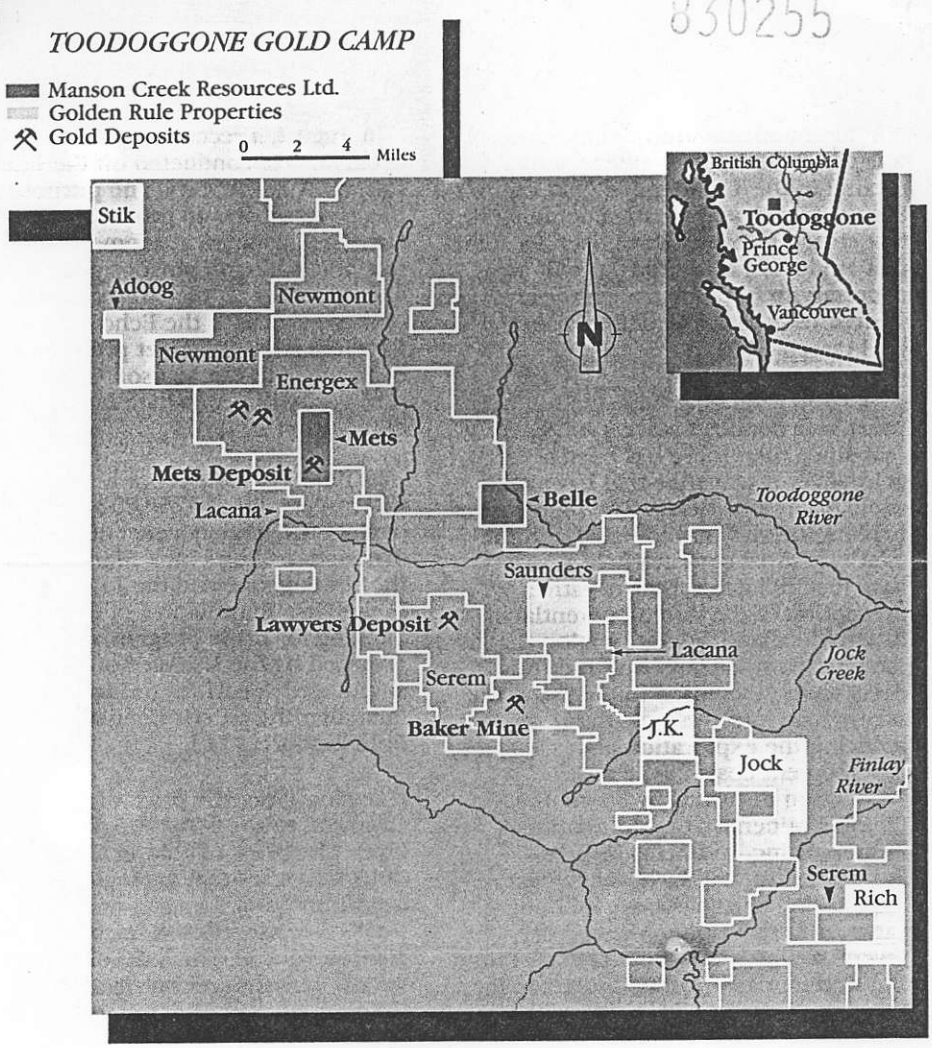

EXPLORATION REPORT

METS PROJECT, TOODOGGONE, B.C.

Manson Creek Resources Ltd. has earned a fifty percent (50%) interest in the Mets property from Golden Rule Resources Ltd. by funding $675,000 in exploration on the property. Diamond drilling in 1986 has outlined a high grade gold bearing ore shoot that contains about 92,000 tons grading approximately 0.334 oz/ton gold. This epithermal gold zone has not been fully delineated by the drilling conducted to date and is open along strike, down dip and along the plunge direction. The mineralization is structurally controlled and is locally offset by post mineralization faulting.

In addition to the diamond drilling conducted on the "A" Zone, further backhoe trenching, geophysical sampling and geochemical surveys were undertaken on the Mets property to test anomalous gold-bearing breccia zones and to establish diamond drill targets.

A total of 1627 metres (5,335 feet) of diamond drilling was completed in July and August and an extensive backhoe trenching, sampling and mapping program was conducted.

Based on the positive results of the 1986 drill program on the "A" Zone, a further $1,100,000 diamond drill program is planned for 1987 to outline and delineate the high grade gold mineralization. In addition, further trenching and drilling will be conducted on other anomalies on the Mets property. This program will be funded fifty percent (50%) by Manson Creek Resources Ltd. and fifty percent (50%) by Golden Rule Resources Ltd.

The initial diamond drill program is expected to commence in late June and will be designed to extend the mineralized zone to the north and down dip and along plunge to the southwest. The shallow plunge of the ore-shoot and the cross fault that has offset the zone to the south may complicate the drill program in this direction. It is typical of these epithermal, structurally hosted ore shoots that there should be a repetition of the ore-shoots both along structure and down dip. Successive pulses of hot spring activity associated with cycles of volcanism deposited the gold bearing minerals in areas that had been fractured and brecciated. It is quite likely that several gold bearing zones will be located along the strike of the major structures that traverse the Mets property and extend to the adjacent properties currently being explored by Energex Minerals Ltd. and Lacana Mining Corporation.

Backhoe trenching has been a reasonably effective tool in testing the soil geochemical anomalies in areas where there is less than fifteen feet of overburden. Unfortunately as the overburden increases in depth, especially in areas covered by talus and felsenmeer, this tool becomes less effective. In 1987, it is a possibility that a D-8 caterpillar bulldozer may be mobilized into the Toodoggone to assist in trenching prospective targets in areas of deep overburden.

Diamond drill holes M-86-16 to M-86-20 were drilled to locate the faulted offset of the zone to the south and failed to locate the quartz-barite-breccia zone.

Subsequent to the completion of the diamond drill program recent photogeological studies have identified this cross-fault and the Company is confident that the geometry of the fault can be established early in the 1987 exploration program.

Golden Rule Resources Ltd. owns fifty percent of the Mets Project and has also optioned the Belle claims to Manson Creek Resources Ltd. Golden Rule is the controlling shareholder and will own 3,673,000 shares or 69 percent of Manson Creek upon completion of the 1987 exploration season. This ownership gives Golden Rule a total direct interest of 84 percent in the Mets Project.

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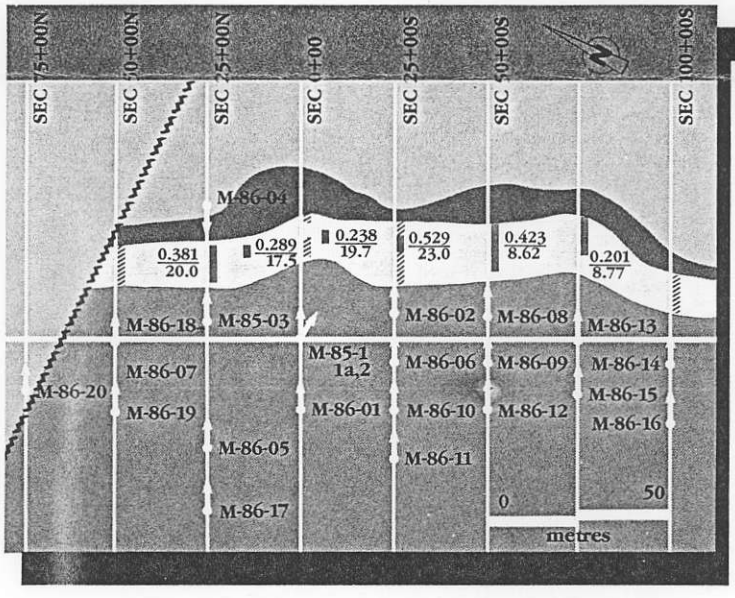
DRILL HOLE PLAN
(Mets Property)

- Gold Zone Quartz Barite Breccia
- Trachy-andesite Porphyry
- Intermediate Felsic Volcanics
- Argillic Alteration Zone
- Fault
- Drill Hole
- $\frac{0.361}{20.0}$ Assay $\frac{\text{oz/ton Au}}{\text{feet}}$
- High Grade Interval Au mineralization
- Low Grade Interval Au mineralization



DIAMOND DRILL RESULTS 1985 AND 1986 PROGRAMS

Hole #	Azimuth	DIP	TD	Intercept	Grade (oz/ton)
M-85-1A	080°	-50°	257′	152.5′ – 172.5′	0.240/20.0′
		including		157.5′ – 165.0′	0.410/ 7.5′
M-85-2	070°	-60°	235′	173.8′ – 193.0′	0.080/19.2′
M-85-3	070°	-50°	160′	70.0′ – 105.0′	0.350/35.0′
		including		70.0′ – 77.5′	0.850/ 7.5′
		including		87.5′ – 97.5′	0.350/10.0′
M-86-01	070°	-60°	303′	no economic intersection	
M-86-02	070°	-50°	232′	112.5′ – 125.0′	0.083/12.5′
M-86-03	070°	-50°	387′	182.5′ – 205.0′	0.260/22.5′
M-86-04	250°	-45°	252′	65.0′ – 77.5′	0.228/12.5′
M-86-05	070°	-50°	357′	245.0′ – 266.5′	0.515/21.5′
		including		249.0′ – 261.5′	0.861/12.5′
M-86-06	070°	-50°	292′	163.0′ – 186.0′	0.529/23.0′
M-86-07	070°	-50°	297′	175.1′ – 197.6′	0.545/22.5′
M-86-08	070°	-50°	202′	82.0′ – 124.5′	0.527/42.5′
		including		94.5′ – 117.0′	0.887/22.5′
		including		94.5′ – 109.5′	1.247/15.0′
M-86-09	070°	-50°	232′	156.8′ – 179.3′	0.414/22.5′
		including		164.3′ – 179.3′	0.503/15.0′
M-86-10	070°	-50°	327′	no economic intersection	
M-86-11	070°	-50°	352′	no economic intersection	
M-86-12	070°	-50°	277′	201.0′ – 221.0′	0.214/20.0′
M-86-13	070°	-50°	217′	152.5′ – 187.5′	0.181/35.0′
M-86-14		asssays pending			
M-86-15	070°	-50°	282′	205.0′ – 227.5′	0.233/22.5′