at arm's length with the Issuer except for Candorado. Thomas Reissner, a director and officer of the Issuer, is also a director of Candorado.

Location, Access and Topography

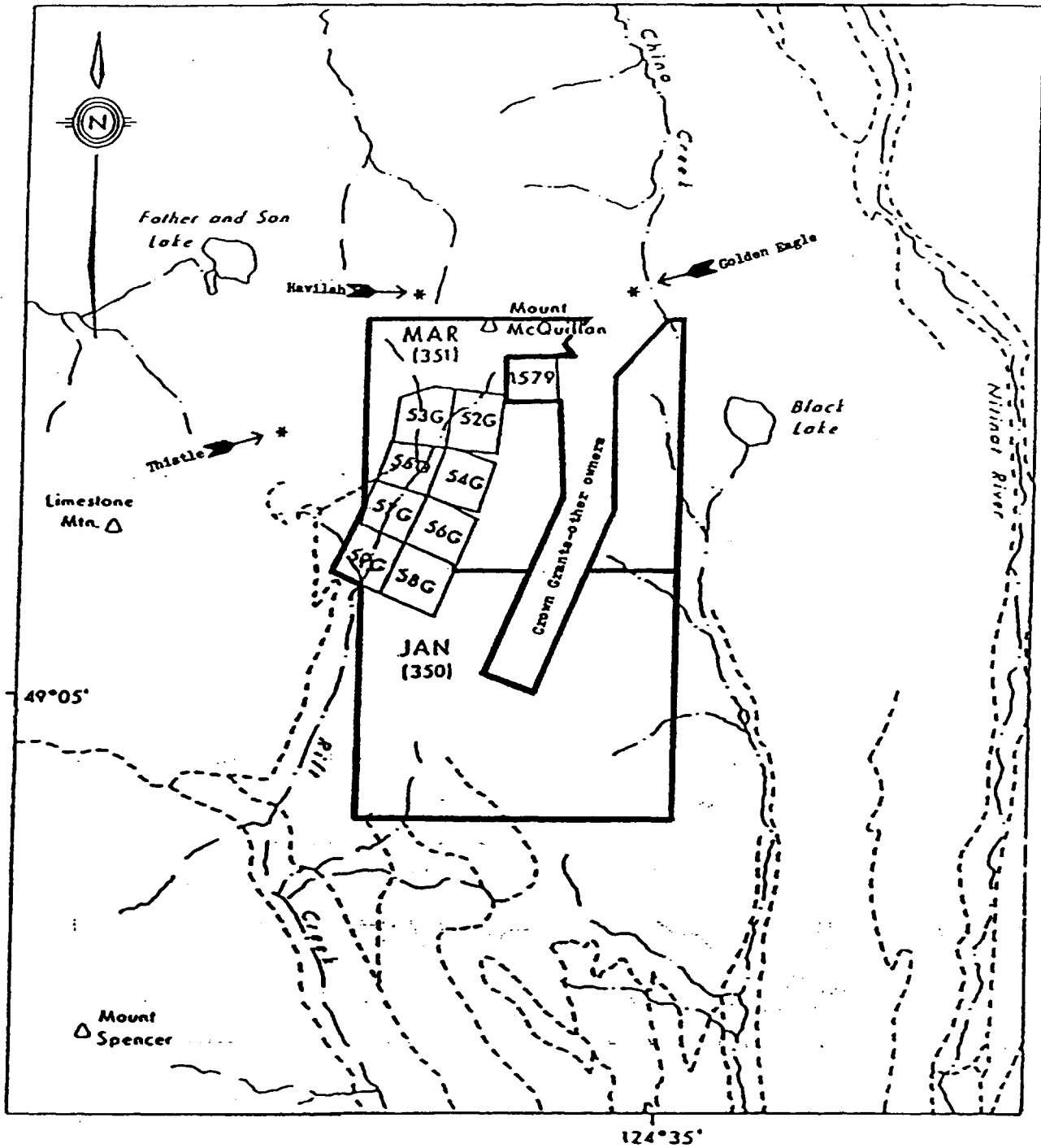
The Property consists of two modified grid mineral claims (40 units) and eight crown-granted mineral claims (Figure 2) covering an area of approximately 825 hectares in the Mount McQuillan area, some 20 kilometres due southeast of Port Alberni on Vancouver Island, British Columbia.

Vehicle access to the western portion of the Property is by 33 kilometres of gravel and dirt logging roads from Port Alberni. At the present time the northeast part of the claims are best serviced by helicopter.

Local topography exhibits elevations ranging from 600 metres to 1,360 metres and relatively steep slopes. Precipitation is heavy and mainly in the form of rain. It is expected that exploration can be performed during eight to nine months of the year while development and production could proceed on a twelve month basis.

Prospecting History

The mining history of the area dates to 1862 with the discovery and mining of gold placer deposits to the north of the Property. Subsequently, general prospecting of the region led to the discovery of gold-bearing veins. Small scale mining and milling of some of these veins occurred by 1900.



CANADIAN WEST RESOURCES LTD.

SCALE: 1:50,000	APPROVED BY:	DRAWN BY:
DATE: 27/11/88	M.P. Dickson	REVISED 2/1/90
Jan-Mar-Black Panther-Black Lion Property		
Claim Map	DRAWING NUMBER	
	2	

M.P. Dickson

After a hiatus of exploration and mining, these activities resumed again in the 1930's with several discoveries followed by development and small scale mining.

Prospects were considered to be of two primary types:

- 1) Polymetallic quartz veins, and;
- 2) Replacement skarns.

Many of the prospects produced high-grade gold values but narrow widths and small tonnages discouraged further activity until the 1960's when Gunnex Limited conducted a large scale exploration and evaluation of the area.

The area received further work in the late 1970's and early 1980's due to the exploration for massive sulphide deposits associated with the Sicker Group of rocks as at Westmin Mines Limited's Buttle Lake deposit.

A summary of the history of the Property is:

- 1) Gold-bearing quartz veins were discovered in Rift Creek in 1936.
- 2) Pioneer Gold Mines Ltd. ("Pioneer") optioned the Property in 1940 and in 1941 drove adits, raises, drifts and a winze.
- 3) Bralorne Mines Ltd. staked and worked the Black Lion showing in 1941.
- 4) In 1944, Nitinat Gold Limited was formed by Pioneer to operate the Property and, by 1945, a 15 to 20 ton per day flotation mill was erected but was subsequently destroyed by an avalanche.
- 5) A 20 - 25 ton per day flotation mill was installed and production resumed in May of 1947. Mill and smelter returns are not available for the Black Panther but metallurgical test work indicated expected recoveries of 93 - 95% with a concentration ratio of 8:1 by means of simple sulphide flotation.
- 6) Following the cursory examination by Gunnex Limited in the mid 1960's, the Property was idle until Jan Resources Ltd. optioned it and carried out geophysics, geochemistry, trenching and the drilling of a number of surface holes on the Summit Lake and Black Panther showings.
- 7) During 1979, Jan Resources Ltd. and Oliver Resources Ltd. optioned and consolidated the claims and the crown grants. This joint venture performed geochemical, geophysical and geological surveys and diamond drilling on the Property.

- 8) In 1986, Candorado optioned the Property from Lode, (formerly Jan Resources Ltd.) and, during 1987, extended the road to the Black Panther workings. Underground rehabilitation and sampling of the main adit cross-cut was performed. The Black Lion showing was re-located during the 1987 field season during a program of reconnaissance mapping, prospecting and soil sampling.
- 9) During 1988, the Issuer conducted a geological examination and sampling of the Property as a follow-up to the work performed by Candorado.

The Issuer has been advised by Candorado that they have expended approximately \$405,327 on the Property to date. A summary of the previous work performed on the Property is also contained in Table 1 of the report on the Property dated January 2, 1990 prepared by M.P. Dickson, P. Eng. See "Recommendations".

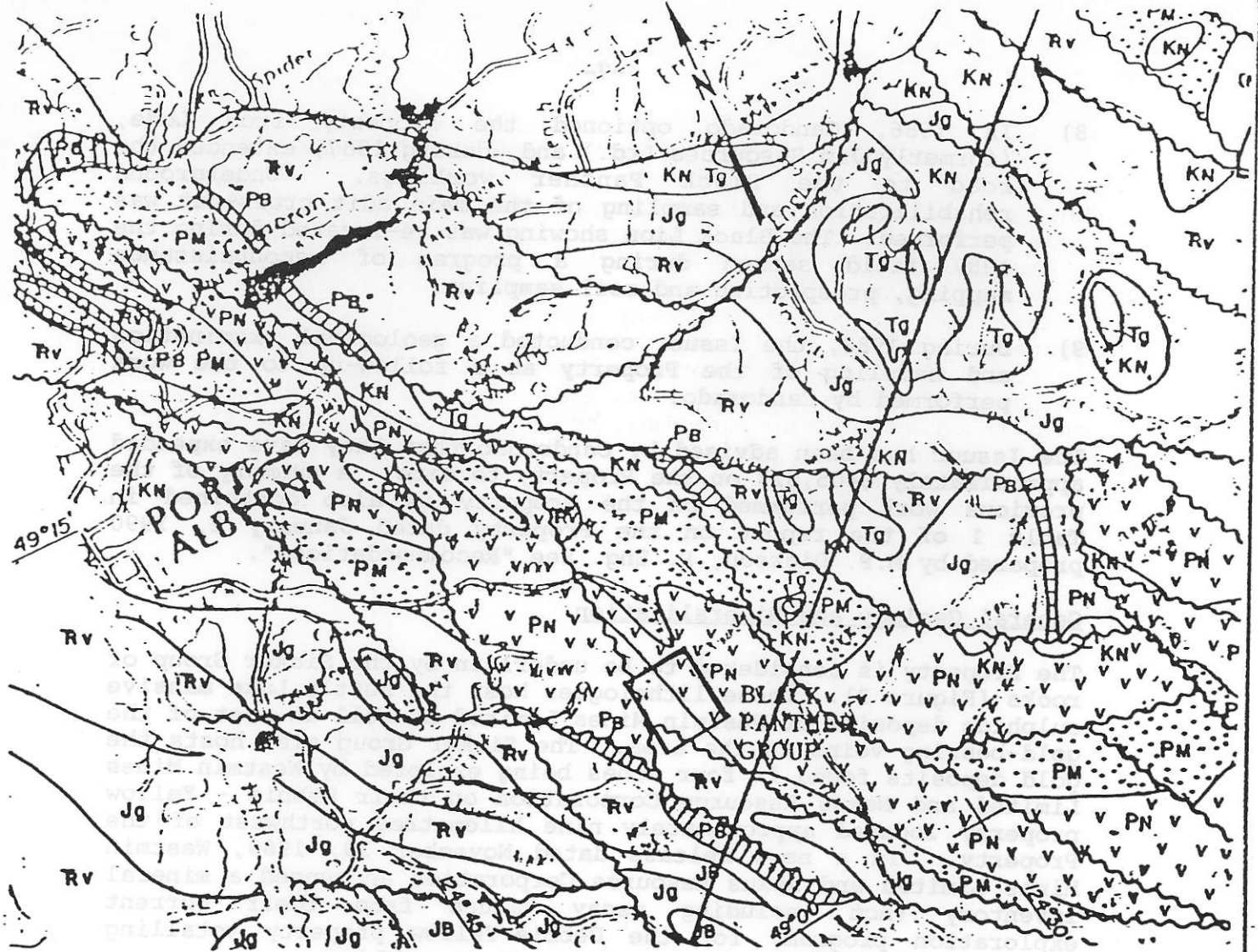
General Geology and Mineralization

The Property is considered to be underlain by the Sicker Group of rocks (Figure 3). These lithologies host the Buttle Lake massive sulphide deposits of Westmin Mines Limited as well as most of the gold-bearing veins in the area. The Sicker Group also hosts the gold deposits found in four zones being explored by Westmin Mines Limited and Nexus Resource Corporation on their Debbie - Yellow property located approximately nine kilometres northwest of the Property. In a news release dated November 29, 1989, Westmin Mines Limited and Nexus Resource Corporation announced a mineral inventory (not including assay values from their current exploration program) for the Debbie-Yellow property totalling 268,000 probable short tons grading .15 oz gold/ton.

The Property is surrounded by several small past producers and showings of the gold-bearing quartz vein types. All exhibit similar grades and widths to the majority of the Property showings and workings.

Property geology consists of massive volcanics of the Nitinat Formation, Myra Formation iron formation, tuffs, and diorite intrusives, minor dykes and quartz veins.

The most significant mineralization on the Property is at the Black Panther workings where an upper drift averaged 0.89 ounces of gold per ton over an average width of 38.70 centimetres for a length of 21.3 metres. According to A.M. Richmond, P.Eng., the main level has two mineralized shoots which average 0.88 ounces gold per ton and 1.91 ounces of silver per ton over average widths of 135.60 centimetres for a length of 54.86 metres. Surface drilling has confirmed values and continuity of the main zone at depth. In the immediate area of the Black Panther

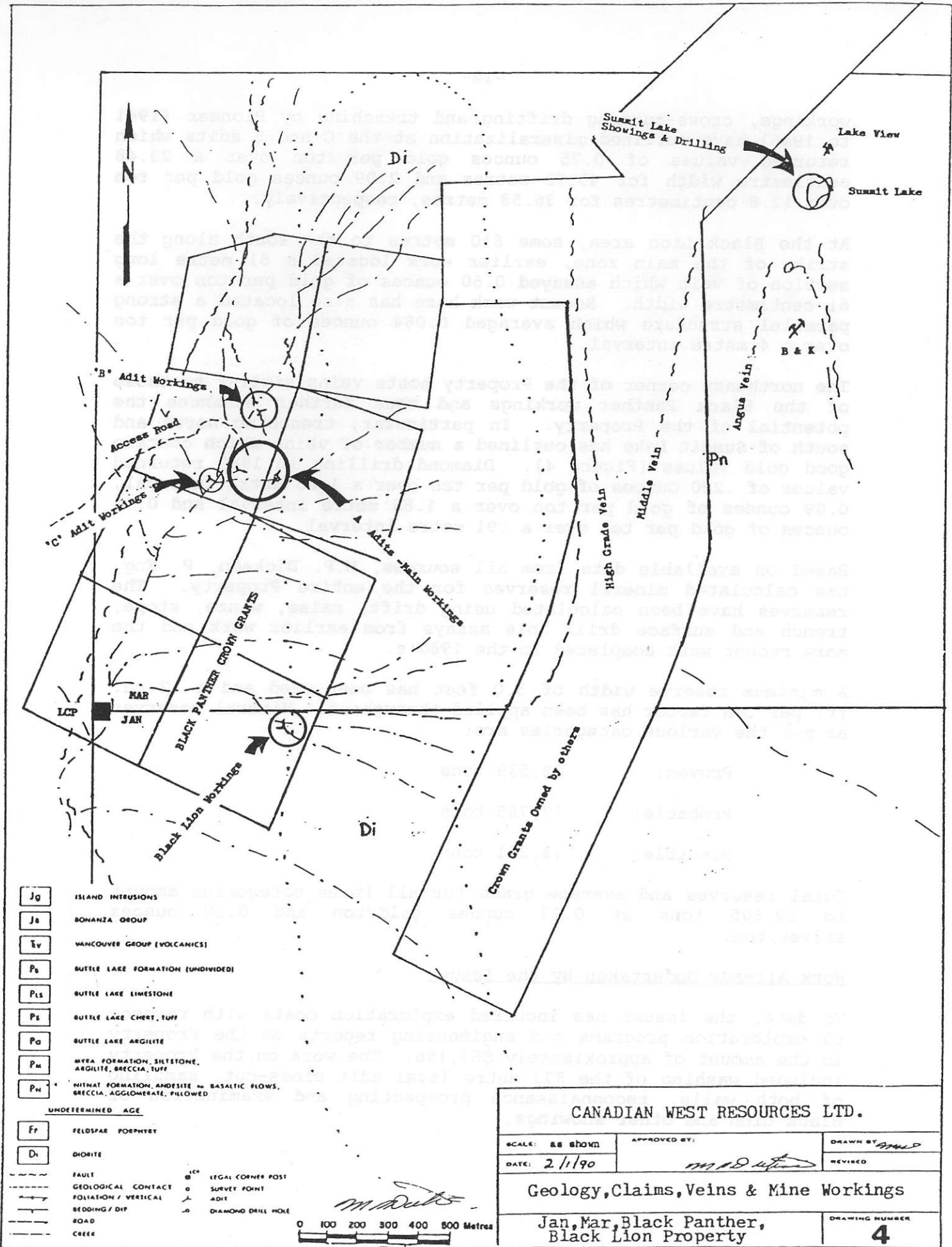


LEGEND

- Tg CATFACE INTRUSIONS
- Kn NANAIMO GROUP
- Jg ISLAND INTRUSIONS
- Jb BONANZA GROUP
- Rv VANCOUVER GROUP
- P BUTTLE LAKE FORMATION
- Pmsd SEDIMENT-DIABASE UNIT
- Pq SALTSRING INTRUSION
- P MYRA FORMATION
- P NININAT FORMATION

M.P. Dickson

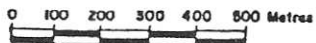
CANADIAN WEST RESOURCES LTD.		
SCALE: 1:250,000	APPROVED BY: M.P. Dickson	DRAWN BY <i>[Signature]</i>
DATE: 27/11/88		REVISED 2/1/90
Jan-Mar-Black Panther-Black Lion Property		
Regional Geology-Claim Area		DRAWING NUMBER 3



- Jg ISLAND INTRUSIONS
- Ja BONANZA GROUP
- Iv VANCOUVER GROUP (VOLCANICS)
- Ps BUTTE LAKE FORMATION (UNDIVIDED)
- Pts BUTTE LAKE LIMESTONE
- Ps BUTTE LAKE CHERT, TUFF
- Pa BUTTE LAKE ARGILLITE
- Pm MYRA FORMATION, SLTSTONE, ARGILLITE, BRECCIA, TUFF
- Pn NINAT FORMATION, ANDESITE to BASALTIC FLOWS, BRECCIA, AGGLOMERATE, FLOWEDED

UNDETERMINED AGE

- Fr FELDSPAR PORPHYRY
- Di DIORITE
- FAULT
- GEOLOGICAL CONTACT
- FOLIATION / VERTICAL
- BEDDING / DIP
- ROAD
- CREEK
- LCP LEGAL CORNER POST
- SURVEY POINT
- ADIT
- DIAMOND DRILL HOLE



CANADIAN WEST RESOURCES LTD.		
SCALE: as shown	APPROVED BY: <i>MAD</i>	DRAWN BY: <i>AMLD</i>
DATE: 2/1/90		REVISED
Geology, Claims, Veins & Mine Workings		
Jan, Mar, Black Panther, Black Lion Property		DRAWING NUMBER 4

workings, cross-cutting drifting and trenching by Pioneer (1941 to 1946) have outlined mineralization at the C and B adits which returned values of 0.75 ounces gold per ton over a 23.48 centimetre width for 45.72 metres and 2.09 ounces gold per ton over 12.8 centimetres for 36.58 metres, respectively.

At the Black Lion area, some 610 metres to the south along the strike of the main zone, earlier work located a 61 metre long section of vein which assayed 0.60 ounces of gold per ton over a 61 centimetre width. Recent work here has also located a strong parallel structure which averaged 0.084 ounces of gold per ton over a 4 metre interval.

The northeast corner of the Property hosts veins similar to those of the Black Panther workings and thus further enhances the potential of the Property. In particular, trenching north and south of Summit Lake has outlined a number of veins which contain good gold values (Figure 4). Diamond drilling in 1980 returned values of .220 ounces of gold per ton over a 1.83 metre interval, 0.09 ounces of gold per ton over a 1.83 metre interval and 0.14 ounces of gold per ton over a .91 metre interval.

Based on available data from all sources, M.P. Dickson, P. Eng. has calculated mineral reserves for the entire Property. The reserves have been calculated using drift, raise, winze, stope, trench and surface drill hole assays from earlier work and the more recent work completed in the 1980's.

A minimum reserve width of 3.0 feet has been used and a 12 cu. ft. per ton factor has been applied throughout. Mineral reserves as per the various categories are:

Proven:	22,539 tons
Probable:	17,785 tons
Possible:	19,281 tons

Total reserves and average grade for all three categories amount to 59,605 tons at 0.27 ounces gold/ton and 0.50 ounces silver/ton.

Work Already Undertaken By the Issuer

To date, the Issuer has incurred exploration costs with respect to exploration programs and engineering reports on the Property in the amount of approximately \$67,186. The work on the Property included washing of the 872 metre level adit cross-cut, sampling of both walls, reconnaissance prospecting and examination of Black Lion and other showings.

Recommendations

The foregoing is taken from and based upon a report on the Property dated January 2, 1990 (the "Report") prepared by M.P. Dickson, P.Eng., of 2731 Mathers Avenue, West Vancouver, British Columbia. A copy of the Report is available for inspection at Suite 700 - 605 Robson Street, Vancouver, British Columbia, during normal business hours during primary distribution of the units offered hereby.

The Issuer intends to carry out Phase I of a two phase exploration program recommended in the Report consisting of surveying, geological mapping, prospecting, diamond drilling and assaying at an estimated cost to the Issuer of \$250,000.

Based upon the results of Phase I, the Issuer intends to carry out Phase II of the recommended program consisting of further surveying, geological mapping and diamond drilling, at an estimated cost to the Issuer of \$250,000.

The primary objective of the proposed work program is to expand mineral reserves at the Black Panther workings and develop other exploration targets for a second phase of exploration comprised primarily of diamond drilling.

Underground and Surface Plant and Equipment

There is no surface or underground plant or equipment on the property.

THE PROPERTY IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE, AND THE PROPOSED WORK PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

PLAN OF DISTRIBUTION

Appointment of Agents and the Offering

The Issuer, by an agreement dated May 31, 1990 (the "Agency Agreement"), appointed Wolverton Securities Ltd. (as to 300,000 units) and Yorkton Continental Securities Inc. (as to 300,000 units) (the "Agents") to offer through the facilities of the Vancouver Stock Exchange (the "Exchange") 600,000 units (the "Units") at a price of \$0.60 per unit (the "Offering"). Each unit will consist of one common share and one Series "A" share purchase warrant.

The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agents and the Issuer, with the consent of the Exchange, which day shall be after the shares of the Issuer are conditionally listed on the Exchange (the "Effective Date") and before November 9, 1990.

The Agents will receive a commission of \$0.06 per Unit.

The Agents have agreed to purchase any Units not sold at the conclusion of the Offering. In consideration therefor, the Issuer has agreed to issue and allot to the Agents, in proportion to their participation in the offering, non-transferable share purchase warrants (the "Agents' Warrants") entitling the Agents to purchase a total of 150,000 common shares of the Issuer. The Agents may exercise any of the Agents' Warrants within a period of one year from listing of the Issuer's shares on the Exchange at a price of \$0.60 per share.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business, to selling groups of other licenced broker-dealers, brokers and investment dealers, who may or may not be offered part of the commissions or bonuses derived from the Offering.

The obligations of the Agents under the Agency Agreement may be terminated prior to the day the common shares of the Issuer are posted and called for trading on the facilities of the Exchange at the Agents' discretion on the basis of their assessment of the state of the financial markets and at any time upon the occurrence of certain stated events.

The Issuer has granted the Agents a right of first refusal to provide future public equity financing to the Issuer for a period of 12 months from the Effective Date.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling the listing requirements of the Exchange on or before November 9, 1990, including prescribed distribution and financial requirements.

Condition of Closing

Pursuant to the Acquisition Agreement, the Offering must be completed on or before August 31, 1990. Accordingly, in the event that the Offering is not completed on or before August 31, 1990, it shall be a condition of closing the Offering thereafter that the Issuer obtain an amendment to the Acquisition Agreement to extend the August 31, 1990 deadline to at least the date of closing or later which date shall be on or before November 9, 1990. In the event that the Offering is not completed on or before August 31, 1990 and no extension is obtained, then all funds will be returned to purchasers without deduction.

Description of Securities Offered

Share Purchase Warrants

The warrants will contain, among other things, provisions for appropriate adjustment in the class, number and price of shares

issuable pursuant to any exercise thereof on the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Issuer, payment of stock dividends, or the amalgamation of the Issuer.

Series "A" Warrants

The Series "A" share purchase warrants will be transferable and in bearer form and one such warrant will entitle the holder thereof to purchase one share in the capital of the Issuer at any time within the period of one year from the date of the listing of the Issuer's shares on the Exchange at a price of \$0.60 per share.

Agents' Warrants

The Agents' Warrants will be non-transferable and in bearer form and one such warrant will entitle the holder thereof to purchase one share in the capital of the Issuer at any time within the period of one year from the date of the listing of the Issuer's shares on the Exchange at a price of \$0.60 per share.

Miscellaneous

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering.

The directors, officers and other insiders of the Issuer may purchase shares from the Offering.

Additional Offering

The Agents' Warrants have been distributed to the Agents under this Prospectus. Any Units acquired by the Agents under their guarantee will also be distributed under this Prospectus through the facilities of the Vancouver Stock Exchange at the market price at the time of sale.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the Offering will be \$324,000 which, together with working capital of approximately \$24,770 as at June 30, 1990, will be used for the following purposes:

- | | | |
|-----|--|--------------------------|
| (a) | to pay the legal, audit and printing expenses of this Offering, estimated at | \$ 30,000 |
| (b) | to carry out Phase I of the work program recommended by M.P. Dickson, P.Eng., in his report dated January 2, 1990, on the Jan, Mar and Black Panther Property estimated at | \$ 250,000 |
| (c) | general working capital | <u>\$ 68,770</u> |
| | TOTAL: | <u>\$ 348,770</u> |

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Issuer intend to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Issuer must first be obtained and notice of the intention must be filed with the securities regulatory authorities having jurisdiction over the sale of the securities offered by this Prospectus.

The above use of proceeds reflects the current intention of the Issuer based on information currently available to the Issuer and on current circumstances, economic and otherwise. However the Issuer may, pursuant to the recommendations of a qualified engineer or geologist, abandon in whole or in part any of its present properties or alter, as work progresses, the work programs recommended on its properties, or make arrangements for the performance of all or a portion of such work by other persons or companies. The Issuer may use any monies so diverted for the purpose of acquisition, lease costs, geological expenses and initial work on other properties. The Issuer will file notice of diversion of funds with the Superintendent and, after listing, with the Exchange, and where applicable, will file acceptable engineering or geological reports recommending expenditure of diverted monies.

In the event of any material change in the affairs of the Issuer during the distribution of the securities offered by this Prospectus, an amendment to this Prospectus will be filed. Following completion of the distribution of the securities offered by this Prospectus, shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate securities regulatory authorities.

DESCRIPTION OF SHARES

The authorized capital of the Issuer consists of 20,000,000 common shares without par value. As of the date of this Prospectus, 2,239,501 common shares are issued and outstanding.

All common shares of the Issuer, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption, purchase for cancellation, surrender or sinking or purchase funds. There are provisions governing any modifications, amendments or variations of such funds or such provisions which are contained in the Company Act (British Columbia).

SHARE AND LOAN CAPITAL STRUCTURE

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of April 30, 1990</u>	<u>Amount Outstanding as of the date hereof</u>	<u>Amount Outstanding on Completion of Offering</u>
common shares	20,000,000	2,239,501	2,239,501	2,839,501(1)

(1) An additional 280,000 common shares have been reserved for issuance pursuant to incentive stock options. See "Options to Purchase Securities".

As of April 30, 1990, the date of the Issuer's most recent balance sheet included in this Prospectus, the Issuer had an accumulated deficit of \$25,523.

PRIOR SALES

During the period from the incorporation of the Issuer to the date of this Prospectus, the Issuer sold the following common shares for cash:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Commission Paid</u>	<u>Net Cash Received</u>
750,000	\$ 0.01	Nil	\$ 7,500
374,401	\$ 0.25	Nil	\$ 93,600
<u>115,100</u>	\$ 0.50	Nil	<u>\$ 57,550</u>
<u>1,239,501</u>			<u>\$ 158,650</u>

In addition, the Issuer issued 1,000,000 common shares at a deemed price of \$0.25 per share to certain individuals as consideration for the acquisition by the Issuer of certain mineral properties (see "Business and Property of the Issuer").

SALES OTHERWISE THAN FOR CASH

No securities are being offered under this Prospectus otherwise than for cash.

RISK FACTORS

1. Summary of Risk Factors

The shares offered by this Prospectus must be considered speculative, generally because of the nature of the Issuer's business. In particular, a prospective investor should carefully consider the following factors:

(a) There is no known body of ore on the Issuer's mineral property. The purpose of the present offering is to raise

funds to carry out further exploration with the objective of establishing an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development of the property.

- (b) There is no established market for the shares of the Issuer and no assurance that one will develop.
- (c) Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described in this Prospectus will result in discoveries of commercial quantities of ore.
- (d) Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources 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 natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors and other factors cannot be accurately predicted, but the combination of these factors may result in the Issuer's not receiving an adequate return on invested capital.
- (e) Mining operations generally involve a high risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.
- (f) While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as a guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

- (g) The Issuer's property consists of recorded mineral claims which have not been surveyed, and therefore, the precise area and location of such claims may be in doubt.
- (h) Reference is made to the section headed "Directors and officers" concerning possible conflicts of interest involving directors and officers of the Issuer.
- (i) The securities offered under this Prospectus (excluding any securities acquired by underwriters, directors or employees from the exercise of share purchase options or warrants will represent 21.1% of the outstanding shares of the Issuer on completion of the offering, as compared to 54.1% issued to promoters, directors, officers, substantial security holders (as defined in the Securities Act (British Columbia)) and underwriters for cash, property and services (assuming no further purchases by such persons under the offering).

2. Dilution

The following table reflects the dilution which will result from the purchase of the Shares offered pursuant to this Offering:

Dilution per Share

Offering price per Common Share	\$0.60
Net tangible book value before Offering	\$0.152
Increase of net tangible book value attributable to the Offering	\$0.082(1)
Net tangible book value after the Offering	\$0.234
Dilution to Subscribers	\$0.366
Percentage of dilution in relation to Offering price	61%

- (1) After deduction of the commission of the Agents and costs of the issue.

3. Comparison of Securities Offered and Issued

<u>Securities Offered for Cash Consideration by this Prospectus on Completion of Offering</u>		<u>Securities issued to Promoters, Directors, Officers and Substantial Security Holders</u>		<u>Securities Issued to Underwriters</u>	
<u>Number</u>	<u>Percent Issued</u>	<u>Number</u>	<u>Percent Issued</u>	<u>Number</u>	<u>Percent Issued</u>
600,000	21.1%	1,536,001	68.6%(1) 54.1%(2)	Nil	Nil

- (1) Prior to completion of the sale of securities offered hereby.
- (2) Upon completion of the sale of securities offered hereby.

DIRECTORS AND OFFICERS

The names, municipality of residence, positions held by and principal occupations within the past five years of each of the directors and officers of the Issuer are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with the Issuer</u>	<u>Principal Business or Occupation within the Past Five Years</u>
DALE E. WALLSTER Vancouver, B.C.	President, Director and Chief Executive	Self-employed Consulting Geologist and businessman; Director, Sulphurets Gold Corporation (November, 1986 to November, 1989); President and Chief Executive Officer, Sulphurets Gold Corporation (November, 1986 to January, 1989); Director, Pine Crest Resources Ltd. (February, 1988 to February, 1989); Director and Chief Financial Officer, St. Edwards Minerals Ltd. (April, 1987 to November, 1988); Consulting Geologist, Fleck Resources Ltd. (August, 1985 to December, 1985).
THOMAS REISSNER Vancouver, B.C.	Director and Chief Financial Officer	Director, Candorado Mines Ltd. (January, 1985 to present) and Cantrell Resources Ltd. (January, 1987 to present); January, 1979 to December, 1984, independent businessman (merchant banking).
DONN BURCHILL West Vancouver B.C.	Director	Controller, Breakwater Resources Ltd. January, 1989 to present; Self employed Certified Management Accountant (1988); Director, Secretary and Treasurer, Norquest Resources Ltd. (March, 1984 to December 1987); Director and Treasurer Imco Resources Ltd., November, 1984 to December, 1987.
RICK E. CLEMENTS Vancouver, B.C.	Secretary	President, Salaya Management Ltd., a private company which provides management services to reporting companies. Currently a director and officer of the following reporting companies: Enershare Technology Corp., Keywest Resources Ltd., Millrock Development Corp., Rare Earth Resources Ltd. and Videtics International Corp.; Director only of the following reporting companies: Albin Explorations Ltd., Golden Dividend Resources Inc., Jefjen Capital Corporation, Western Resource Technologies Inc.; Officer of International Ionarc Inc.

Rick Clements is formerly a director of Multi-Step Industries Inc. which was suspended for failure to file financial information and was subsequently delisted. He is also a director of Millrock Development Corp. which was struck from the Register of Companies for inadvertently failing to file Annual Reports. Millrock was subsequently restored to the Register and is in good standing.

Certain of the directors and officers of the Issuer are also directors of other companies engaged in the acquisition, exploration and development of resource properties. Situations may arise where these directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the Company Act (British Columbia).

EXECUTIVE COMPENSATION

The Issuer's President and Secretary are its only two executive officers. During the year ended August 31, 1989 and up to and including the period ended April 30, 1990, no cash compensation was paid or is payable to the executive officers, save and except for \$10,650 which has been paid to the former President of the Issuer, Mr. Robert Badyk, as compensation for his performing management functions on behalf of the Issuer. There were no other remuneration payments made, directly or indirectly, by the Issuer pursuant to any existing plan or arrangement to its executive officers. The Issuer has no pension plan.

The Issuer may grant, pursuant to the policies of the Superintendent of Brokers of British Columbia ("Superintendent"), stock options to its executive officers, directors and employees or employees of a company providing management or administrative services to the Issuer, in consideration of them providing their services to the Issuer. The number of shares subject to each option is determined by the Issuer's Board of Directors within the guidelines established by the Superintendent. The Issuer has granted options to its executive officers to purchase a total of 280,000 shares. See "Options to Purchase Securities".

Except as disclosed above, from the date of the Issuer's incorporation to the date of this Prospectus none of the directors or senior officers of the Issuer have received any direct or indirect remuneration other than reimbursement of out-of-pocket expenses incurred for the benefit of the Issuer.

OPTIONS TO PURCHASE SECURITIES

As of the date of this Prospectus, the following directors and officers hold options to purchase securities of the Issuer:

<u>Name of Optionee and Type of Option</u>	<u>No. of Shares Optioned</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Dale E. Wallster(1)(2) Director	130,000	\$0.60	Two years from the Effective Date of this Prospectus
Donn Burchill Director	10,000	\$0.60	Two years from the Effective Date of this Prospectus
Thomas Reissner Director	130,000	\$0.60	Two years from the Effective Date of this Prospectus
Rick E. Clements Secretary	10,000	\$0.60	Two years from the Effective Date of this Prospectus

(1) Executive officer of the Issuer.

(2) Pursuant to a share option agreement between Dale E. Wallster and Candorado Mines Ltd. dated for reference October 16, 1989, Candorado has granted the option to Wallster to purchase 250,000 common shares of the Issuer at a price of \$0.25 per share exercisable on or before October 16, 1990.

There was no market for the Issuer's securities at the time that the options were granted. Market value as of the date hereof is estimated at \$0.60 per share based on the proposed offering price.

The incentive stock option agreements provide that the option can only be exercised by the optionee and only so long as the optionee shall continue in the capacity as an executive officer, director or employee of the Issuer or within a period of not more than 30 days after ceasing to be an executive officer, director of employee or, if the optionee dies, within one year from the date of death. The options are exercisable by the optionee giving the Issuer notice and payment of the exercise price for the number of shares to be acquired.

PRINCIPAL HOLDERS OF SECURITIES

Set forth hereunder are particulars of the principal shareholders of the Issuer as at the date of this Prospectus who beneficially own 10% or more of the issued shares of the Issuer:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Dale E. Wallster 981 West 17th Ave. Vancouver, B.C.	Common Escrow	Direct Indirect	177,000 100,000(1)	12.4%(2)

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Thomas Reissner 3436 West 30th Ave. Vancouver, B.C.	Common	Direct	664,001	29.6%(2)
Candorado Mines Ltd.(3) 707-626 West Pender St. Vancouver, B.C.	Common	Direct	575,000	25.7%(2)

- (1) These shares are held indirectly by Dale E. Wallster, a director and officer of the Issuer, through his non-reporting company, Tantalus Holdings Limited.
- (2) After completion of the Offering, these percentages will be 9.7%, 23.4% and 20.2%, respectively.
- (3) Thomas Reissner, who is the principal of Candorado Mines Ltd., is a director and officer of the Issuer.

The percentage of common shares held by all directors, senior officers, promoters and substantial security holders is 68.6% of the total issued common shares of the Issuer. After completion of the Offering, this percentage will be 54.1%.

ESCROWED SHARES

<u>Designation of Class</u>	<u>Number of Shares</u>	<u>Percentage of Class</u>
Common	750,000 escrowed	33.5% *

* After completion of the Offering, this percentage will be 26.4%.

As of the date of this Prospectus 750,000 common shares are held in escrow by The Montreal Trust Company of Canada of 510 Burrard Street, Vancouver, British Columbia. The shares, commonly referred to as "principals shares" in accordance with Local Policy # 3-07 of the British Columbia Securities Commission (the "Commission") are held by Thomas Reissner and indirectly by Dale Wallster, all directors of the Issuer.

The 750,000 shares were escrowed pursuant to an agreement dated October 18, 1989. The escrow restrictions contained in the agreement provide that the shares may not be traded, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agents or escrow holder make any transfer or record any trading of shares without the consent of the Commission or, while the shares are listed on the Exchange, the consent of the Exchange.

The Commission or Exchange may permit the release of all or a portion of the escrow shares based, among other things, upon the

future success of the Issuer. Any shares not released from the escrow created before the expiration of ten years from the Effective Date of this Prospectus will be automatically cancelled. The complete text of the escrow agreement is available for inspection at the registered office of the Issuer at 700 - 605 Robson Street, Vancouver, British Columbia.

POOLED SHARES

As of the date of this Prospectus, 1,374,400 shares are held in pool by The Montreal Trust Company of Canada. The pooled shares are to be released at the rate of 25% at the time the Issuer's shares are called for trading on the Exchange and 25% every three months thereafter. While the shares are pooled the holders of such shares may not, except with the written consent of the Issuer, sell, deal in, assign or transfer in any manner any of the pooled shares or beneficial ownership thereof or any interest therein.

DIVIDEND RECORD

The Issuer has not, since its incorporation, paid any dividends on any of its shares. The Issuer has no present intention to pay dividends, but the future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

PROMOTERS

By virtue of the definition as set out in subsection 1(1) of the Securities Act (British Columbia), the promoters of the Issuer are Thomas Reissner and Dale Wallster in that they took the initiative in founding and organizing the Issuer.

The promoters have received no consideration in the form of cash, shares or otherwise from the Issuer for acting as promoters, save and except the former president of the Issuer, Robert Badyk who has received \$10,650 in cash (see "Executive Compensation"). However, the promoters have acquired the following common shares in the capital of the Issuer:

<u>Name of Promoter</u>	<u>Number of Shares</u>	<u>Price Per Share</u>
Thomas Reissner(1)	650,000 (escrowed)	\$0.01
	1 (free-trading)	\$0.25
	14,000 (free-trading)	\$0.50
Dale E. Wallster	100,000 (escrowed)(2)	\$0.01
	177,000 (pooled)	\$0.25

(1) In addition to the shares held directly by Thomas Reissner, 575,000 shares of the Issuer are registered in the name of Candorado Mines Ltd. Thomas Reissner, a director of the Issuer, is also a director of Candorado Mines Ltd.

- (2) These shares are registered in the name of Tantalus Holdings Limited, a non-reporting company controlled by Dale E. Wallster.

See "Executive Compensation" and "Options to Purchase Securities" for details of monies paid to and stock options granted to promoters of the Issuer.

PENDING LEGAL PROCEEDINGS

The Issuer is not a party with respect to any legal proceedings and no legal proceedings by the Issuer are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and senior officers of the Issuer have no interest in any material transaction in which the Issuer has participated or intends to participate at this time, except as disclosed in this Prospectus.

MATERIAL CONTRACTS

The only material contracts entered into by the Issuer are as follows:

1. Agency Agreement dated May 31, 1990 among the Issuer, Wolverton Securities Ltd. and Yorkton Continental Securities Inc. See "Plan of Distribution";
2. Acquisition Agreement dated August 1, 1988, as amended November 1, 1989 and February 19, 1990, between the Issuer, Lode Resource Corporation, Candorado Mines Ltd., Elden Schorn, Black Panther Mining Company Limited and Dyna Gold Resources Inc. See "Description of Business and Property of the Issuer";
3. Incentive Stock Option Agreements dated May 30, 1990. See "Options to Purchase Securities";
4. Escrow Agreement dated for reference October 18, 1989. See "Escrowed Shares".
5. Pooling Agreement dated for reference October 18, 1989. See "Pooled Shares".

There are no other material contracts entered into by the Issuer other than as disclosed in this Prospectus.

Copies of the foregoing material contracts may be inspected at the offices of Coglon, Holmes & Wizinsky, Barristers & Solicitors, 700 - 605 Robson Street, Vancouver, British Columbia during normal business hours while primary distribution of the shares hereunder is in progress.

OTHER MATERIAL FACTS

The Issuer has not made any arrangements, written or oral, for promotional or public relations service except that management of the Issuer has had discussions with a number of individuals and companies in Europe, which act as investor relations consultants, for the purpose of engaging same to make the Issuer known among European investors. However, to date no firm plans or arrangements have been made with any party in this regard.

There are no management functions of the Issuer which are to any extent carried out by any persons other than the directors and executive officers of the Issuer.

There are no material facts relating to the offering of securities under this Prospectus other than as disclosed herein.

SOLICITORS

Coglon, Holmes & Wizinsky
Barristers & Solicitors
700 - 605 Robson Street
Vancouver, British Columbia
V6B 5J3

AUDITORS, REGISTRAR AND TRANSFER AGENT

Auditor:

Campbell, Saunders & Co.
Chartered Accountants
12th Floor, 650 West Georgia Street
Vancouver, British Columbia

Registrar and Transfer Agent:

The Montreal Trust Company of Canada
510 Burrard Street
Vancouver, British Columbia

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

The Securities Act provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser prior to delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and time limits within which they must be exercised the purchaser should refer to Section 66, 114, 118 and 124 of the Securities Act or consult a lawyer.



CAMPBELL, SAUNDERS & CO.

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)
FINANCIAL STATEMENTS
APRIL 30, 1990

650 WEST GEORGIA STREET
SUITE 1200 • P. O. BOX 11544
VANCOUVER, B. C. V6B 4N7
TELEPHONE 604 681 5500
FAX 604 685 7100



CAMPBELL, SAUNDERS & CO.

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

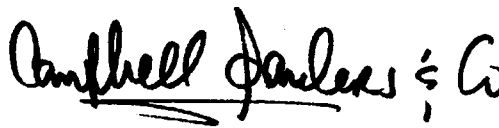
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

**To: The Directors of
Canadian West Resources Ltd.
(Formerly Canadian Vermilion Resources Corp.)**

We have examined the balance sheet of **Canadian West Resources Ltd. (Formerly Canadian Vermilion Resources Corp.)** as at April 30, 1990, August 31, 1989 and August 31, 1988 and the statements of operations, deficit and changes in financial position for each of the periods then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at April 30, 1990, August 31, 1989 and August 31, 1988 and the results of its operations and the changes in its financial position for the periods then ended in accordance with generally accepted accounting principles applied on a consistent basis.


CHARTERED ACCOUNTANTS

Vancouver, B.C.
May 23, 1990
(except as to Note 6, which is as of May 31, 1990)

Aaron H. Sadovnick*
William D. Katzin*
*Professional Corporation

Robert L. Katz*
Roger N. Farrier

Harold D. Saunders*
David A. Gray

Antal Schidlo*
John W. Herring

Murray A. Nitikman*

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

BALANCE SHEET

AS AT APRIL 30, 1990

ASSETS			
	April 30, 1990	August 31, 1989	August 31, 1988
CURRENT			
Cash	\$ 54,974	\$ 85,003	\$ -
Prepaid expenses	<u>2,500</u>	<u>2,500</u>	<u>-</u>
	57,474	87,503	-
MINERAL PROPERTY (Note 2)	<u>317,186</u>	<u>64,706</u>	<u>-</u>
	<u>\$374,660</u>	<u>\$152,209</u>	<u>\$ -</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$ 33,541	\$ 19,189	\$ 3,800
SHARE SUBSCRIPTIONS	<u>-</u>	<u>152,150</u>	<u>-</u>
	<u>33,541</u>	<u>171,339</u>	<u>3,800</u>
CONTINGENCIES (Note 5)			
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (Note 3)	366,642	1	1
DEFICIT	<u>(25,523)</u>	<u>(19,131)</u>	<u>(3,801)</u>
	<u>341,119</u>	<u>(19,130)</u>	<u>(3,800)</u>
	<u>\$374,660</u>	<u>\$152,209</u>	<u>\$ -</u>

APPROVED BY THE DIRECTORS:

Donn Burchill Director

David Director

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

STATEMENT OF DEFICIT
FOR THE PERIOD ENDED APRIL 30, 1990

	April 30, 1990 (8 Months)	August 31, 1989 (12 Months)	August 31, 1988 (12 Months)
BALANCE - BEGINNING OF PERIOD	\$ 19,131	\$ 3,801	\$ -
Net loss for the period	<u>6,392</u>	<u>15,330</u>	<u>3,801</u>
BALANCE - END OF PERIOD	<u>\$ 25,523</u>	<u>\$ 19,131</u>	<u>\$ 3,801</u>

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED APRIL 30, 1990

	April 30, 1990 (8 Months)	August 31, 1989 (12 Months)	August 31, 1988 (12 Months)
REVENUE			
Interest income	<u>\$ 3,270</u>	<u>\$ 150</u>	<u>\$ -</u>
ADMINISTRATIVE EXPENSES			
Bank charges	88	200	35
Management fees (Note 4)	4,250	6,400	3,550
Office and miscellaneous	824	1,590	216
Professional fees	<u>4,500</u>	<u>7,290</u>	<u>-</u>
	<u>9,662</u>	<u>15,480</u>	<u>3,801</u>
NET LOSS	<u>\$ 6,392</u>	<u>\$ 15,330</u>	<u>\$ 3,801</u>

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD ENDED APRIL 30, 1990

	April 30, 1990 (8 Months)	August 31, 1989 (12 Months)	August 31, 1988 (12 Months)
OPERATING ACTIVITIES			
Net loss	\$ (6,392)	\$(15,330)	\$(3,801)
Changes in non-cash working capital			
Prepaid expenses	-	(2,500)	-
Accounts payable	<u>14,352</u>	<u>15,389</u>	<u>3,800</u>
	<u>7,960</u>	<u>(2,441)</u>	<u>(1)</u>
INVESTING ACTIVITIES			
Acquisition of mineral property	(250,000)	-	-
Exploration mineral property	<u>(2,480)</u>	<u>(64,706)</u>	<u>-</u>
	<u>(252,480)</u>	<u>(64,706)</u>	<u>-</u>
FINANCING ACTIVITIES			
Proceeds on shares issued	408,649	-	1
Share subscriptions	(152,150)	152,150	-
Share issue costs	<u>(42,008)</u>	<u>-</u>	<u>-</u>
	<u>214,491</u>	<u>152,150</u>	<u>1</u>
CHANGE IN CASH	(30,029)	85,003	-
Cash - beginning of period	<u>85,003</u>	<u>-</u>	<u>-</u>
CASH - END OF PERIOD	<u>\$ 54,974</u>	<u>\$ 85,003</u>	<u>\$ -</u>

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral Claims and Related Deferred Costs

Acquisition costs of mineral claims and related exploration and development costs are deferred until either commercial production is established or the property is abandoned; at that time the costs will be either amortized on a unit-of-production basis or charged to earnings.

The amount shown for mineral claims represents deferred costs to date and does not necessarily reflect present or future values. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource interests and deferred costs are dependant upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

NOTE 2 - MINERAL PROPERTY

Mineral property comprise the following:

	Acquisition	Exploration	Total April 30, 1990	Total August 31, 1989
Black Panther Property, Victoria Mining Division British Columbia	<u>\$250,000</u>	<u>\$67,186</u>	<u>\$317,186</u>	<u>\$64,706</u>

Pursuant to an agreement dated August 1, 1988 and amended November 1, 1989 the company acquired an interest in 2 located mineral claims containing 40 units and 8 Crown Granted mineral claims (See Note 4).

Consideration for the property consists of:

- a) The issuance of 1,000,000 shares of the Company (issued);
- b) Production royalty equal to 1% of Net Smelter Returns of production from the located claims to each of two vendors;

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1990

NOTE 2 - MINERAL PROPERTY (Cont'd)

- c) Production royalty equal to 1% of Net Smelter Returns of production from the Crown Granted mineral claims to each of three vendors;
- d) An option for one vendor to earn a 50% interest in and to the claims by paying the Company an amount equal to the aggregate capital costs of the recommended mining facilities.

NOTE 3 - CAPITAL STOCK

Authorized:

20,000,000 Common shares without par value

Issued:

	April 30, 1990		August 31, 1989	
	Number	Amount	Number	Amount
Balance-beginning of period	<u>1</u>	<u>\$ 0.25</u>	<u>-</u>	<u>\$ -</u>
Issued during the period				
For cash:				
At \$0.01	750,000	7,500		
At \$0.25	374,400	93,600	1	0.25
At \$0.50	115,100	57,550		
For mineral property	<u>1,000,000</u>	<u>250,000</u>	<u>1</u>	<u>0.25</u>
	<u>2,239,500</u>	408,650	<u>1</u>	0.25
Share issue costs		<u>(42,008)</u>		<u>-</u>
		<u>366,642</u>		<u>0.25</u>
Balance-end of period	<u>2,239,501</u>	<u>\$366,642</u>	<u>1</u>	<u>\$ 0.25</u>

Share are reserved for the following:

The Company granted share purchase options to certain directors to purchase shares for \$0.75 per share for a two year period from the effective date of the Prospectus (Note 6). The total number of shares optioned is 125,000.

CANADIAN WEST RESOURCES LTD.
(Formerly Canadian Vermilion Resources Corp.)

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1990

NOTE 4 - RELATED PARTY TRANSACTIONS

Candorado Mines Ltd., one of the vendors of the Black Panther Property, has a director in common with the Company.

During the period the Company paid management fees totalling \$4,250 (year ended August 31, 1989 - \$6,400) to R. Badyk, a former director and officer of the Company.

NOTE 5 - CONTINGENCIES

Bills of sale with respect to the Black Panther property will be held in escrow. In the event that the Company's prospectus is not accepted for filing on or before August 31, 1990 or is abandoned title will revert to the vendors.

If the proposed public offering is not completed by August 31, 1990, the property will be considered to be abandoned.

NOTE 6 - SUBSEQUENT EVENTS

- a) The Company, subject to regulatory approval, intends to offer to the public 600,000 units, consisting of one common share and one share purchase warrant at a price of \$0.60 per unit to net the company \$324,000 after agent's commission.
- b) Subsequent to April 30, 1990 the company amended the share purchase options to directors and employees of the company. The company has now reserved 280,000 shares at a price of \$.60 per share exercisable for two years from the effective date of the prospectus.

NOTE 7 - CHANGE OF NAME

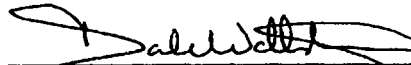
On September 27, 1989 the Company changed its name to Canadian West Resources Ltd.


CERTIFICATE OF THE ISSUER AND THE 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 (British Columbia) and its regulations.

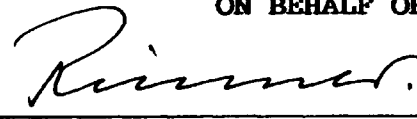
DATED: July 26, 1990

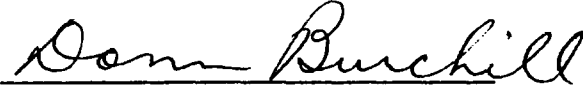
THE ISSUER


DALE WALLSTER
Chief Executive Officer,
President and Director


THOMAS REISSNER
Chief Financial Officer
and Director

ON BEHALF OF THE BOARD OF DIRECTORS


THOMAS REISSNER
Director

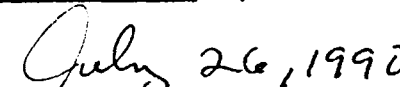

DONN BURCHILL
Director

ON BEHALF OF THE PROMOTERS



DALE WALLSTER, Promoter

CERTIFICATE OF THE AGENTS

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act (British Columbia) and its regulations.

DATED: 

WOLVERTON SECURITIES LTD.

Per: 

YORKTON CONTINENTAL SECURITIES
INC.

Per: 