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**TRIUMPH RESOURCES LTD.**

1 9 9 1	Directors' Report to the Members
A N N U A L	Notice of Annual General Meeting of Members
G E N E R A L	Information Circular
M E E T I N G	Financial Statements and Quarterly Report as at December 31, 1990

Place	1500 - 675 West Hastings Street Vancouver, B.C.
Time	2:00 P.M.
Date	Monday, May 27, 1991

C O R P O R A T E  
D A T A

**TRIUMPH RESOURCES LTD.**

Head Office  
15th Floor  
675 West Hastings Street  
Vancouver, B.C.  
V6B 1N2

Directors and Officers  
John S. Brock, President & Director  
Irene M. Wilson, Secretary and Director  
William Meyer, Director  
T. Wayne Spilsbury, Director  
Wayne J. Roberts, Vice President Exploration

Registrar & Transfer Agent  
Central Guaranty Trust Company  
800 West Pender Street  
Vancouver, B.C. V6C 2V7

Solicitors  
Lang Michener Lawrence & Shaw  
2500 - 595 Burrard Street  
Vancouver, B.C. V7X 1L1

Auditors  
Coopers & Lybrand  
1111 West Hastings Street  
Vancouver, B. C. V6E 3R2

Listing  
Resource Section  
Vancouver Stock Exchange  
Symbol...TUM

# Triumph Resources Ltd.

15th Floor, 675 W. Hastings Street, Vancouver, B.C., Canada V6B 1N2  
Facsimile (604) 687-2419 • Telephone (604) 687-1658

## PRESIDENT'S ANNUAL REPORT FOR 1990

Triumph Resources Ltd. was actively engaged in three mineral exploration programs in British Columbia. A second year of diamond drilling was seen at the Mt. Alcock zinc-lead project, drilling was initiated on the Quash Creek property which was optioned to Dryden Resources and surface exploration was carried out on the Castle Property.

During the year Triumph completed two private placements to fund exploration expenditures through issuance of flow-through shares in the amount of \$416,815. Teck Corporation subscribed to 700,000 flow through shares at a price of 50 cents per share. Teck now owns 2,306,250 shares of Triumph or 49% of the Company's issued capital. A second private placement of 222,000 units, subsequently reduced to 148,477 units, consisting of 1 flow through share and 1 warrant was completed with a private investor at a price of 45 cents per unit.

### EXPLORATION PROGRAMS

The Mt. Alcock Property is located north of Williston Lake in central British Columbia. Prior exploration by Triumph in 1989 traced a barite-zinc-lead horizon over a strike length of 230 metres and to a depth of 130 metres. The mineralized zone averaging 11.5 metres thick consists of barite containing 10% - 20% sulphides. Drill indicated mineralization averaged 7% combined zinc-lead and 1 ounce per ton silver over 7 to 11 metre widths. Continued drilling in 1990 was directed to test geophysical anomalies indicating massive sulphide mineralization associated with the barite horizon. Drill results were disappointing as it appears that the mineral zone is of limited tonnage potential, however further exploration for higher grade massive sulphides is warranted within other areas of the property.

During the year Triumph entered into an option agreement with Teck Corporation for the acquisition of an interest in the Castle/Quash Creek Property located within the Stikine Arch Region of northwestern British Columbia. Triumph would have the right to expend \$1.0 million over the next five years to earn an initial 45 percent interest in the Property. Expenditures on the Castle and Quash in 1990 were in the order of \$130,000.

The Castle Property is within the northern extension of volcanic rocks that are host for gold and base metal mineralization in the North Iskut camp of the Stikine Arch. The Property is well located being within 18 kilometres (11 miles) of the Stewart-Cassiar highway.

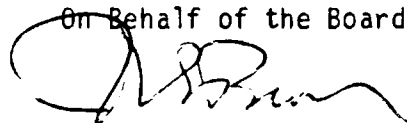
A first phase of exploration on the Castle traced the "Sulphide Zone" for 4 kilometres. The zone, up to 250 metres wide, contains disseminated to semi-massive pyrite and chalcopyrite. Regional silt sampling of streams draining the length of the zone are anomalous in gold. Geochemical, geophysical and geological targetting programs were carried out by previous workers on the central 2.4 kilometre portion of the Sulphide Zone. This work outlined a 2.0 km long copper-gold soil geochemical anomaly coincident with an I.P. chargeability anomaly. Mapping and sampling within the gold soil anomaly resulted in the discovery of showings containing visible gold with grab samples grading 4.0 oz/ton gold and chip samples assaying 0.21 oz/ton gold over 6 metres. Geochemical surveys completed by Triumph have added an additional 400 metres of strike length to the gold soil anomaly with gold values in soils ranging from 100 to 2200 ppb gold. The soil anomaly still remains "open". Early in October, a hand trenching program was initiated on the Castle. Trenching and blasting confirmed the presence of copper and gold mineralization within the previously defined Sulphide Zone, as deep overburden and talus cover did not permit completion of the program, continued trenching with mechanized equipment is warranted.

Exploration on the Quash Creek Property located adjacent to the Castle Property outlined a 4.0 km long rusty weathering, highly altered and mineralized zone within volcanic rocks. The eastern portion of the zone contains porphyry copper-gold mineralization within an open-ended gold soil anomaly containing values from 100 to 9800 ppb gold over a 900 metres to 500 metres area. Prospecting the western extension of the zone yielded values of 0.29 oz/ton gold over 1.5 metres sampled. Silt sampling of all drainages cutting across the east-west trending zones has yielded anomalous gold values.

Late in the year, the Company reached agreement with Dryden Resources Ltd. for farm-out of the Quash Creek Property. Under the terms of this agreement a payment of \$22,500 and 90,000 shares of Dryden was received. Upon making an additional payment of \$22,500 and completion of a \$1.0 million exploration program, Dryden may earn a 50 percent interest in the property. Teck Corp. would then have the option to participate as to a 50 percent interest and Triumph will retain a 9% net profits interest. Dryden carried out a program of soil sampling, prospecting and drilling of two diamond drill holes on the Quash Creek Property. The two holes tested a strong copper-gold soil anomaly and intersected low grade copper-gold values of widths over 40 to 80 metres. The program was terminated prior to completion due to adverse snow conditions. Dryden are proposing to continue with exploration during the coming summer season.

In 1991 Triumph plans to initially direct its attention to work on properties in the North Iskut camp. Sufficient funds are on hand to contemplate participation in other exploration opportunities as may be presented to the Company during the year ahead.

On Behalf of the Board of Directors



John S. Brock  
President

April 23, 1991

**TRIUMPH RESOURCES LTD.**  
1500 - 675 West Hastings Street  
Vancouver, British Columbia  
V6B 1N2

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the annual general meeting (the "Meeting") of the Shareholders of TRIUMPH RESOURCES LTD. (the "Company") will be held in the Boardroom of the Company, 1500 - 675 West Hastings Street, Vancouver, British Columbia, on Monday, May 27, 1991 at 2:00 p.m., local time, for the following purposes:

1. To receive and consider the financial statements of the Company for the fiscal year ended December 31, 1990, together with the auditors' report thereon;
2. To receive the report of the directors of the Company;
3. To elect directors of the Company for the ensuing year;
4. To appoint auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. To consider and if thought advisable, pass a special resolution giving general authority to the Board of Directors of the Company to grant to the directors, senior officers and employees of the Company, until the next Annual General Meeting of the Company, incentive stock options to purchase shares in the Company.
6. To consider and if thought advisable, pass a special resolution approving the granting of a Director's Share Purchase Option to one director of the Company, providing for the purchase of an aggregate of 45,000 common shares of the Company over a five year period and exercisable at a price of \$0.15 per share;
7. To consider and if thought advisable, pass a special resolution approving the reduction of the exercise price of certain existing share purchase options and the extension of the time period within which such options may be exercised after severance, the details of which are more fully described in the Information Circular accompanying this Notice.
8. To consider and if thought advisable, pass a special resolution cancelling the existing Articles of the Company and adopting a new form of Articles of the Company in substitution for, and to the exclusion of, the existing Articles of the Company;


9. To consider amendments to or variations of any matter identified in this Notice; and
10. To transact such other business as may properly come before the Meeting.

The financial statements for the fiscal year ended December 31, 1990, together with the auditors' report thereon form part of the Information Circular of the Company which accompanies this Notice.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Information Circular accompanying this Notice.

DATED at Vancouver, British Columbia, this April 24, 1991.

BY ORDER OF THE BOARD



John S. Brock  
President

Z311/1670

TRIUMPH RESOURCES LTD.  
1500 - 675 West Hastings Street  
Vancouver, British Columbia  
V6B 1N2

INFORMATION CIRCULAR  
as at April 23, 1991

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of TRIUMPH RESOURCES LTD. (the "Company") for use at the annual general meeting (the "Meeting") of shareholders to be held on Monday, May 27, 1991 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company.

All costs of this solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are the President and Secretary of the Company. A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A form of proxy will not be valid unless it is completed and delivered to Central Guaranty Trust Company, 2nd Floor, 800 West Pender Street, Vancouver, British Columbia, V6C 2V7, not less than 48 hours (excluding Saturdays and holidays) before the Meeting at which the person named therein purports to vote in respect thereof.

A shareholder who has given a proxy may revoke it by an instrument in writing delivered either to Central Guaranty Trust Company or the registered office of the Company at any time up to and including the last business day that precedes the day of the Meeting or, if adjourned, that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken before the revocation.

EXERCISE OF DISCRETION

Nominees named in the accompanying form of proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the shareholders on any ballot that may be called for. The proxy confers discretionary authority upon the nominees named therein with respect to

- (1) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of auditors and the election of directors,
- (2) any amendment to or variation of any matter identified therein, and
- (3) any other matter that may properly come before the Meeting.

IN RESPECT OF MATTERS FOR WHICH A CHOICE IS NOT SPECIFIED IN THE PROXY THE NOMINEES NAMED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE SHARES REPRESENTED BY THE PROXY FOR THE APPROVAL OF SUCH MATTER OR GROUP OF MATTERS DESCRIBED IN THE PROXY.

As of the date of this Information Circular management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter is properly brought before the Meeting each nominee intends to vote thereon in accordance with his best judgment.

VOTING SHARES

As of April 23, 1991, the Company had outstanding 4,699,179 fully paid and non-assessable common shares without par value, each share carrying the right to one vote.

Any shareholder of record at the close of business on April 19, 1991, who either personally attends the Meeting or has completed and delivered a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have his shares voted at the Meeting.

To the knowledge of the directors and senior officers of the Company, the only persons who or corporations which beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company are:



<u>Shareholder Name and Address</u>	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>
Teck Corporation 1199 West Hastings St. Vancouver, B.C. V6E 3R3	2,306,250	49.08% (1)

(1) William Meyer, a director of the Company, and Thomas Spilsbury, a director nominee of the Company, are a senior officers of a subsidiary of Teck Corporation.

#### ELECTION OF DIRECTORS

The size of the Board of Directors is currently determined at five. It is intended that the number of directors will remain at five for the ensuing year although it is proposed that only four directors will be nominated and elected at the Meeting.

The term of office of each of the current directors expires at the Meeting. The persons named below will be nominated for election at the Meeting as management's nominees. Each Director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the Company Act of British Columbia.

The following table sets out the names of the nominees for election as directors, all offices in the Company now held by each of them, the principal occupation, business or employment of each of them, the period of time during which each has been a director of the Company and the number of shares of the Company beneficially owned by each, directly or indirectly, or over which each exercises control or direction, as at April 23, 1991.

<u>Name and Position</u>	<u>Occupation, Business or Employment</u> <sup>(1)</sup>	<u>Period a Director of the Company</u>	<u>Shares Beneficially Owned or Controlled</u> <sup>(1)</sup>
JOHN S. BROCK President & Director	Geologist; Officer & Director, Welcome North Resources Inc., Columbia Gold Mines Ltd., Northern Crown Mines Ltd. & American Bullion Minerals Ltd.; President, John S. Brock Limited	December 10, 1982 to date	169,825

<u>Name and Position</u>	<u>Occupation, Business or Employment</u> <sup>(1)</sup>	<u>Period a Director of the Company</u>	<u>Shares Beneficially Owned or Controlled</u> <sup>(1)</sup>
THOMAS W. SPILSBURY Nominee	From 1986 to 1990, Vice President of Teck Resources Inc.; from 1990 to date, Vice President, Teck Exploration Ltd.	February 4, 1991 to date	5,000
WILLIAM MEYER Director	President, Teck Exploration Ltd.; President, Teck Resources Inc.	April 21, 1987 to date	80,095
IRENE M. WILSON Secretary & Director	President, Wellgate Holdings Ltd. and Aquiline Resources Inc.; Administrative Manager, Welcome North Resources Inc.	November 13, 1984 to date	139,583

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

The Company does not have an Executive Committee of its directors. The Company is required to have an Audit Committee of which Irene Wilson, Thomas Spilsbury and William Meyer are the current members.

#### EXECUTIVE COMPENSATION

Form 41 of the Securities Act of British Columbia defines "executive officer" to mean the Chairman and any Vice-Chairman of the board of directors of the Company, when that person performs the functions of such office on a full-time basis, the President, any Vice-President in charge of a principal business unit such as sales, finance or production and any officer of the Company or of a subsidiary who performs a policy-making function in respect of the Company, whether or not such officer is also a director of the Company or the subsidiary.

The Company has two executive officers whose aggregate cash compensation during the year ended December 31, 1990, was nil. (Also see headings "Management Contracts" and "Grant of Options and Amendments to Existing Options")

GENERAL AUTHORITY TO GRANT OPTIONS

Shareholders will be asked to pass a special resolution giving general authority to the Board of Directors to grant to the directors, senior officers and employees of the Company, until the next annual general meeting of the Company, incentive stock options to purchase shares in the capital stock of the Company, including any amendments thereto, for such periods, in such amounts and at such prices per share as agreed upon and at the discretion of the Board of Directors in accordance with the policies of the Vancouver Stock Exchange and upon terms and conditions subject to the approval of the regulatory authorities having jurisdiction and that no further approval from the members shall be required prior to exercise of all or part of any such options granted. A special resolution means a resolution passed by a majority of not less than 75% of the votes cast by holders of common shares at the meeting.

GRANT OF OPTION AND AMENDMENTS TO EXISTING OPTIONS

**Grant of New Option**

Wayne Spilsbury, a director of the Company, was granted a share purchase option on April 23, 1991, in respect of 45,000 shares. The option has a term of five years and shares may be acquired thereunder at a price of \$0.15 per shares.

Shareholders will be asked to approve the grant and exercise of the option by way of special resolution. The option remains subject to regulatory approval.

**Amendment of Existing Options**

Each of John Brock, William Meyer, Irene Wilson and Wayne Roberts hold share purchase options granted by the Company in respect of 85,000, 45,000, 85,000 and 85,000 shares, respectively. These options have a term which expires on September 20, 1994 and have an exercise price of \$0.46 per share. In addition, these options provide that in the event that the option holder's position with the Company is severed, the option holder will have 30 days from the date of severance within which to exercise the option.

In light of current market conditions, management considers the time period within which options may be exercised after severance to be too short and has approved the extension of the time period to one year. Management has also approved the reduction in the exercise price of the options to \$0.15 per share to bring the price in line with the current market price for the Company's shares. By doing so, management hopes that

the options will act as an incentive for the holders in furthering the business affairs of the Company. Shareholders will be asked to approve the amendments to the share purchase options by special resolution. The amendments remain subject to regulatory approval.

#### ADOPTION OF NEW ARTICLES OF THE COMPANY

The board of directors of the Company believes that, having regard to the numerous additions and amendments made to the British Columbia Company Act since the adoption of the Company's existing Articles in 1981, it is in the best interest of the Company and its shareholders to adopt an entire new set of Articles. The adoption of a new set of Articles would bring the Company into line with current rules and regulations. Copies of the new set of Articles may be examined at the registered office of the Company. Shareholders will be asked to adopt the new set of Articles by way of special resolution. A special resolution means a resolution passed by a majority of not less than 75% of the votes cast by holders of common shares at the meeting.

#### APPOINTMENT OF AUDITORS

Coopers & Lybrand, Chartered Accountants, of 1055 West Georgia Street, Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditors of the Company at a remuneration to be fixed by the directors. Coopers & Lybrand have been auditors of the Company since May 31, 1984.

#### INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no insider or nominee for election as a director of the Company had any interest in any material transaction during the year ended December 31, 1990, or has any interest in any material transaction in the current year except for the following:

By an agreement (the "Agreement") dated as of April 19, 1990 made among Teck Corporation, Silver Standard Resources Inc. (collectively, the "Owners") and the Company, the Owners granted the Company an option to acquire 50% of the Owner's interest in the Castle and Quash Creek mineral properties located in the Liard Mining Division of British Columbia.

Under the Agreement the Company committed to expend \$100,000 on the properties by April 19, 1991, and granted Teck Corporation

an option to acquire 500,000 shares at a price of \$2.00 per share, exercisable at any time up to 90 days after the delivery of a production program. The Agreement provided that the option provided for therein could be exercised by the Company incurring \$1,000,000 in expenditures on the properties by the 5th anniversary of the Agreement.

Subsequently, the Company and the Owners agreed to separate the Castle property from the Agreement and to make it subject to a separate option agreement with Dryden Resources Corporation pursuant to which it could earn a 50% interest in the Castle property and the Company would relinquish its right to earn a 50% interest. Under this agreement, the Company received \$22,500 and 90,000 shares of Dryden and may receive an additional \$22,500 due October 1991. Upon exercise of the option by Dryden the Company would retain a 9% net profits interest.

In addition, the Owners have agreed to amend the Agreement to provide for it to relate only to the Quash Creek property, to reduce the shares subject to the share option to 250,000 shares and to reduce the aggregate expenditures required to exercise the option to \$500,000.

#### MANAGEMENT CONTRACTS

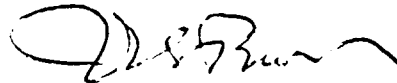
For the period January 1, 1990 to April 30, 1990, the Company paid the sum of \$2,901 in project management fees and \$8,000 in administration fees to Welcome North Resources Inc. ("Welcome North"), a public company with two directors in common (John Brock and Irene Wilson) and two senior officers in common (John Brock and Wayne Roberts) and which owns 57,898 shares (1.23%) of the issued and outstanding shares of the Company. Office and administration personnel and overhead services were provided by Welcome North at a charge of \$2,000 per month. Project operation, management and personnel were provided on the basis of 10% of costs related to the Company's field programs.

Effective May 1, 1990, the Company entered into a management agreement (the "Management Agreement") with John S. Brock Limited ("JSB"), a private company owned by John S. Brock ("Brock"), a director and officer of the Company. Pursuant to the Management Agreement, JSB provided certain corporate managerial and administrative services to the Company for \$3,500 per month. It is proposed that the term of the Management Agreement will be extended to December 31, 1991, for the sum of \$3,000 per month for the months of January and February and \$1,500 per month thereafter. For the year ended

December 31, 1990, an aggregate of \$28,000 was paid to JSB for services performed pursuant to the Management Agreement.

Effective May 1, 1990, the Company also entered into an exploration management agreement (the "Exploration Management Agreement") with JSB pursuant to which JSB would implement exploration programs on certain properties of the Company in consideration for a management fee equal to 10% of all program costs. It is proposed that the Exploration Management Agreement will be extended to December 31, 1991. For the year ended December 31, 1990, the Company has paid an aggregate of \$45,886 in management fees to JSB pursuant to the Exploration Management Agreement. Also for the year ended December 31, 1990., the sum of \$19,415 was paid to John S. Brock and Wayne Roberts for certain specific services provided by them on a per diem rate.

BY ORDER OF THE BOARD



John S. Brock  
President

Z311/1670



**INSTRUCTIONS**

This report is to be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of the end of their fourth fiscal quarter. Three schedules (typed) are to be attached to this report as follows:

**SCHEDULE A: FINANCIAL INFORMATION**

Financial information prepared in accordance with generally accepted accounting principles for the fiscal year-to-date, with comparative information for the corresponding period of the preceding fiscal year. This financial information should consist of the following:

*For the first, second and third fiscal quarters:*

An interim financial report presented in accordance with Section 1750 of the C.I.C.A. Handbook. This should include a summary income statement (or a statement of deferred costs) and a statement of changes in financial position. A summary balance sheet is also to be provided.

*For the fourth fiscal quarter (year end):*

Annual audited financial statements.

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below is to be provided when not included in Schedule A.

1. *For the current fiscal year-to-date:*

Breakdown, by major category, of those expenditures and costs which are included in the deferred costs, exploration and development expenses, cost of sales or general and administrative expenses set out in Schedule A. State the aggregate amount of expenditures made to parties not at arm's length from the issuer.

2. *For the quarter under review:*

(a) Summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid.

(b) Summary of options granted, including date, number, name of optionee, exercise price and expiry date.

3. *As at the end of the quarter:*

(a) Particulars of authorized capital and summary of shares issued and outstanding.

(b) Summary of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry dates.

(c) Total number of shares in escrow or subject to a pooling agreement.

(d) List of directors.

**SCHEDULE C: MANAGEMENT DISCUSSION**

Review of operations in the quarter under review and up to the date of this report, including brief details of any significant event or transaction which occurred during the period. The following list can be used as a guide but is not exhaustive:

Acquisition or abandonment of resource properties, acquisition of fixed assets, financings and use of proceeds, management changes, material contracts, transactions with related parties, legal proceedings, contingent liabilities, default under debt or other contractual obligations, special resolutions passed by shareholders.

<b>ISSUER DETAILS</b>		ISSUER TELEPHONE NO.	FOR QUARTER ENDED	DATE OF REPORT		
NAME OF ISSUER				Y	M	D
TRIUMPH RESOURCES LTD.		(604) 687-4951	Dec. 31/90	91	04	23
<b>ISSUER'S ADDRESS</b>			PROVINCE	POSTAL CODE		
1500 - 675 West Hastings Street, Vancouver, British Columbia				V	6	B 1 N 2
<b>CONTACT PERSON</b>		<b>CONTACT'S POSITION</b>		<b>CONTACT TELEPHONE NO.</b>		
John S. Brock		President		687-4951		

**CERTIFICATE**

*The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.*

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
	John S. Brock	Y M D 91 04 23
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
	Irene M. Wilson	Y M D 91 04 23

SCHEDULE "B"  
TRIUMPH RESOURCES LTD.

SHARE CAPITAL

(as at December 31, 1990)

	<u>Authorized</u>	<u>Issued and Outstanding</u>
Common Shares without par value	100,000,000	4,772,924

ESCROWED AND POOLED SHARES

(as at December 31, 1990)

Escrow Agreement: Principals' Shares	234,375
Pooling Agreement:	<u>Nil</u>
Total:	<u>234,375</u>

DIRECTORS OF THE COMPANY

(as at December 31, 1990)

<u>Name of Director</u>	<u>Residence</u>
John S. Brock, President	West Vancouver, B.C.
Irene M. Wilson, Secretary	Richmond, B.C.
John May	North Vancouver, B.C.
William Meyer	Coquitlam, B.C.



SCHEDULE "B"  
TRIUMPH RESOURCES LTD.

SECURITIES ISSUED

NIL

DIRECTORS' AND EMPLOYEE STOCK OPTIONS

<u>Optionee</u>	<u>Date of Option</u>	<u>Expiry Date</u>	<u>Price</u>	<u>Number of Shares</u>
Directors' Option	Sept. 21, 1989	Sept. 21, 1994	\$0.46	175,000
Employees' Option	Sept. 21, 1989	Sept. 20, 1994	\$0.46	<u>170,000</u>
Total Outstanding				<u>345,000</u>

**TRIUMPH RESOURCES LTD.**

QUARTERLY REPORT

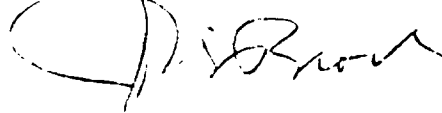
OCTOBER 1 TO DECEMBER 31, 1990

Early in October, a hand trenching program was carried out on the Castle Property in northwestern British Columbia. Trenching and blasting confirmed the presence of copper and gold mineralization within the previously defined "sulphide zone". However, deep overburden and talus cover did not permit completion of the program. Continued trenching with mechanized equipment is warranted.

During the quarter, the Company reached agreement with Dryden Resources Ltd. for farm-out of the Quash Creek Property in northwestern British Columbia. In accordance with this agreement a payment of \$22,500 and 90,000 shares of Dryden was received. Upon making an additional payment of \$22,500 and completion of a \$1.0 million exploration program. Dryden will earn a 50 percent interest in the property. Teck Corp. would then have the option to participate as to a 50 percent interest and Triumph will retain a 9% net profits interest.

Late in the season Dryden carried out a program of soil sampling, prospecting and 2 diamond drill holes on the Quash Property. The two holes tested a strong copper-gold soil anomaly where widths of 40 to 80 meters of low grade copper-gold values were drill intersected. The program was terminated prior to completion due to adverse snow conditions.

On Behalf of the Board of Directors



John S. Brock  
President

April 19, 1991

**TRIUMPH  
RESOURCES LTD.**

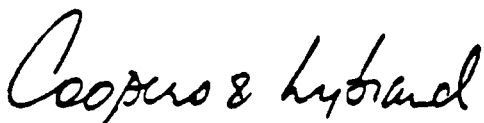
**CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 1990  
AND 1989**

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the consolidated balance sheets of Triumph Resources Ltd. as at December 31, 1990 and 1989 and the consolidated statements of loss and deficit, changes in financial position and deferred costs for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

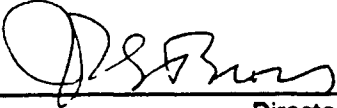

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1990 and 1989 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.



Vancouver, B.C.  
March 20 1991

**TRIUMPH RESOURCES LTD.**

**CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 1990 AND 1989**

	1990 \$	1989 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and short-term deposits	265,191	258,584
Accounts receivable	<u>1,994</u>	<u>3,276</u>
	267,185	261,860
RESTRICTED CASH (note 3)	10,000	5,000
RESOURCE ASSETS (note 4)	878,331	505,396
INCORPORATION COSTS	<u>1,555</u>	<u>1,555</u>
	<u><u>1,157,071</u></u>	<u><u>773,811</u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	<u>6,993</u>	<u>6,515</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK (note 5)</b>		
Authorized - 100,000,000 common shares without par value		
Issued and fully paid - 4,772,924 common shares (1989 - 3,850,702)	5,422,718	4,972,718
DEFICIT	<u>(4,272,640)</u>	<u>(4,205,422)</u>
	<u>1,150,078</u>	<u>767,296</u>
	<u><u>1,157,071</u></u>	<u><u>773,811</u></u>
<b>APPROVED BY THE DIRECTORS</b>		
 _____ Director		
 _____ Director		

**TRIUMPH RESOURCES LTD.**

**CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT  
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989**

	1990 \$	1989 \$
<b>EXPENSES</b>		
Accounting and audit	3,758	3,563
Insurance	1,179	2,710
Legal fees	11,717	30,510
Management fees	36,000	14,000
Office	3,462	1,094
Printing and reproduction	3,582	3,166
Salaries and wages		1,393
Stock exchange	7,154	9,476
Transfer agent fees	16,260	30,969
Travel and promotion	10,105	
	<u>93,217</u>	<u>96,881</u>
<b>OTHER EXPENSES (INCOME)</b>		
Interest income	(25,999)	(12,702)
Cost of mineral properties abandoned		20,000
Deferred costs written off		105,068
	<u></u>	<u>105,068</u>
<b>LOSS FOR THE YEAR</b>	<b>67,218</b>	<b>209,247</b>
<b>DEFICIT - BEGINNING OF YEAR</b>	<b><u>4,205,422</u></b>	<b><u>3,996,175</u></b>
<b>DEFICIT - END OF YEAR</b>	<b><u>4,272,640</u></b>	<b><u>4,205,422</u></b>

**TRIUMPH RESOURCES LTD.**

**CONSOLIDATED STATEMENTS OF DEFERRED COSTS  
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989**

	1990	1989
	\$	\$
<b>EXPENDITURES</b>		
Assays and geochemical analysis	12,872	8,141
Camp maintenance	21,995	34,686
Consulting fees	38,800	30,040
Drilling	123,856	85,493
Expediting	3,756	1,385
Field equipment and supplies	6,318	1,673
Fuel	6,181	654
Maps, printing and drafting	7,779	5,411
Miscellaneous	8,300	519
Project management fees	48,787	40,033
Salaries and wages	51,753	41,216
Surveys - geophysical, geochemical and other	2,704	36,006
Transportation, including helicopter and fixed wing	188,089	168,670
Trenching and roads	<u>15,583</u>	<u>          </u>
<b>EXPLORATION AND DEVELOPMENT COSTS</b>	<b>536,773</b>	<b>453,927</b>
<b>BALANCE - BEGINNING OF YEAR</b>	<b><u>455,236</u></b>	<b><u>106,377</u></b>
	992,009	560,304
Less: Deferred costs written off	<u>          </u>	<u>(105,068)</u>
<b>BALANCE - END OF YEAR (carry forward to note 4)</b>	<b><u>992,009</u></b>	<b><u>455,236</u></b>

**TRIUMPH RESOURCES LTD.**

**CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION**

**FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989**

	1990 \$	1989 \$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the year	(67,218)	(209,247)
Items not affecting cash -		
Properties abandoned		20,000
Deferred costs written off		<u>105,068</u>
	(67,218)	(84,179)
Change in non-cash working capital items	<u>1,760</u>	<u>(1,081)</u>
	<u>(65,458)</u>	<u>(85,260)</u>
<b>INVESTING ACTIVITIES</b>		
Deposit for reclamation permit	(5,000)	(5,000)
Acquisition of mineral properties	(12,300)	(35,160)
Exploration and development costs	(536,773)	(453,927)
Option payments received	27,500	5,000
Exploration expenses recovered	12,299	
Canadian Exploration Incentive grant received	<u>136,339</u>	
	<u>(377,935)</u>	<u>(489,087)</u>
<b>FINANCING ACTIVITY</b>		
Issue of share capital for cash	<u>450,000</u>	<u>786,621</u>
<b>INCREASE IN CASH AND SHORT-TERM DEPOSITS</b>	<b>6,607</b>	<b>212,274</b>
<b>CASH AND SHORT-TERM DEPOSITS - BEGINNING OF YEAR</b>	<u><b>258,584</b></u>	<u><b>46,310</b></u>
<b>CASH AND SHORT-TERM DEPOSITS - END OF YEAR</b>	<u><b>265,191</b></u>	<u><b>258,584</b></u>



# TRIUMPH RESOURCES LTD.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

### 1. NATURE OF OPERATIONS

The company is in the process of exploring and developing its mineral properties but, on the basis of information to date, has not yet determined whether these properties contain ore reserves which are economically recoverable. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the company to obtain the necessary financing to complete development, and upon future profitable production.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Principles of Consolidation

The consolidated financial statements include the accounts of the company and its wholly owned subsidiary, Mt. Calvary Resources Inc. (inactive).

#### (b) Resource Assets

The cost of mineral properties and related exploration and development costs, less government grants, are deferred until the mineral properties are brought into production, abandoned or sold, at which time they are amortized on the unit-of-production basis or written off.

#### (c) Option Agreements

From time to time, the company acquires or disposes of properties pursuant to option agreements. Because options are exercisable entirely at the discretion of the optionee, amounts payable or receivable are not recorded.

Option payments, some of which may include shares of the company, are recorded as mineral property costs when the payments are made or the shares issued. Option payments received are treated as a reduction of the carrying value of the related mineral property and deferred costs until the company's costs are recovered. Option payments received in excess of costs incurred are credited to deficit.

#### (d) Flow-Through Common Shares

The company credits the full amount of proceeds of flow-through shares, which give rise to a transfer of the deductibility of exploration expenses to the investor, including the premium paid for such tax deductions, to share capital.

#### (e) Loss per Common Share

Loss per common share has not been calculated as it would not be meaningful at this stage in the company's operations.

# TRIUMPH RESOURCES LTD.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

#### 3. RESTRICTED CASH

Term deposits in the amount of \$10,000 (1989 - \$5,000) have been pledged to the Ministry of Energy, Mines and Petroleum Resources as security for reclamation permits.

#### 4. RESOURCE ASSETS

	1990	1989
	\$	\$
Cost of mineral properties	87,460	75,160
Deferred costs - per statement	<u>992,009</u>	<u>455,236</u>
	1,079,469	530,396
Less: Option payments received	52,500	25,000
Exploration costs recovered	12,299	
Canadian Exploration Incentive grant received	<u>136,339</u>	<u>          </u>
	<u>878,331</u>	<u>505,396</u>

The company owns, or is acquiring under options, mineral properties, or interests therein, located in British Columbia. These options do not involve firm commitments and no liability has been provided.

Certain of the company's mineral properties are subject to option agreements under the terms of which the company may relinquish interests in these properties in return for cash payment and other consideration. These options do not involve firm commitments and no receivables are recognized unless the optionee has agreed to take the option payment.

In 1989, the company acquired the rights to the Mt. Alcock property and subsequently entered into an agreement with Teck Corporation (Teck), a significant shareholder, whereby Teck was given the option to acquire a 60% interest in the property in consideration for funding exploration expenses up to a maximum of \$2,360,000 (note 5(b)). Teck has the right to provide \$2,360,000 of exploration expenditures for the property by way of a series of flow-through private placements, each priced in accordance with the market price for the company's shares at the time.

Upon the earlier of December 31, 1991 and the date upon which \$2,360,000 of expenditures funded by Teck have been made, Teck will have earned a 60% interest in the property. To maintain a 60% interest, Teck will be required to complete a feasibility study on or before December 31, 1995, arrange production financing and commit on or before December 31, 1997 to place the property into production. The company will not be obligated to fund any expenditures until after commencement of commercial production from the property.

**TRIUMPH RESOURCES LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989**

**5. CAPITAL STOCK**

	<u>1990</u>		<u>1989</u>	
	Number of shares	\$	Number of shares	\$
Authorized - 100,000,000 common shares without par value				
Issued and fully paid -				
Beginning of year -				
Issued for cash	2,008,398	3,005,751	697,068	2,788,247
Issued for mineral properties	147,500	137,750	147,500	137,750
Issued pursuant to flow-through arrangements	<u>1,694,804</u>	<u>1,829,217</u>	<u>387,150</u>	<u>1,260,100</u>
	<u>3,850,702</u>	<u>4,972,718</u>	<u>1,231,718</u>	<u>4,186,097</u>
Issued during the year -				
Issued for cash			1,318,984	226,621
Issued for cash (flow-through arrangements)	<u>922,222</u>	<u>450,000</u>	<u>1,300,000</u>	<u>560,000</u>
	<u>922,222</u>	<u>450,000</u>	<u>2,618,984</u>	<u>786,621</u>
	<u>4,772,924</u>	<u>5,422,718</u>	<u>3,850,702</u>	<u>4,972,718</u>

- (a) During 1989, the authorized and outstanding share capital of the company was consolidated on a four-to-one basis. A total of 4,926,870 issued and fully paid common shares were consolidated into 1,231,718 common shares. After consolidation of the share capital, the authorized share capital of the company was increased to 100,000,000 common shares without par value. The comparative figures have been restated to reflect this share consolidation.

**TRIUMPH RESOURCES LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989**

**5. CAPITAL STOCK (continued)**

- (b) In 1990, pursuant to an agreement with Teck (note 4), the company issued 700,000 shares for a total consideration of \$350,000 and renounced \$350,000 of exploration expenditures. Teck also has the right to fund an additional \$1,450,000 of exploration expenditures through the acquisition of shares of the company. The number of shares to be issued will be determined by dividing each subscription amount by the existing market price for the shares.
- (c) In 1990, pursuant to a flow-through share agreement, the company issued 222,222 shares and 222,222 warrants in consideration for \$100,000. Each warrant will entitle the holder to purchase one common share at a price of \$0.45 per share. The warrants, all of which are outstanding at December 31, 1990, expire August 1, 1991.
- (d) Options granted to directors and employees to purchase 345,000 shares at the price of \$0.46 per share on or before September 20, 1994 are outstanding at December 31, 1990.

**6. RELATED PARTY TRANSACTIONS**

Fees have been paid to related parties as follows:

	Administrative management fees \$	Project management fees \$
<b>1990</b>		
Welcome North Resources Inc. (formerly Welcome North Mines Ltd.)	8,000	2,901
John S. Brock Ltd.	<u>28,000</u>	<u>45,886</u>
	<u>36,000</u>	<u>48,787</u>
<b>1989</b>		
Welcome North Mines Ltd.	<u>14,000</u>	<u>40,033</u>

Welcome North Resources Inc. is a company which previously shared two common directors.

John S. Brock Ltd. is a company with one common director.

Other related party transactions are disclosed elsewhere in these notes.

Two directors of the company are also senior officers of Teck Exploration Ltd., a company related to Teck Corporation.

**TRIUMPH RESOURCES LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989**

**7. INCOME TAX INFORMATION**

During the company's operating history it has renounced \$2,068,915 (1989 - \$1,652,100) of Canadian Exploration Expenditures, which will not be deductible by the company for income tax purposes.

**8. SUBSEQUENT EVENTS**

Subsequent to year end, unexpended Canadian Exploration Expenditure funds received in connection with flow-through share agreements entered into during 1990 of \$33,185 were refunded to the participant and 73,745 shares and 73,745 warrants were cancelled.