

BOOKER GOLD
EXPLORATIONS LIMITED

ANNUAL REPORT 1996



Letter to Shareholders

For Booker Gold, fiscal year 1996 was one of growth and change. Many new members were added to our technical and administrative crew. This team of men and women met with great success over the year. Booker Gold's key accomplishments on the Hearne Hill project included discovery of new mineralized zones on the property and expansion of the size and grade of the known porphyry copper deposit.

A modern trailer camp was constructed at the property during February - April and upgraded throughout the year. Our camp now has computer facilities, satellite communications, and a spacious, well lit core logging area. In addition, recreational facilities were incorporated into the camp. A work out area, a sauna and a satellite television are now available for our crews to use on their time off.

Throughout the year there were several personnel changes. Chris Sampson, P.Eng., became a director of the company in May and was elected President in June, 1996. Chris worked as Booker Gold's geological consultant from the beginning of the Hearne Hill project. He leads our search for a senior mining development person to add to our board of directors. Subsequent to the year end, Bill Deeks joined our board to advise on corporate direction. Bill is a former senior vice-president of Noranda Inc. where he acted as Noranda's global business executive. Bill is also a past chairman of the International Business and Industry advisory committee to the Organization for Economic Cooperation and Development in Paris.

It was with great sadness that we learned of the death of our project geologist, Les Demczuk, in early March, 1996. Les suffered a fatal heart attack while on vacation. His tremendous input and effort in the advancement of the Hearne Hill property is greatly appreciated, and he will be sorely missed.

In May of 1996 Gordon Weary, M.Sc. joined our exploration team. Prior to joining Booker, Gordon was involved in glacial till geochemical prospecting studies in the Babine Area for the B.C. Geological Survey. He planned our geochemical sampling program and later in the year was appointed project geologist in charge of Booker's exploration program at Hearne Hill. Gordon was instrumental in expanding the Peter Bland breccia zone with till sampling, and the exciting diamond drill hole 96-67 was a direct result of his work. In October, 1996 David MacDougall, M.Sc. became site geologist to work with Gordon supervising the drilling program and developing geological models for the property.

In November Christos Doulis joined Booker to work in corporate liaison with analysts and retail brokers in Toronto. Christos received his BA in Economics from Queen's University in 1993 and has since worked as a research associate for various brokerage firms. Christos is currently working to complete his CFA Level II.

In February, 1997 Jim King of TDB and Associates was engaged to manage investor relations.

The company was financed in December, 1996 by the Triax Resource Limited Partnership managed by

Letter to Shareholders

Altamira Management Ltd. The financing was brokered by Eagle and Partners of Toronto, Ontario.

With continued success in exploration, the company is looking forward to advancing the Hearne Hill Project to a pre-feasibility phase during 1997.

EXPLORATION ACTIVITIES

Exploration of the Hearne Hill property during 1996 consisted of geophysics, diamond drilling and geochemical sampling.

In 1996 Booker Gold drilled 57 diamond drill holes (numbered DDH 96-33 to DDH 96-89) totaling 13,918 metres (45,665 feet). The company also conducted extensive programs of Induced Polarization geophysics and basal till geochemistry as follows:

A surficial geochemical program was carried out during the summer in order to understand the surficial geology and locate drill targets. To minimize error associated with post-glacial hydromorphic effects, deep samples were obtained from the C-soil horizon at an average depth of one metre below the surface. Samples consisted of sand, silt and clay which had been transported and deposited by glaciers during the last glaciation.

Both property scale and follow-up scale geochemical surveys were completed. The property scale survey totaled 406 samples obtained at a sample density of 1 sample per 100 square metres. For the detailed scale survey, 153 samples were obtained at a scale of 1 sample per 25 metres. The property scale sampling program outlined a large target area near the central grid area with copper and gold values 50-100 times greater than background levels. The detailed scale survey outlined three significant anomalous areas: one over the Chapman zone, a second near the Bland zone and a third large anomaly southeast of the Bland zone.

In 1996, Geotronics Inc. surveyed 33 kilometres of IP geophysical lines on the Hearne Hill property. The geophysical survey indicated a strong northeast chargeability trend, which is consistent with the strike direction of faults in the area. The Bland and Chapman zones are located over chargeability highs/resistivity lows. Chargeability highs also occur adjacent to the strike of the Chapman-Bland zones and may represent new areas of enriched chalcopyrite mineralization.

The 57 hole drilling program was directed at various targets. Holes 96-34 to 38, 51, 52 and 58 to 61 were drilled to extend, define and explore areas in and around the Chapman zone. Holes 96-40 to 43 and 60 to 75 were drilled to further define, extend and explore areas within and around the Peter Bland Zone which were outlined by the till geochemical survey. Holes 96-46 to 50 and 53 to 56 explored targets located by the IP geophysical survey, while holes 96-76 to 89 were drilled to explore coincident geochemical and geophysical anomalies.

The principle intersections located by the drilling program are summarized as follows:

Drill Hole	Coordinates		Azimuth (deg.)	Dip Angle (deg.)	Hole Length (m)	Notable Intercepts				Cu (%)	Au (g/t)
	West (m)	South (m)				Interval (m)		Length			
						From	To	(m)	(ft)		
DDH 96-33	10209	10100	330	-60	370.3	242.0	244.9	2.9	10	0.40	
DDH 96-34	10305	10410	90	-70	318.2						
DDH 96-35	10375	10300	180	-55	307.8						
DDH 96-36	10250	10300	10	-55	322.2	10.4	275.2	264.9	869	0.25	
						157.6	160.6	3.0	10	0.42	
						163.7	172.6	9.0	29	0.53	
DDH 96-37	10250	10300	180	-55	349.0	10.7	50.9	40.2	132	0.19	
						44.8	47.9	3.0	10	0.41	
DDH 96-38	10200	10400	270	-55	276.5						
DDH 96-39	9952	9721	340	-55	334.4						
DDH 96-40	9952	9721	160	-55	255.1						
DDH 96-41	9887	9652		-90	227.7						
DDH 96-42	9887	9652	340	-55	169.8	69.2	81.4	12.2	40	0.23	
DDH 96-43	9712	9658	160	-55	199.0						
DDH 96-44	9996	9887	290	-70	321.3	296.3	297.8	1.5	5	0.79	
DDH 96-45	10297	10460	270	-60	419.7						
DDH 96-46	10309	10500	290	-50	212.4						
DDH 96-47	10300	10548	290	-50	175.9						
DDH 96-48	10295	10650	290	-50	159.1						
DDH 96-49	10300	10600	290	-50	213.4						
DDH 96-50	10430	10600	290	-70	197.2						
DDH 96-51	10220	10185	290	-75	345.3	5.2	255.1	249.9	820	0.20	0.07
						215.4	218.5	3.1	10	0.46	0.15
						322.2	325.2	3.0	10	0.47	0.15
DDH 96-52	10200	10150	290	-70	306.9	8.2	102.7	94.5	310	0.20	0.08

Cont'd.

Drill Hole	Coordinates		Azimuth (deg.)	Dip Angle (deg.)	Hole Length (m)	Notable Intercepts				Cu (%)	Au (g/t)
	West (m)	South (m)				Interval (m)		Length (m) (ft)			
					From	To	(m)	(ft)			
DDH 96-53	10510	10495	310	-45	320.6						
DDH 96-54	10440	10950	290	-50	56.3						
DDH 96-55	10900	11560		-90	133.5						
DDH 96-56	10950	11225		-90	164.0						
DDH 96-57	10375	10300	360	-50	306.3	185.0 206.3	303.9 209.4	118.9 3.1	390 10	0.23 0.90	0.09 0.39
DDH 96-58	10200	10150	165	-70	139.6	5.5 57.3	32.9 118.3	27.4 61.0	90 200	0.23 0.24	0.07 0.06
DDH 96-59	10200	10150	165	-57	127.1	63.0 63.0 63.0	93.5 72.2 69.1	30.5 9.2 6.1	100 30 20	0.68 1.95 2.51	0.12 0.27 0.28
DDH 96-60	10200	10185		-90	96.9	4.0 4.0 5.4 26.8 32.9 54.2 69.4	84.7 60.3 20.7 29.8 35.9 60.3 75.5	80.7 56.3 15.3 3.0 3.0 6.1 6.1	265 185 50 10 10 20 20	0.97 3.16 1.59 1.44 1.72 2.77 0.44	0.22 0.30 0.28 0.40 0.25 1.15 0.07
DDH 96-61	10235	10175	340	-50	215.5						
DDH 96-62	10020	9980		-90	238.7			3.0 9.1 33.5	10 30 110	1.40 0.80 0.48	0.87 0.51 0.24
DDH 96-63	10020	9980	270	-59	118.9	26.5	38.7	12.2	40	0.40	
DH 96-64	10085	9965	0	-90	506.0	3.0 168.2 3.0	6.1 370.9 506.0	3.0 167.6 503.0	10 550 1650	1.10 0.38 0.28	0.30 0.15 0.11

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Drill Hole	Coordinates		Azimuth (deg.)	Dip Angle (deg.)	Hole Length (m)	Notable Intercepts				Cu (%)	Au (g/t)
	West (m)	South (m)				Interval (m)		Length			
						From	To	(m)	(ft)		
DDDH 96-65	10085	9912	110	-75	320.0			3.0	10	4.70	0.98
						139.3	236.2	97.5	320	0.87	0.21
						21.0	236.2	216.4	710	0.62	0.16
						4.2	320.6	317.0	1040	0.50	0.13
DDH 96-66	10075	9885	110	-50	103.6			3.0	10	1.20	0.50
						29.5	66.1	24.4	80	0.75	0.21
DDH 96-67	10075	9885	110	-75	335.3			3.0	10	5.40	3.00
						121.0	127.1	6.1	20	5.40	1.60
						99.7	133.2	30.5	100	3.10	1.00
						96.6	261.2	164.6	540	1.40	0.46
					4.6	300.8	295.7	970	0.81	0.28	
DDH 96-68	10092	9935	100	-75	362.7	105.8	108.8	3.0	10	3.00	0.80
						71.6	108.8	36.6	120	1.10	0.31
								246.9	810	0.60	0.15
DDH 96-69	10092	9935	100	-48	149.4			3.0	10	2.40	1.40
						55.8	75.3	18.3	60	0.60	
DDH 96-70	10095	9965	95	-48	120.4	23.5	26.5	3.0	10	1.10	3.30
						57.0	75.3	18.3	60	0.43	
DDH 96-71	10095	9965	95	-75	335.3	206.3	209.4	3.0	10	4.30	1.80
						194.2	209.4	15.2	50	3.30	1.00
						118.0	246.9	128.0	420	0.98	0.30
						0.0	246.9	246.9	810	0.74	0.20
DDH 96-72	10095	9960	272	-60	350.5			3.0	10	0.50	0.40
DDH 96-73	10090	9995	305	-75	222.5	218.5	222.5	3.0	10	0.98	0.40
						20.4	142.3	121.9	400	0.30	
DDH 96-74	10150	9995		-90	289.6	281.3	284.4	3.0	10	0.51	0.51
						272.5	284.4	12.2	40	0.43	0.37
						206.3	288.6	82.3	270	0.33	0.22

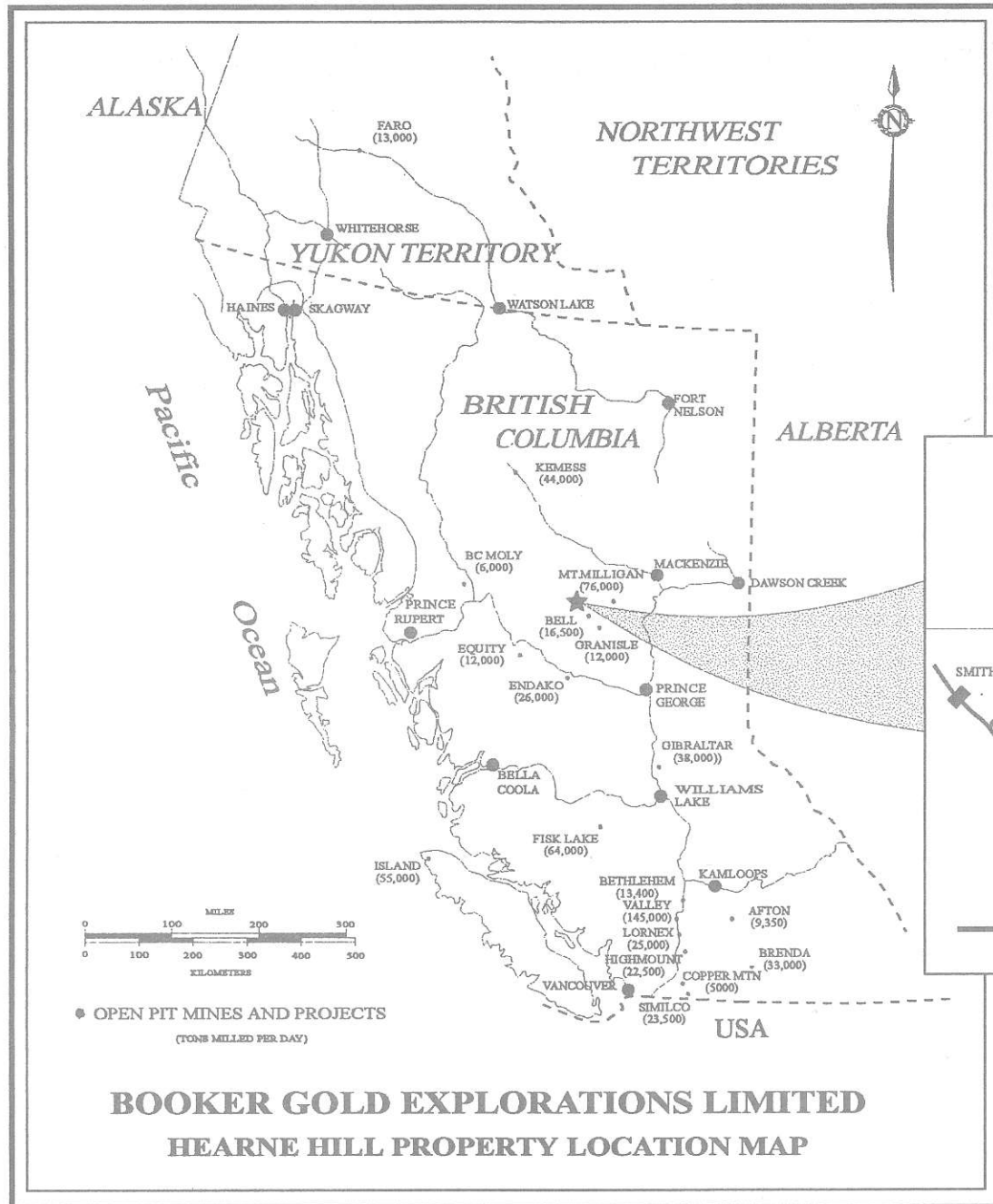
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Drill Hole	Coordinates		Azimuth (deg.)	Dip Angle (deg.)	Hole Length (m)	Notable Intercepts				Cu (%)	Au (g/t)
	West (m)	South (m)				Interval (m)		Length			
						From	To	(m)	(ft)		
DDH 96-75	10150	9995	124	-75	219.5	142.3	145.4	3.0	10	0.64	1.20
								85.3	280	0.24	0.15
DDH 96-76	10195	9970		-90	214.9			3.0	10	0.34	0.37
								15.2	50	0.28	0.23
DDH 96-77	10195	9970	264	-50	218.5						
DDH 96-78	10195	9970	315	-50	250.5						
DDH 96-79	10195	9970	45	-50	246.9			6.1	20	0.38	0.20
DDH 96-80	10200	9900		-90	200.3						
DDH 96-81	10200	9900	324	-50	131.4						
DDH 96-82	10200	9900	132	-75	350.5	273.4	279.5	6.1	20	0.56	0.54
						273.4	285.6	12.2	40	0.52	0.31
						255.1	288.6	33.5	110	0.37	0.24
DDH 96-83	10255	9895		-90	249.9			3.0	10	0.32	3.10
DDH 96-84	10255	9895	314	-75	237.1						
DDH 96-85	10255	9895	234	-75	231.6	108.8	111.8	3.0	10	0.64	0.52
								6.1	20	0.46	0.40
								39.6	130	0.30	0.19
DDH 96-86	10255	9895	132	-75	133.2						
DDH 96-87	10240	9950	223	-65	213.4	54.0	75.3	21.3	70	0.40	0.31
						35.7	77.9	42.7	140	0.28	0.24
DDH 96-88	10248	9950	270	-60	290.5						
DDH 96-89	10248	9950	150	-70	236.0	157.6	166.7	9.1	30	0.45	
						160.6	163.7	3.1	10		0.58
						157.6	175.9	18.3	60	0.35	
						157.6	188.1	30.5	100		0.21

Total Drill Meterage = 13,918 • Average hole length (metres) = 248.5

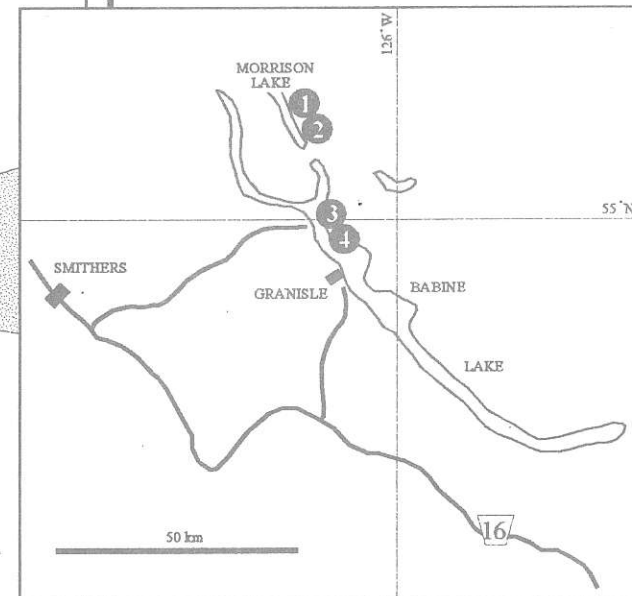
On behalf of the Board of Directors:

Chris J. Sampson
Chris J. Sampson



BOOKER GOLD'S HEARNE HILL PROPERTY

1. Morrison Deposit
2. Hearne Hill Property
3. Bell Copper Mine
4. Granisle Copper Mine



BOOKER GOLD EXPLORATIONS LIMITED
HEARNE HILL PROPERTY LOCATION MAP



Auditors' Report

TO THE SHAREHOLDERS OF BOOKER GOLD EXPLORATIONS LIMITED

We have audited the balance sheet of Booker Gold Explorations Limited at January 31, 1997 and the statements of loss and deficit and changes in financial position for the year 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 audit.

We conducted our audit 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 financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 1997 the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Deloitte + Touche

Chartered Accountants

Vancouver, British Columbia

March 14, 1997

(except Note 11, the date of which is April 16, 1997)

Balance Sheet

Booker Gold Explorations Limited

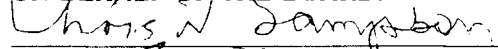
Balance Sheet

As at 31 January, 1997

Canadian Funds

	1997	1996
ASSETS		
Current		
Cash	\$ 26,581	\$ 437,547
Accounts receivable	58,518	54,417
Prepays and deposits	8,312	-
	93,411	491,964
Capital Assets		
Resource property costs (Note 3)	4,732,221	2,083,254
Exploration advances	133,764	97,958
Restricted cash (Note 4)	1,880,820	631,192
	6,746,805	2,812,404
Vehicles and equipment (Note 5)	34,738	31,341
	6,781,543	2,843,745
Reclamation Deposits	72,500	72,500
	\$ 6,947,454	\$ 3,408,209
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,191,780	\$ 526,064
Advances from directors (Note 6)	34,585	54,614
	1,226,635	580,678
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)	7,401,690	4,041,840
Deficit - Statement 2	(1,680,601)	(1,214,309)
	5,721,089	2,827,531
	\$ 6,947,454	\$ 3,408,209

ON BEHALF OF THE BOARD:

 , Director

 , Director

- See Accompanying Notes -

Statement of Loss and Deficit

BOOKER GOLD EXPLORATIONS LIMITED

Statement of Loss and Deficit

For the Year Ended 31 January, 1997

Canadian Funds

	<u>1997</u>	<u>1996</u>
General and Administrative Expenses		
Professional fees	\$ 136,418	\$ 46,321
Office rent	36,424	42,491
Shareholder information	61,001	35,366
Travel and automotive	69,566	32,970
Telephone	35,116	22,454
Office and miscellaneous	51,219	18,312
Salaries and wages	48,626	-
Filing and transfer agent fees	26,359	16,896
Amortization	1,563	185
	<u>466,292</u>	<u>214,995</u>
Net Loss For the Year	(466,292)	(214,995)
Deficit - Beginning of year	(1,214,309)	(999,314)
Deficit - End of Year	<u>\$ (1,680,601)</u>	<u>\$(1,214,309)</u>
Basic Loss Per Share	<u>\$ (0.07)</u>	<u>\$ (0.04)</u>

- See Accompanying Notes -

Statement of Changes in Financial Position

BOOKER GOLD EXPLORATIONS LIMITED
For the Year Ended 31 January, 1997
Canadian Funds

	<u>1997</u>	<u>1996</u>
Operating Activities		
Loss for the year	\$ (466,292)	\$ (214,995)
Item not affecting cash		
Amortization	1,563	185
	<u>(464,729)</u>	<u>(214,810)</u>
Changes in non-cash working capital items	653,302	76,518
	<u>188,573</u>	<u>(138,292)</u>
Investing Activities		
Resource property costs	(2,648,967)	(1,600,335)
Less: Share capital issued for resource property	-	240,000
Amortization	9,180	5,400
	<u>(2,639,787)</u>	<u>(1,354,935)</u>
Restricted cash	(1,249,628)	(631,192)
Exploration advances	(35,806)	(97,958)
	<u>(3,925,221)</u>	<u>(2,084,085)</u>
Reclamation deposits	-	(72,500)
Capital assets additions	(14,139)	(36,000)
	<u>(3,939,360)</u>	<u>(2,192,585)</u>
Financing Activities		
Share capital, net	1,479,030	2,177,389
Allotted shares	1,880,820	545,400
Advances from directors	(20,029)	44,736
	<u>3,339,821</u>	<u>2,767,525</u>
Net Increase (Decrease) in Cash	(410,966)	436,648
Cash position - Beginning of year	437,547	899
Cash Position - End of Year	\$ 26,581	\$ 437,547

- See Accompanying Notes -

Notes to Financial Statements

BOOKER GOLD EXPLORATIONS LIMITED

January 31, 1997

Canadian Funds

**1. Continued
Operations**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will continue in operation and be able to realize its assets and discharge its liabilities in the normal course of operations.

The ability to continue as a going concern is dependent on its ability to obtain additional financing for operating and future property expenses.

If the going concern assumptions were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

**2. Significant
Accounting
Policies**

a) Mineral properties

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for prospects abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Notes to Financial Statements

2. Significant Accounting Policies

Continued

b) Amortization

The Company provides for amortization on the following basis:

Trailers	30% declining balance
Automobile	30% declining balance
Office furniture and equipment	20% declining balance

Amortization is provided on one-half the annual rates on net acquisitions during the year.

c) Basic loss per share

Basic loss per share computations are based on the weighted average number of shares outstanding during the year. Fully diluted earnings per share has not been disclosed as the effect is anti-dilutive.

d) Environmental expenditures

The operations of the Company have been and may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and depreciated depending on their future economic benefits. Estimated future removal and site restoration costs are secured by reclamation deposits of \$72,500.

3. Resource Property Costs

a) Details are as follows:

	1997	1996
B.C.		
Hearne Hill claims	\$ 4,362,221	\$ 1,713,254
Copper claims	130,000	130,000
CUB claims	240,000	240,000
	\$ 4,732,221	\$ 2,083,254

Notes to Financial Statements

3. Resource Property Costs

Continued

	1997	1996
<i>Activities on the properties for the year:</i>		
Hearne Hill claims, B.C.		
Drilling	\$ 1,175,103	\$ 562,573
Royalty payments	100,000	200,000
Geological and geophysical	304,642	143,053
Camp and general	379,603	113,057
Subcontracts	532,795	86,047
Assays	119,762	73,414
Staking	11,200	40,305
Travel	16,682	6,486
Amortization	9,180	5,400
	\$ 2,648,967	\$ 1,230,335
Copper claims, B.C.		
Property payments	-	130,000
CUB claims, B.C.		
Property payments	-	240,000
Costs for the year	2,648,967	1,600,335
Balance, beginning of year	2,083,254	482,919
Balance, end of year	\$ 4,732,221	\$ 2,083,254

b) *Hearne Hill claims*

By an agreement dated December 5, 1992, the Company entered into an agreement to purchase 100% of the rights, title and interest in the Hearne Hill claims in the Omineca District of B.C. under the following terms:

- (i) \$60,000 on or before December 31, 1993 (paid);
- (ii) 200,000 common shares of the Company at the following stages:
 - 50,000 common shares on approval of this agreement by the Vancouver Stock Exchange (issued);
 - 50,000 common shares on completion of first stage of exploration program (issued);
 - 50,000 common shares on completion of second stage of exploration program;

Notes to Financial Statements

3. Resource Property Costs Continued

b) *Hearne Hill claims (Continued)*

- final 50,000 common shares on completion of third stage of exploration program.

After the completion of cash option payments, the Company is required to make advance royalty payments of \$100,000 per annum (1997 and 1996 payments made). The royalty payments may offset any net smelter royalty obligations.

The optionor retains a 4% net smelter royalty which may be acquired by the Company for a cash payment of \$2,000,000.

c) *Copper claims*

By agreement dated July 4, 1995, the Company purchased a 100% interest in mineral claims located in the Granisle area of B.C. subject to a 3% smelter return royalty for consideration of the following:

- \$10,000 cash (paid);
- 100,000 common shares (issued).

d) *CUB claims*

By agreement dated June 15, 1995, the Company purchased a 100% interest in mineral claims located in the Granisle area of B.C., subject to a 3% smelter return royalty for consideration of 100,000 common shares (issued).

4. Restricted Cash

On December 3, 1996 the Company entered into an agreement with Triax Resource Limited Partnership to issue a total of 575,000 units consisting of one flow-through common share and one share purchase warrant exercisable to October 1, 1997 at \$4.25 per share on a private placement basis at a price of \$3.50 per unit. Under the terms of the agreement, the proceeds from the issuance of the shares were placed in trust and the Company agreed to incur qualifying Canadian exploration and development expenditures equal to these proceeds. The proceeds will be released from trust as and when such expenditures are incurred by the Company. Common shares are issuable as and when such proceeds are released.

During the year ended January 31, 1997, 37,623 shares were issued and proceeds of \$131,670 released from trust as expenditures have been incurred. Subsequent to January 31, 1997, 217,011 shares were issued and proceeds of \$759,540 released from trust as expenditures have been incurred.

Notes to Financial Statements

4. **Restricted Cash** Continued
The cash balance of \$631,192 as at January 31, 1996 was to be spent solely on exploration of the Company's resource properties under the terms of flow-through share agreements. This balance was spent during fiscal 1997.

5. Vehicles and Equipment	Details are as follows:			
	1997			1996
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Trailers	\$ 19,128	\$ 5,810	\$ 13,318	\$ 21,250
Copper claims	11,000	4,455	6,545	9,350
CUB claims	25,000	10,125	14,875	741
	\$ 55,128	\$ 20,390	\$ 34,738	\$ 31,341

6. **Advances from Directors** Advances from directors are non-interest bearing and have no specific repayment terms.

7. Share Capital	a) <i>Details are as follows:</i>			
	1997		1996	
	Shares	Amounts	Shares	Amounts
Authorized				
25,000,000 common shares without par value				
Issued and fully paid				
For cash	6,886,559	\$ 4,903,870	6,153,441	\$ 3,229,440
For resource property	300,000	267,000	300,000	267,000
	7,186,559	5,170,870	6,453,441	3,496,440
Allotted (issued subsequent to year end to a director of the Company)	537,377	1,880,820	170,972	545,400
	7,186,559	7,051,690	6,624,413	4,041,840
Issued and fully paid special warrants	100,000	350,000	-	-
		\$ 7,401,690		\$ 4,041,840

Notes to Financial Statements

7. Share Capital Continued

b) During the years ended January 31, 1997 and 1996, the following shares were issued:

	1997		1996	
	Shares	Amounts	Shares	Amounts
For cash				
Private placement	549,705	\$ 1,428,651	907,702	\$ 1,474,825
Share purchase options	60,200	159,530	577,168	537,239
Share purchase warrants	123,213	86,249	302,236	165,325
For resource property	-	-	200,000	240,000
	733,118	\$ 1,674,430	1,987,106	\$ 2,417,389

c) At January 31, there were nil (1995 - 274,125) shares held in escrow to be released only with the consent of the governing regulatory bodies.

d) As at January 31, 1997, the following share purchase options were outstanding:

Number	Exercise Price	Expiry Date
90,000	\$ 1.28	July 5, 1997
50,000	\$ 3.25	May 8, 1998
30,000	\$ 3.65	September 23, 1998
494,800	\$ 2.65	July 29, 2001
664,800		

e) As at January 31, 1997, the following special compensation option units were outstanding:

Number	Exercise Price	Expiry Date
67,500	\$ 3.50	October 1, 1997

Each unit consists of one flow-through share and one flow-through share purchase warrant. Each warrant entitles the holder to purchase one flow-through share for \$4.25 per share to October 1, 1997.

Notes to Financial Statements

7. Share Capital

Continued

f) As at January 31, 1997, the following share purchase warrants were outstanding:

Number	Exercise Price	Expiry Date
14,000	\$ 0.81	March 6, 1997
119,000	\$ 0.80	July 14, 1997
206,610	\$ 2.42	April 9, 1997
	or \$ 2.85	April 9, 1998
134,500	\$ 3.10	September 23, 1997
	or \$ 3.57	September 23, 1998
37,623	\$ 4.25	October 1, 1997
176,250	\$ 1.63	October 24, 1997
170,972	\$ 3.75	December 21, 1997
420,168	\$ 2.74	December 22, 1997
<hr/>		
1,279,123		

g) The 549,705 private placement shares issued during the current year were flow-through shares issued for cash of \$1,594,026 (\$1,428,651 net of agent's fees). The tax benefits arising from such shares belong to the share subscribers and not the Company.

h) During the year, the Company issued 100,000 flow-through special warrants for cash consideration of \$350,000. Each special warrant is exchangeable into one flow-through common share together with one flow-through share purchase warrant exercisable at \$4.25 on or before October 1, 1997, these warrants are outstanding as at January 31, 1997.

8. Related Party Transactions

a) During the year, directors of the Company exercised options resulting in the issuance of 60,200 shares for cash consideration of \$159,530.

b) Of the 549,705 private placement shares issued during the year, 78,305 shares were issued to a company owned by a director for cash consideration of \$189,498.

9. Income Taxes

The Company has incurred certain resource related expenditures of approximately \$3,770,000 which may be carried forward indefinitely and used to reduce prescribed taxable income in future years.

The Company has non-capital losses for tax purposes of approximately \$23,000

Notes to Financial Statements

9. Income Taxes Continued	which are available to offset future taxable income. These losses are carried forward and expire in 1998. The potential future tax benefits of these expenditures and income tax losses have not been recognized in these financial statements.
10. Financial Instruments	The carrying values of cash, accounts payable and accrued liabilities and advances from directors reflected in the balance sheets approximate their fair values.
11. Subsequent Events	a) The following flow-through shares were issued to an unrelated company subsequent to year-end: (i) 26,228 shares issued on February 18, 1997 for consideration of \$91,798; (ii) 108,305 shares issued on February 21, 1997 for consideration of \$379,068; (iii) 48,650 shares issued on March 6, 1997 for consideration of \$170,276; and (iv) 33,828 shares issued on April 16, 1997 for consideration of \$118,398. b) On March 5, 1997, warrants were exercised resulting in 84,034 shares being issued to an unrelated company for consideration of \$230,253. c) On March 6, 1997, options were exercised resulting in 355,000 shares being issued to directors for consideration of \$940,750. d) On April 7, 1997, warrants were exercised resulting in 14,000 shares being issued to an unrelated individual for consideration of \$11,340.
12. Comparative Figures	Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

Corporate Directory

Directors and Officers:

J. Paul Stevenson
Chief Executive Officer and Director

Christopher J. Sampson
President and Director

Shelley E. Hallock
Secretary/Treasurer and Director

Ray Merry
Director

Barbara J. Hilton
Director

Corporate Head Office:

10th Floor, 609 West Hastings Street,
Vancouver, British Columbia V6B 4W4
Tel: (604) 681-8556 Fax: (604) 687-5995
Toll-free: 1-800-747-9911
Web Site: www.bookergold.com *or*
www.stockgroup.com/hge.html
e-mail: info@bookergold.com *or*
booker@xl.ca

Toronto Office:

4th Floor, Flat Iron Building,
49 Wellington Street East,
Toronto, Ontario M5E 1C9
Tel: (416) 214-4774 Fax: (416) 368-0875
e-mail: hge@passport.ca

Auditors:

Deloitte & Touche, Chartered Accountants,
Suite 2100, 1055 Dunsmuir Street,
P.O. Box 49279, Four Bentall Centre
Vancouver, British Columbia V7X 1P4
Tel: (604) 669-4466 Fax: (604) 685-0395

Corporate Lawyers:

Hemsworth Schmidt,
Barristers and Solicitors,
430 - 580 Hornby Street,
Vancouver, British Columbia V6C 3B6
Tel: (604) 687-4456 Fax: (604) 687-0586

Share Structure as of January 31, 1997:

Issued and Outstanding: 7,186,559
Fully Diluted: 9,835,359

Trust Company:

Montreal Trust Company,
510 Burrard Street,
Vancouver, British Columbia V6C 3B9
Tel: (604) 661-9400 Fax: (604) 669-1548

Trading Symbol:

BGE.VSE



BOOKER GOLD EXPLORATIONS LTD.

Corporate Head Office:

10th Floor, 609 West Hastings Street,
Vancouver, B.C. Canada V6B 4W4

Tel. (604) 681-8556 • Fax: (604) 687-5995 • Toll Free: 1-800-747-9911

Web Site: www.bookergold.com **or** www.stockgroup.com/bge.html
e-mail: info@bookergold.com **or** booker@xl.ca

Toronto Office:

4th Floor, Flat Iron Building, 49 Wellington Street East.
Toronto, ON Canada M5E 1C9

Tel. (416) 214-4774 • Fax: (416) 368-0875

e-mail: bge@passport.ca



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