

PROSPECTUS DATED JUNE 26, 1998

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.

New Issue

SKYLARK-RANGER RESOURCES INC.

(a junior mineral exploration corporation)

\$662,550

1,893,000 COMMON SHARES

PRICE: \$0.35 PER COMMON SHARE

AGENT'S OPTION FOR 473,250 COMMON SHARES

DIRECTORS, OFFICERS & KEY EMPLOYEES STOCK

OPTIONS FOR 220,000 COMMON SHARES

There is currently no market for the Common Shares offered by this prospectus and purchasers may not be able to dispose of them. The price of this offering has been determined by negotiations between the Directors of the Corporation and the Agent.

This issue is not underwritten and is subject to the receipt by the Corporation of a total subscription of \$662,550. See "Plan of Distribution" and "Subscription".

	COMMON SHARES	PRICE TO PUBLIC	AGENT'S COMMISSION ¹	PROCEEDS TO CORPORATION ²
Per Common Share		0.35	0.05	0.30
Total Offering	1,893,000	662,550	94,650	567,900

- (1) The Agent is to be paid a commission of \$0.05 per share of the gross proceeds of this offering and will be reimbursed for its expenses estimated at \$20,000. The Agent has also been granted a non-transferable option to acquire up to 473,250 Common Shares at \$0.35 per share, exercisable within two years of the date of the final prospectus.
- (2) Before deducting the expenses of this issue estimated at \$25,000.

THIS PROSPECTUS ALSO QUALIFIES FOR DISTRIBUTION THE OPTION GRANTED TO THE AGENT FOR 473,250 COMMON SHARES AND OPTIONS TO BE GRANTED TO DIRECTORS AND OFFICERS OF THE CORPORATION FOR AN AGGREGATE OF 220,000 COMMON SHARES. SEE "PLAN OF DISTRIBUTION" AND "DIRECTORS, OFFICERS & KEY EMPLOYEES STOCK OPTIONS".

THESE SECURITIES SHOULD BE CONSIDERED TO BE HIGHLY SPECULATIVE GIVEN THE NATURE OF THE CORPORATION'S BUSINESS AND ITS CURRENT STAGE OF DEVELOPMENT. THE CORPORATION DOES NOT PRESENTLY HAVE ANY COMMERCIAL RESERVES AND THERE IS NO ASSURANCE THAT THE WORK PROGRAM BEING UNDERTAKEN BY THE CORPORATION WILL ESTABLISH COMMERCIAL RESERVES. THE CORPORATION HAS NEITHER A HISTORY OF EARNINGS NOR HAS IT PAID ANY DIVIDENDS AND IT IS UNLIKELY TO PAY DIVIDENDS IN THE FORESEEABLE FUTURE. SUBSCRIBERS MUST RELY UPON THE ABILITY, EXPERTISE, JUDGMENT, DISCRETION, INTEGRITY AND GOOD FAITH OF THE MANAGEMENT OF THE CORPORATION. ACCORDINGLY, AN INVESTMENT IN THESE SHARES IS ONLY SUITABLE FOR THOSE INVESTORS WHO ARE WILLING AND CAN AFFORD TO RISK A LOSS OF THEIR ENTIRE

INVESTMENT. See "Business of the Corporation", "Directors and officers", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".

In addition, a purchaser of the Common Shares offered by this prospectus will incur an immediate dilution of his investment on a net book value basis. The purchase price allocated to each of the common shares is \$0.35, which exceeds the net book value thereof as at January 31, 1998 by \$0.223 (after taking into account the offering proceeds less commissions and offering expenses) and purchasers of the Common Shares offered by this prospectus will suffer an immediate dilution of \$0.223 or 63.7%. See "Dilution".

The Alberta Stock Exchange has conditionally approved the listing of the Common Shares. Listing is subject to the Corporation fulfilling all requirements of the Exchange on or before 90 days from the date of the final receipt for this prospectus, including distribution of the Common Shares to a minimum number of public shareholders.

This offering is not underwritten. This offering is subject to a total subscription which must be raised within 90 days of the issuance of a receipt for the filing of the final prospectus or such other time as may be authorized by the Executive Directors of the Alberta Securities Commission and the British Columbia Securities Commission. If the total subscription is not raised, subscription monies will be returned to subscribers without interest or deduction. See "Plan of Distribution" and "Subscription". Georgia Pacific Securities Corporation hereby offers, as agent on behalf of Skylark-Ranger Resources Inc., 1,893,000 Common Shares at \$0.35 per Common Share, on a best efforts basis.

The Common Shares are offered subject to prior sale, if, as and when issued, and in accordance with the conditions referred to under "Plan of Distribution" and "Subscription", and subject to the approval by David R. Abbey Professional Corporation, Edmonton, of such legal matters on behalf of the Corporation for which approval is specifically sought by the Corporation. The Agent will rely on the advice of Bryan & Company, Edmonton. It is expected that share certificates for the Common Shares will be available for delivery on or about the time of closing.

GEORGIA PACIFIC SECURITIES CORPORATION
16th Floor, Two Bentall Centre, 555 Burrard Street
Vancouver, British Columbia V7X 1S6
Member of the Alberta, Toronto, Montreal
and Vancouver Stock Exchanges

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PROSPECTUS SUMMARY

The Information in this summary is qualified in its entirety by the more detailed information appearing elsewhere in this prospectus.

OFFERING: A total of 1,893,000 Common Shares of the Corporation ("Common Shares") at \$0.35 per Common Share and an Agent's option for an additional 473,250 Common Shares. This prospectus also qualifies for distribution options under a Directors, Officers and Key Employees Stock Option Plan for an aggregate of 220,000 Common Shares. See "Plan of Distribution" and "Directors, Officers & Key Employees Stock Options".

CORPORATION: The principal business of the Corporation is the evaluation, acquisition and development of mining properties. The Corporation has acquired mineral exploration properties known as the Chapleau Creek Gold Properties in the Lemon Creek area of the Slocan Mining Division in southeastern British Columbia together with certain other mining claims in British Columbia. An independent geological report has been prepared on this property. See "Business of the Corporation – Consultant's Report Summary" .

USE OF PROCEEDS: The net proceeds from this offering will be used primarily for the funding of the recommended work program on the Chapleau Creek Gold Properties (\$305,100), with the remainder being allocated to listing fees, working capital and costs of this issue. See "Use of Proceeds".

**DIRECTORS AND
MANAGEMENT:**

Thomas E. Kirk, President, Chief Executive Officer and Director.
Gail Bishop, Secretary-Treasurer, Chief Financial Officer and Director.
Robert M. MacKenzie, Director.
Kevin M. Newman, Director
Allan F. Bellamy, Director
Eunho Lee, Director

DIVIDEND POLICY: It is not contemplated that any dividends will be paid on the Common Shares in the immediate or foreseeable future. See "Dividend Policy".

SPECULATIVE ASPECTS: Investment in these Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The acquisition of or participation in natural resource properties involves a substantial degree of risk. The Corporation's officers and directors will not be devoting all of their time to its affairs. Purchasers of the Common Shares will suffer an immediate dilution of \$0.223 or 63.7%. See "Business of the Corporation", "Conflicts of Interest", "Dilution" and "Risk Factors".

THE CORPORATION

Skylark-Ranger Resources Inc. ("Skylark-Ranger" or the "Corporation") was incorporated by certificate of incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta) on May 30, 1994. On July 20, 1994, Skylark-Ranger was registered as an extra-provincial company in British Columbia.

The head office of the Corporation is located at 203-920 Hillside Avenue, Victoria, British Columbia V8T 1Z8, and the registered office of the Corporation is 510 Sun Life Place, 10123-99 Street, Edmonton, Alberta, T5J 3H1.

BUSINESS OF THE CORPORATION

History and Operations of the Corporation

The business activities of the Corporation since incorporation have been the acquisition of mining interests in southeastern British Columbia.

In this prospectus, all of the mining claims that the Corporation has acquired in the Slocan Mining Division are collectively referred to as the "Chapleau Creek Gold Properties", being all of the claims acquired under the Kirk Agreement and the 40 claims in the Slocan Mining Division acquired under the Kilo Agreement. In addition, the Corporation has acquired certain other mining claims in the Osoyoos, Similkameen and Alberni Mining Divisions of British Columbia as described below. The Corporation will not expend any of the offering proceeds on these additional claims.

Pursuant to a Sale Agreement dated effective July 31, 1995 between the Corporation as Purchaser and Thomas E. Kirk (the Corporation's President) as Vendor (the "Kirk Agreement"), the Corporation acquired all of the Vendor's interest in the following mineral claims:

CLAIMS HELD BY SKYLARK-RANGER RESOURCES INC.					
Area & Month	Mining Div. & Name	No. Of Claims	Tenure Number	Expiry Date	Registered Owner
KILO CLAIMS					
Slocan					
January	Time	1	256445	January 20, 2001	Skylark-Ranger
July	Boulder 5	1	337722	July 18, 1998	Skylark-Ranger
August	Elk	1	339210	August 28, 1998	Skylark-Ranger
September	FH 1-4	4	339614 - 339617	September 10, 1998	Skylark-Ranger
	MS4	1	350406	September 6, 1998	Skylark-Ranger
October	JC 1 - JC 2	2	331528- 331529	October 14, 1998	Skylark-Ranger
CLAIMS OPTIONED FROM INTERNATIONAL KING JACK RESOURCES LTD.					
(under Option Agreement to Thomas E. Kirk dated January 31, 1994, assigned to Skylark-Ranger on October 31, 1996)					
Area & Month	Mining Div. & Name	No. Of Claims	Tenure Number	Expiry Date	Registered Owner
KILO CLAIMS					
Slocan Mining Division					
July	L. Jack	1	256043	July 27, 1998	King Jack
August	King Jack (4 units)	1	255423	August 11, 1998	King Jack

	Full House (20 units)	1	256238	August 22, 1998	King Jack
Crown Grants			Folio Number	Owner No.	
L7295	Fourth of July No. 6		184772	592463	King Jack
L4963	Chapleau		55298	510580	Roy Jacob Welloff (Agreement of Purchase and Sale assigned to Skylark-Ranger) ¹
L4965	Seattle No. 3		55298	510580	Roy Jacob Welloff (Agreement of Purchase and Sale assigned to Skylark-Ranger) ¹
L5494	Corker No. 2		55298	510580	Roy Jacob Welloff (Agreement of Purchase and Sale assigned to Skylark-Ranger) ¹

(1) These Agreements are not registered. Mr. Welloff is entitled to a 12% net smelter return on any ore shipped from these claims.

The Corporation issued 750,000 Common Shares to the Vendor in satisfaction of the purchase price under the Kirk Agreement.

With respect to the claims optioned from International King Jack Resources Ltd., the original option agreement requires the expenditure of sufficient exploration expenditures to place the claims into commercial production within twenty years from January 31, 1994 to earn a 100% interest in the claims (subject to a 1% net smelter return to International King Jack Resources Ltd.).

Pursuant to a Sale Agreement dated effective February 23, 1996 between the Corporation as Purchaser and Kilo Gold Mines Ltd., an Alberta public corporation, as Vendor (the "Kilo Agreement"), the Corporation agreed to acquire an additional mineral claims located in the Slocan Mining Division (which form part of the Chapleau Creek Property) together with certain additional claims in the Osoyoos Mining Division, the Similkameen Mining Division and the Alberni Mining Division (none of which will have the offering proceeds expended thereon), described as follows:

CLAIMS ACQUIRED FROM KILO GOLD MINES LTD. BY SKYLARK-RANGER RESOURCES INC.					
Area & Month	Mining Div. & Name	No. of Claims	Tenure Number	Expiry Date	Registered Owner
KILO CLAIMS	Slocan Mining Div	No. of Claims	Tenure Number	Expiry Date	Registered Owner
July	HG 1 - HG 2	2	319151 - 319152	July 15, 1998	Skylark-Ranger
	Boulder 1 - 4	4	328695 - 328698	July 22, 1998	Skylark-Ranger
August	MS 1, MS 3	2	330291 - 330292	August 27, 1998	Skylark-Ranger
	Hole	1	330293	August 28, 1998	Skylark-Ranger

September	MS 2	1	320714	September 3, 1998	Skylark-Ranger
	BR3; BR4; BR5	3	320889 - 320891	September 8, 1998	Skylark-Ranger
	FSB (20 units)	1	320892	September 14, 1998	Skylark-Ranger
	Den (12 units)	1	256130	September 17, 1998	Skylark-Ranger
	HG 3	1	320927	September 18, 1998	Skylark-Ranger
	Goldstream 1 - 4	4	255900 - 255903	September 28, 1998	Skylark-Ranger
October	Legal, Rita, Louise Fr.	3	255668 - 255670	October 11, 1998	Skylark-Ranger
	Arlo & Susan	2	321715 - 321716	October 18, 1998	Skylark-Ranger
	Truro & Jlong	2	321722-321723	October 18, 1998	Skylark-Ranger
	BR 1 & BR 2	2	305998 - 305999	October 23, 1998	Skylark-Ranger
	Kilo 111	1	314333	October 24, 1998	Skylark-Ranger
	Kirk #1 & #2	2	256263-256264	October 27, 1998	Skylark-Ranger
Crown Grant	Drewery L4525	1			Skylark-Ranger
Crown Grant	Ranger L9332	1			Skylark-Ranger
Crown Grant	Skylark L9333	1			Skylark-Ranger
Crown Grant	Pansy Fr. L11732	1			Skylark-Ranger
Crown Grant	Kilo L9328	1			J. McNaught (Option to Kilo Gold Mines Ltd. dated Oct.1/93) ¹
Crown Grant	Violet #3 L9329	1			J. McNaught (Option to Kilo Gold Mines Ltd. dated Oct.1/93) ¹
Crown Grant	Kilo #2 L9330	1			J. McNaught (Option to Kilo Gold Mines Ltd. dated Oct.1/93) ¹
Crown Grant	Wedge Fr. L9331	1			J. McNaught (Option to Kilo Gold Mines Ltd. dated Oct.1/93) ¹
Total Kilo Claims		40			
(1) These Agreements are not registered. The option agreement provides for payment of a 10% net royalty on production up to the sum of \$200,000 at which time the crown grants are to be transferred.					
ADDITIONAL CLAIMS UNDER KILO AGREEMENT (none of offering proceeds to be expended thereon)					
APEX CLAIMS	Osoyoos Mining Div				
January	Independence, Apex Goldsmith & Nelson	4	ML 247415	January 6, 1999	Skylark-Ranger
March	Deanna 5 (18 units)	1	246373	March 9, 1999	Skylark-Ranger
June	Deanna (20 units)	1	246224	June 27, 1999	Skylark-Ranger
August	Deanna 2,3,4	3	246294-	August 12, 1998	Skylark-Ranger

	(34 units)		246296		
	Nelson Fraction	1	ML 247417	August 21, 1998	Skylark-Ranger
October	Australian	1	246239	October 3, 1998	Skylark-Ranger
November	Utopia, Acacia, Acadia	3	ML 247418	November 15, 1998	Skylark-Ranger
Crown Grant	White Grouse L551s	1	L5551s		Skylark-Ranger
Total Apex Claims		15			
HEDLEY CLAIMS	Similkameen	No. of Claims	Tenure Number	Expiry Date	Registered Owner
July	Ivanhoe	1	248648	July 17, 1998	Skylark-Ranger
	B.C.	1	248649	July 17, 1998	Skylark-Ranger
	Grandview	1	248650	July 17, 1998	Skylark-Ranger
	Osoyoos				
August	Minnehaha	1	246232	Protected	Skylark-Ranger
	Mule Deer	1	246304	Protected	Skylark-Ranger
	Billy Goat 1 & 2	2	246300 - 246301	Protected	Skylark-Ranger
	Blue Gouse; War Eagle; Bulldog Fr.	3	246299	Protected	Skylark-Ranger
	Roddy & Ruby	2	246307- 246308	Protected	Skylark-Ranger
Crown Grants	Patsy L3404s	1			Skylark-Ranger
Crown Grants	Patsy No 1 L3403s	1			Skylark-Ranger
Crown Grants	Patsy No 2 L3407s	1			Skylark-Ranger
TOTAL HEDLEY CLAIMS		15			
TROPHY CLAIMS	Alberni	No. of Claims	Tenure Number	Expiry Date	Registered Owner
March	Trophy 1 - 6	6	200151 - 200156	March 31, 1999	Skylark-Ranger
Total Trophy Claims		6			
YOU CLAIMS	Bedwell	1	200578	Protected¹	Skylark-Ranger
	You 1 - 8	8	200579 - 200586	Protected ¹	Skylark-Ranger
	Sharon Mae	1	200594	Protected ¹	Skylark-Ranger
	Sharon Mae 1 - 3	3	200595 - 200597	Protected ¹	Skylark-Ranger
Crown Grant	Seattle L700	1			Skylark-Ranger
Total You Claims		14			

(1) These claims are presently within the boundaries of a provincial park and may not be developed by the Corporation.

The consideration payable by the Corporation to Kilo Gold Mines Ltd. to acquire the Mining Claims is as follows:

- payment of \$100,000 (which has been paid by advances from directors)
- 250,000 Common Shares have been issued and will be delivered upon listing of the Corporation's shares on The Alberta Stock Exchange.

- 250,000 Common Shares will be issued and delivered 21 days after the listing of the Corporation's shares on The Alberta Stock Exchange.
- Kilo has agreed that the aggregate of 500,000 Common Shares acquired as part of the purchase price will not be sold, transferred or otherwise disposed of until February 23, 1999.
- in the event that the claims are placed into commercial production, then Kilo shall be entitled to a 3% Net Smelter Royalty

An independent consultant's report has been prepared on the Chapleau Creek Gold Properties by N.C. Carter, Ph.D., P.Eng. of Victoria, British Columbia dated August 11, 1995, revised August 8, 1996 and May 28, 1997. A summary of this report follows. The original report may be reviewed at 510 Sun Life Place, 10123-99 Street, Edmonton, Alberta T5J 3H1 during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

CONSULTANT'S REPORT SUMMARY

The following is a summary of an independent consultant's report which has been prepared on the Chapleau Creek Gold Properties by N.C. Carter, Ph.D, P.Eng. of Victoria, British Columbia dated August 11, 1995, revised August 8, 1996 and May 28, 1997 and contains the opinions of Dr. Carter. **ALL REFERENCES TO POTENTIAL TONNAGES AND GRADES IN THIS REPORT REFER ONLY TO A POTENTIAL RESOURCE AND DO NOT CONSTITUTE A RESERVE CALCULATION:**

Skylark-Ranger Resources Inc., holds several agreements pertaining to the Chapleau Creek property which consists of 57 contiguous mineral claims located in the Slokan Mining Division of southeastern British Columbia. The property is situated 10 km east of Provincial highway 6 and is accessible by a network of secondary roads.

The Chapleau Creek property includes a number of gold (+ silver) veins, many of which have been investigated since the turn of the century. Earlier work included underground development and limited production from six vein structures totalling 2618 tonnes (2885 tons) with average recovered grades of 23.32 g/t (0.676 oz/ton) gold and 241.4 g/t (7.0 oz/ton) silver. (Note: metric units of measurement are used in this report; grams/tonnes (g/t) x 0.029 =oz/ton).

Exploratory work between 1984 and 1993 by other companies on mineral claims comprising the present property has included geological, geochemical and geophysical surveys, rehabilitation of underground workings, detailed surface and underground sampling and 5045 metres of underground and surface diamond drilling. Cumulative previous expenditures exceed \$650,000.

Most of the recent exploratory work has been directed to a number of fissure-filling, gold-bearing quartz veins hosted by porphyritic granitic rocks of the Nelson batholith. Two other styles of mineralization identified on the property include a precious and base metal skarn zone developed in a roof pendant of older volcanic rocks within granitic rocks and large quartz-breccia zones with reported alteration mineral assemblages typical of epithermal environments.

An analysis of previous work indicates that while known quartz vein structures on the Chapleau Creek property have narrow (less than 1 metre) widths, they are persistent along strike. At least four of these structures are considered to have potential for the development of reserves containing gold grades which may be sufficient to warrant mining and shipment to nearby milling and/or smelting and refining facilities.

A program of additional exploratory work is warranted for the Chapleau Creek property. It is recommended that the major part of the proposed program be directed to further investigation of

six of the known gold-bearing vein structures by way of excavator trenching, some underground rehabilitation and surface diamond drilling. Additional geological and geochemical investigation of the skarn zone and the quartz-breccia zones is also recommended as part of the proposed exploratory program which is estimated to cost \$305,100.00.

INTRODUCTION

Skylark-Ranger Resources Inc. has entered into several agreements for the purpose of carrying out exploratory work on 57 mineral claims (109 units) in the south Slokan area of southeastern British Columbia. The property, referred to collectively as Chapeau Creek, is well located with respect to existing infrastructure and includes a number of gold (+ silver) veins. Properties which have yielded past production within and immediately adjacent to the current property holdings include the Kilo, Skylark-Ranger, Chapeau, Goldstream, King Jack, Joan-Duplex, Howard Fraction and Meteor.

The report, prepared at the request of Mr. Thomas E. Kirk, president of Skylark-Ranger Resources Inc., is a revision of reports dated July 4, 1994, August 11, 1995 and August 8, 1996 by Dr. Carter. This and the earlier reports are based on several personal examinations by Dr. Carter of some of the subject properties in the mid 1980's and in October of 1993 and on previous reports prepared by the writer on the results of exploration programs carried out between 1984 and 1986 by Kilo Gold Mines Ltd. Numerous reports by P.J. Santos, P.Eng. detailing results of exploration programs conducted by International King Jack Resources Ltd. between 1985 and 1991 were also reviewed for purposes of this report. Dr. Carter has no interest, direct or indirect in the mining claims or in the securities of Skylark-Ranger Resources Inc.

LOCATION AND ACCESS

The Chapeau Creek property is situated 30 km northwest of Nelson in southeastern British Columbia (Figure 1). The mineral claims are centered on Chapeau Creek, a tributary of Lemon Creek, 7 km southeast of the municipality of Slokan (Figure 2). The geographic centre of the property is at latitude 49° 44' North and longitude 117° 22' West in NTS map-areas 82F/11W and 14W.

Access to the properties is by way of 12 km of main and secondary logging roads which leave Provincial highway 6 eight km south of Slokan and extend up Lemon and Chapeau Creeks (Figure 3). Most of the principal mineral showings are accessible by road.

The Chapeau Creek properties are approximately 100 km by secondary road and highway from Cominco Ltd.'s smelting and refining operation at Trail (Figure 2). A milling facility on Springer Creek, east of the municipality of Slokan, is 23 km by road from the properties.

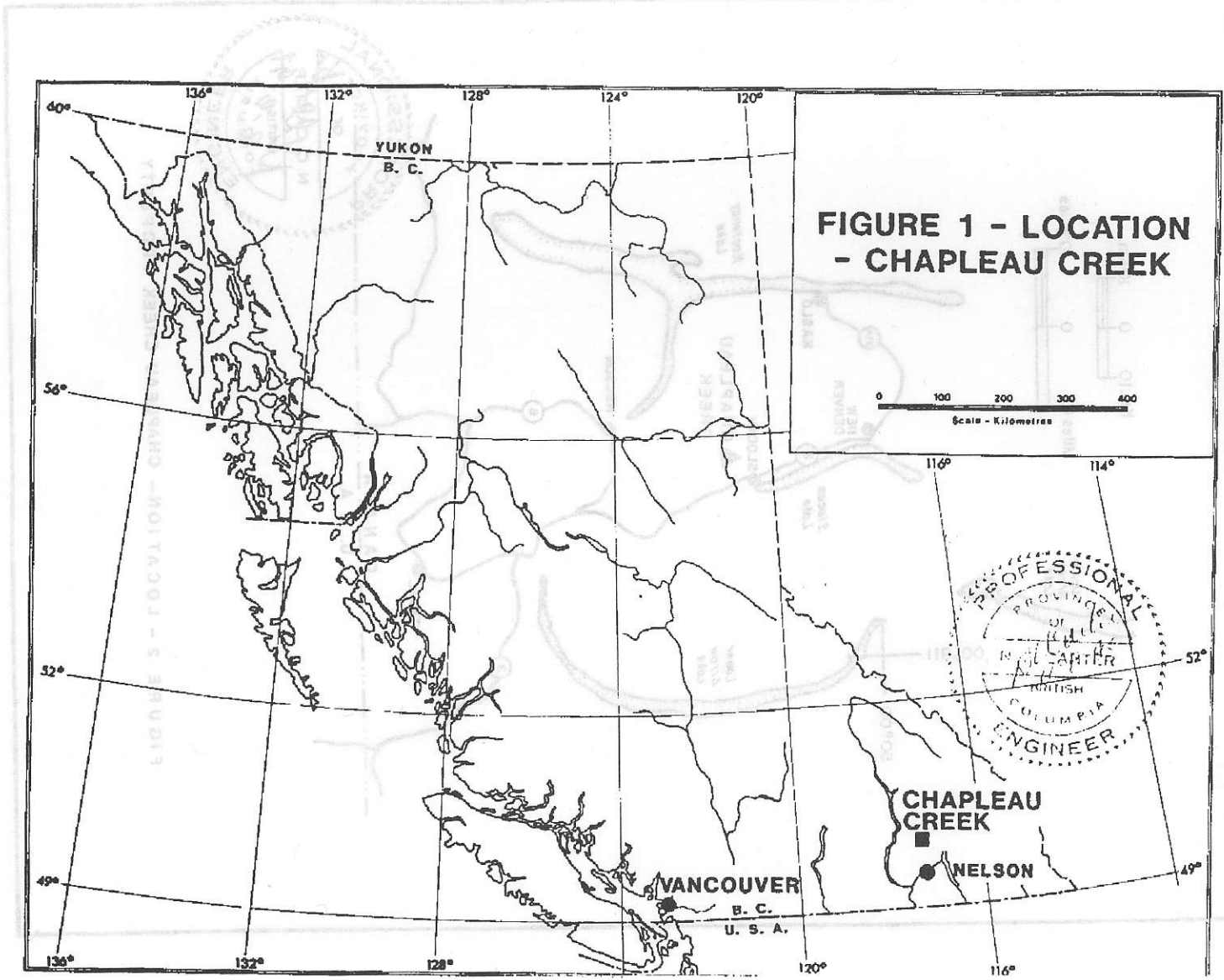


FIGURE 1 - LOCATION - CHAPLEAU CREEK

FIGURE 2 - LOCATION - CHAPLEAU CREEK PROPERTY

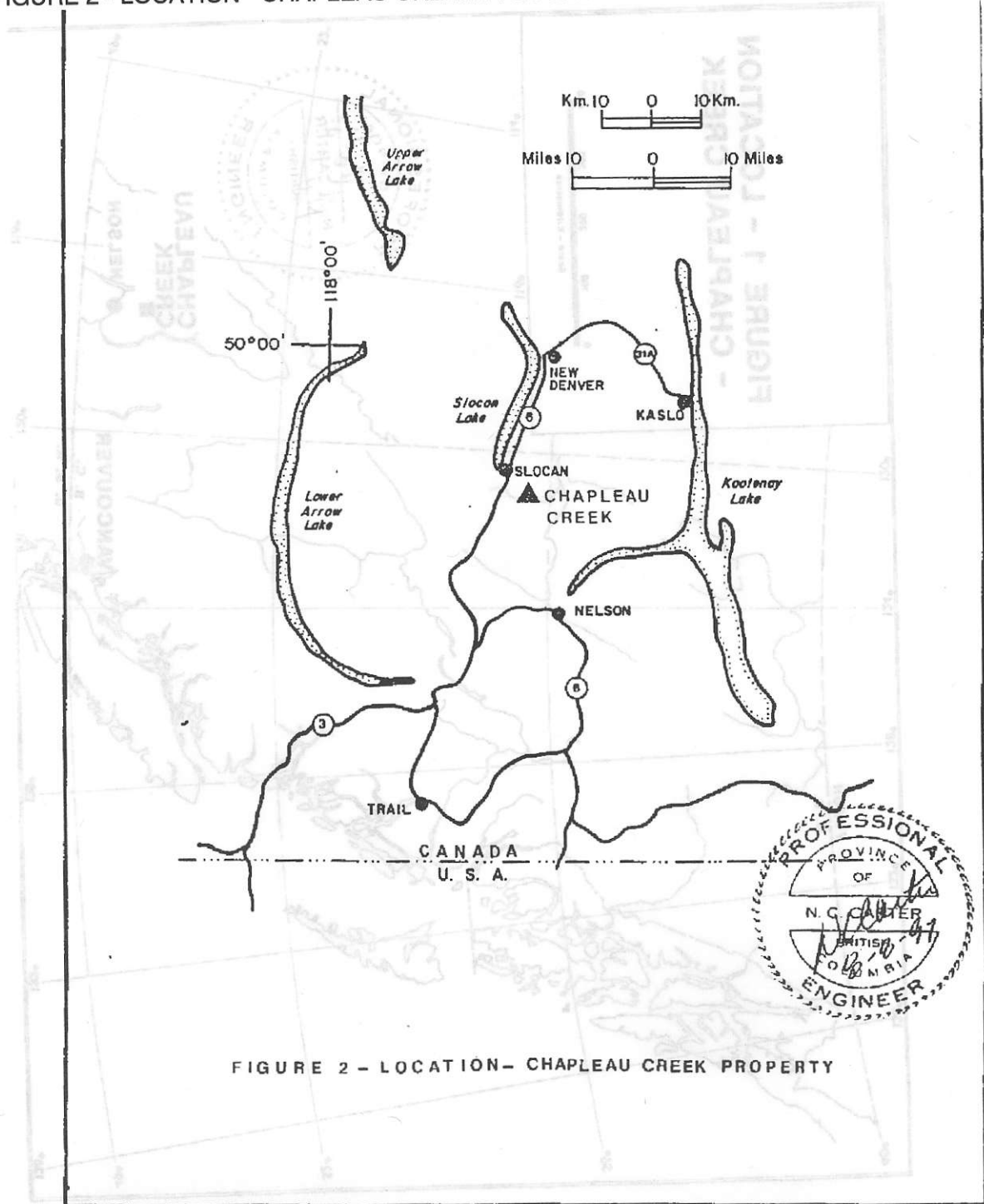


FIGURE 2 - LOCATION - CHAPLEAU CREEK PROPERTY

FIGURE 3 - MINERAL CLAIMS - CHAPLEAU CREEK

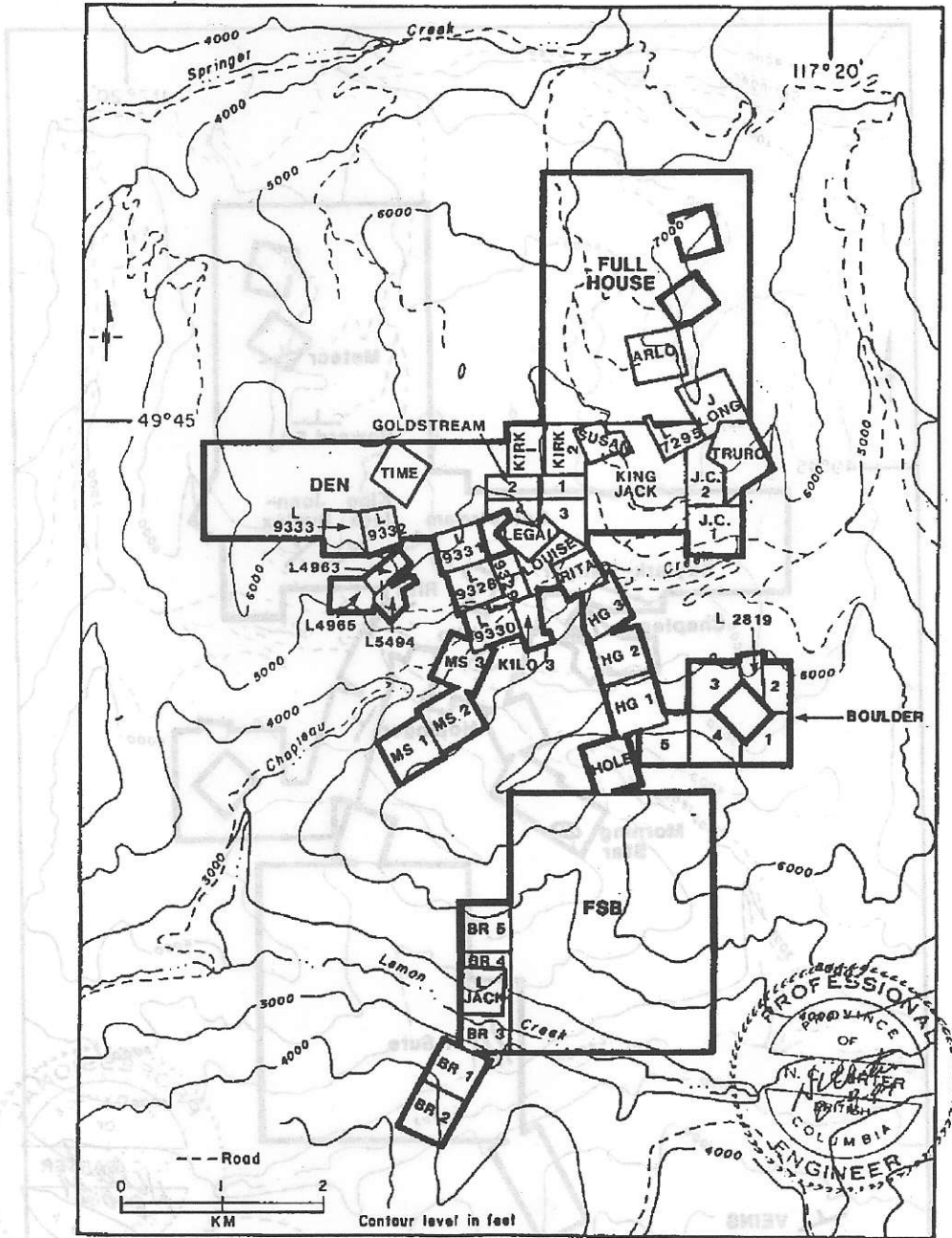


FIGURE 3 - MINERAL CLAIMS - CHAPLEAU CREEK.

FIGURE 4 - MINERAL ZONES - CHAPLEAU CREEK

FIGURE 4 - MINERAL ZONES - CHAPLEAU CREEK

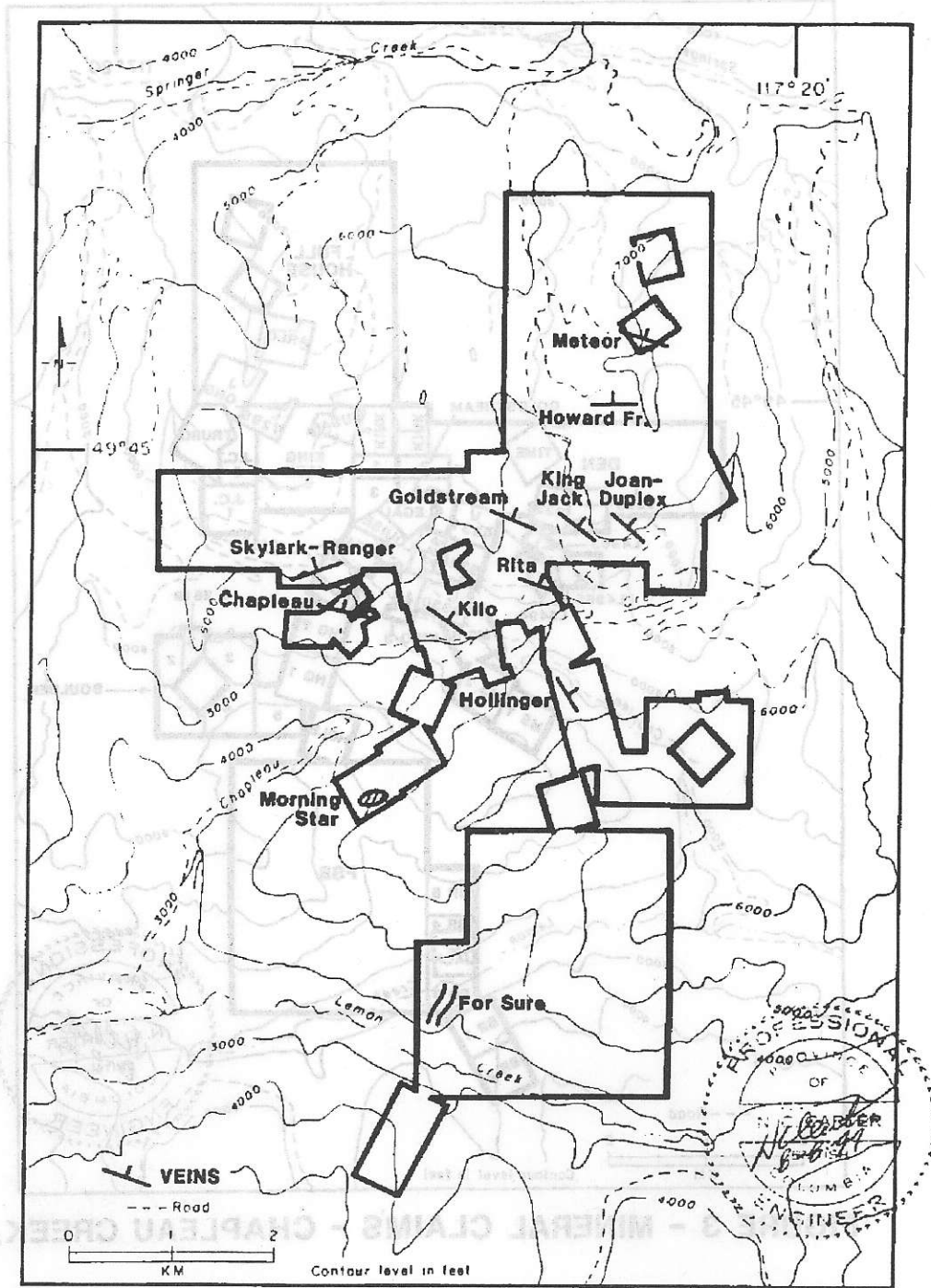


FIGURE 4 - MINERAL ZONES - CHAPLEAU CREEK

PREVIOUS WORK

Initial work on the Chapleau Creek gold (+silver) prospects now held by or optioned to Skylark-Ranger Resources Inc. was carried out prior to the turn of the century. Principal periods of activity were the early 1900's and the 1930's.

Eight of the prospects with the present holdings were partially developed by more than 1200 metres of underground workings prior to 1940. Six of these prospects (Chapleau, Kilo, Goldstream, King Jack, Joan-Duplex and Skylark-Ranger) have recorded past production as follows:

Property	Tonnes Shipped	Au (grams)	Silver (Grams)
Kilo	2,120	29,642	27,060
Skylark-Ranger	2.7	124	10,326
Chapleau	296	29,455	407,611
Goldstream	36	684	715
King Jack	154	902	166,185
Joan Duplex	9	249	20,000
Totals	2,618	61,056	631,897

Approximately half of the documented underground work was directed to the Kilo property and consisted of drifting on six main levels and two sub-levels plus raising and stoping. Work in recent years, conducted by Kilo Gold Mines Ltd., has included prospecting, detailed soil sampling and geological mapping in 1984-85 and the completion of four inclined diamond drill holes (176 metres) in 1993.

The nearby Skylark-Ranger property was investigated by several short adits prior to 1934 and by geochemical surveys, geological mapping and detailed surface sampling of vein structures by Kilo Gold Mines Ltd. in 1985 and 1986.

Exploratory work on most of the other gold-bearing zones shown on Figure 4 was carried out by International King Jack Resources Ltd. between 1985 and 1991 and consisted of road repairs, rehabilitation of a number of underground workings, soil geochemistry, geophysics, geological mapping and surface and underground sampling. Several diamond drilling programs resulted in the completion of 44 surface holes totaling 4064 metres and 39 underground holes totaling 981 metres.

Cumulative expenditures incurred by Kilo Gold Mines Ltd. and International King Jack Resources Ltd. between 1984 and 1993 on property now held by or optioned to Skylark-Ranger Resources Inc. totals more than \$650,000.

Limited work on behalf of Skylark-Ranger Resources Inc. in 1994 consisted of prospecting and some excavator trenching in selected parts of the property.

CONCLUSIONS

While of relatively narrow widths, the quartz vein structures on the Chapleau Creek property have demonstrated strike continuity and locally contain appreciable gold and silver grades.

Work to date has indicated tonnage and grade potential for several of the known vein structures including, in summary *{References in Dr. Carter's Report are to a potential resource and are not proven reserves}*:

<u>Vein</u>	<u>Potential Tonnes</u>	<u>Potential Average Gold Grade</u>
Kilo	28500 (31407 tons)	10 g/t (0.290 oz/ton)
Skylark-Ranger	68000 (74936 tons)	12 g/t (0.348 oz/ton)
Chapleau	31000 (34162 tons)	8 g/t (0.232 oz/ton)
King Jack	37000 (40774 tons)	8 g/t (0.232 oz/ton)

The foregoing have been derived as follows:

Kilo - that portion of the vein system which has been developed by underground workings has the potential, as determined by Dr. Carter, to contain 28,500 tonnes of material based on a strike length of 110 metres, a down-dip extent of 160 metres, a width of 60 cm and an average specific gravity of 2.7. Assuming an average grade of 10.3 g/t gold (0.30 oz/ton), this tonnage may contain 9,400 oz. gold.

Skylark-Ranger - A similar exercise by Dr. David S. Evans (1986) for the Skylark-Ranger property suggested a potential of 68,000 tonnes assuming a strike length of 610 metres, a down-dip extent of 90 metres, an average width of 45 cm and a specific gravity of 2.7. Dr. Evans projected a potential 26,000 oz. gold within the vein system based on an assumed average grade of 12 g/t (0.35 oz/ton).

Chapleau & King Jack - The potential tonnages and grades for the Chapleau and King Jack properties are those estimated by P.J. Santos (1989) although no back-up data is provided for these estimates which are thought to incorporate diluted gold grades.

Vein structures on the Chapleau Creek properties, as noted, are relatively narrow (less than 1 metre) and have moderate dips, both characteristics which could lead to the conclusion that they have limited potential.

The Elk gold property of Fairfield Minerals Ltd., situated about midway between Merritt and Kelowna in south-central British Columbia, provides an interesting comparison with the Kilo and Skylark-Ranger properties. Gold values on the Elk property are contained principally in narrow quartz veins hosted by Jurassic Osoyoos Lake porphyritic granitic rocks which are of similar age, composition and texture as the Nelson granitic rocks which host the Kilo and Skylark-Ranger vein systems.

Gold-bearing quartz veins on the Elk property rarely exceed 30 cm and vein mineralogy (pyrite, chalcopyrite, galena, free gold) and wallrock alteration (narrow selvages of sericite and pyrite) are similar to the Kilo and Skylark-Ranger properties. Indicated and inferred reserves are contained in shoots within one vein system, at the end of 1995 totalled 135,300 tons (122,740 tonnes) grading 25.4 g/t gold (0.741 oz/ton) (George Cross News Letter No. 223, Nov. 19, 1996). Reported grades are over a diluted width of 2 metres reflecting the high grade nature of the mineralized shoots within the 30 cm wide quartz vein. Further attesting to the high grade nature of the property are results of open pit and underground bulk sampling between 1992 and 1995 which consisted of 17,580 tons containing 51,000 oz. gold (George Cross News Letters No. 188, Sept. 27, 1996 and No.223, Nov.19, 1996). Combined gold grade in these bulk samples averaged 2.90 oz/ton or 100g/t.

Much of the indicated and inferred gold resource (100,300 oz.) is contained in one shoot which significantly has a shallow dip (25 degrees) for a down-dip distance of 100 metres before steepening to 65 degrees.

There is evidence of steepening of the vein structure along strike immediately east of the Skylark-Ranger property. Other, similar gold bearing veins in the south Slokan district are known to have fairly steep dips.

Results of previous work on the Chapleau Creek properties suggest the possibility of higher grade shoots within the vein structures. Encouraging results to date, coupled with ease of access and proximity to existing infrastructure including a nearby inactive milling facility and smelting and refining facilities at Trail, render the vein structures on the Chapleau Creek properties attractive prospects for the development of mineable tonnages with reasonably good gold grades.

RECOMMENDED PROGRAM

Based on results to date, the Chapleau prospect, one of the several prospects comprising the Chapleau Creek property (Figure 4), is considered by Dr. Carter to have the best potential for the delineation of tonnages containing significant gold grades.

As noted previously, underground holes drilled to date were virtually parallel to the vein structure. Drilling from surface will be required to more properly assess the down-dip and strike potential of the main Chapleau vein. This will involve the drilling of at least four +100 metre vertical and/or inclined drill holes from sites on the fairly steep hillside immediately north of the Chapleau adit which is at an elevation of 1725 metres. Some surfaco work is also recommended to more thoroughly investigate the area of anomalous soil geochemistry southeast of the adit.

Work on the Kilo prospect (Figure 4) is recommended to include excavator trenching along the possible strike extension of the vein structure northwest of the underground workings. Rehabilitation of the Nos. 1 and 2 adit to permit detailed underground sampling of the vein structure should be carried out prior to the drilling an additional four holes from surface.

A program of excavator trenching is proposed for the Skylark-Ranger vein system to allow for detailed mapping and sampling prior to an initial program of drill testing by way of ten short holes.

One of the better drill holes on the King Jack property, 150 metres northwest of the adit, may have intersected the strike extension of the King Jack vein or an entirely new structure. Four additional inclined holes are recommended to initially test the potential of this area.

The potential of the Morning Star skarn zone and the For Sure quartz veins and associated breccias remains largely unknown. Additional surface work, consisting of detailed geological mapping and rock and soil geochemistry is recommended preparatory to diamond drilling.

Prospecting is recommended for the BOULDER 1 to 5 claims which surround the Crusader Crown granted claim on which a gold -silver bearing quartz vein structure is known.

While results from previous diamond drilling on the Joan-Duplex and Goldstream vein structures have not been overly encouraging, the apparent strike continuity of these structures, coupled with the fairly good gold grades obtained from surface and underground sampling, suggests that additional investigative work is warranted. It is recommended that this work consist of a detailed re-evaluation of results obtained to date followed by additional field investigations prior to further testing by a limited diamond drilling program.

COST ESTIMATE

The following properties are claims which form part of the Chapleau Creek Property in the Slocan Mining Division only. See "Business of the Corporation."

Chapleau Property

Diamond Drilling - 500 metres @ \$100/metre	50,000
Surface Prospecting and Detailed Geochemistry	4,000

Analytical Costs	1,500
Supervision, reporting	5,000
Miscellaneous travel	5,000
Contingencies	<u>9,800</u>
Total	75,300
<u>Kilo Property</u>	
Diamond Drilling - 225 metres @ \$100/metre	22,500
Excavator Trenching - 5 days @ 10 hours/day x \$125/hour	6,250
Underground Rehabilitation - Nos. 1 and 2 adits	10,000
Analytical Costs	1,500
Supervision, reporting	5,000
Miscellaneous travel expenses	4,000
Contingencies	<u>7,300</u>
Total	56,550
<u>Skylark-Ranger Property</u>	
Diamond Drilling - 500 metres @ \$100/metre	50,000
Excavator Trenching - 3 days @ 10 hours/day x \$125/hour	3,750
Analytical Costs	2,000
Supervision, reporting	5,000
Miscellaneous travel expenses	4,500
Contingencies	<u>9,700</u>
Total	74,950
<u>King Jack Property</u>	
Diamond Drilling - 250 metres @ \$100/metre	25,000
Analytical Costs	1,000
Supervision, reporting	2,000
Miscellaneous travel expenses	2,000
Contingencies	<u>4,500</u>
Total	34,500
<u>For Sure, Morning Star, Boulder Properties</u>	
Geological Mapping	10,000
Prospecting	5,000
Soil and rock geochemistry -	
Grid - 30 km @ \$200/km	6,000
Sample collection - 600 samples	4,500
Analytical Costs - 600 samples @ \$16/sample	9,600
Supervision, reporting	2,000
Miscellaneous travel	2,000
Contingencies	<u>4,000</u>
Total	43,100
<u>Joan - Duplex, Goldstream Properties</u>	
Geological Investigations	3,000
Diamond Drilling - 100 metres @\$100/metre	10,000
Analytical Costs	1,000
Supervision, reporting	2,000
Miscellaneous travel	2,000
Contingencies	<u>2,700</u>
Total	20,700
GRAND TOTAL - RECOMMENDED PROGRAM	305,100

OTHER CLAIMS

The Corporation does not propose to expend any of the proceeds of this Offering on the following additional claims held by the Corporation:

APEX CLAIMS - The Apex Claims, situated on the eastern edge of the Hedley mining camp, have been the subject of three major exploration programs by Union Carbide Exploration Corporation, DuPont of Canada Exploration Ltd., and Cominco Ltd. since 1979. Although the exploratory work completed to date has virtually eliminated the possibility of a major, Hedley - type, gold skarn deposit, the potential for smaller sized gold zones has yet to be effectively tested. Sulphide - skarn showings are widespread on the property with some carrying significant gold values. Several, near - surface, gold-bearing zones in the 10,000 to 100,000 ton range could be present and would probably support a modest, low-cost, mining operation with the ore being treated in an on-site portable mill or at nearby milling facilities.

HEDLEY CLAIMS - The Hedley Claims are located in the Similkameen and Osoyoos Mining Divisions. The claims are situated approximately 7 kilometers west of Hedley, British Columbia. The property is underlain by folded and faulted Nicola Group rocks consisting of cherts, cherty argillites, limestones and tuffaceous andesites with minor quartzites and lesser tuffs. These rocks have been intruded by diorite dykes and sills. This geological setting is similar to the currently producing Mascot Gold Mine, 8 km. to the east and the Banbury gold deposit, 3 km. to the east. Two modes of gold associated mineralizations are known to exist on the property, including; structurally controlled, narrow arsenopyrite/quartz veins on the northern claims and stratigraphically controlled, lenticular semi-massive to massive arsenopyrite zones on the southern portion of the claims.

TROPHY CLAIMS - The Trophy property is located near Tofino, British Columbia in the Alberni Mining Division. The Trophy vein has been developed by two short adits and a number of shallow surface trenches. The vein remains 'in place' within the underground workings. Chip samples collected from the vein have consistently assayed high precious metal content. Values as high as 8.472 oz/ton gold and 3.09 oz/ton silver have been obtained.

USE OF PROCEEDS

The proceeds to be received by the Corporation from the sale of all of the Common Shares offered by this prospectus after deducting the Agent's commission will be approximately \$567,900, from which will be deducted the expenses of this issue estimated at \$25,000 and the Agent's costs of \$20,000 for the offering.

The following table indicates the uses to which the Corporation proposes to put the funds that it may receive from this offering. Such funds will be used in the following priority:

	<u>Proceeds to Corporation</u>	<u>\$567,900.00</u>
1	Costs of Issue	\$25,000.00
2	Estimated Agent's Costs	\$20,000.00
3	Work Program for Mining Interests - See "Business of the Corporation"	\$305,100.00
4	Working Capital ¹	\$217,800.00

- (1) As at January 31, 1998, the Corporation has a working capital deficiency of \$24,486.

The Corporation has made the payment of \$100,000 under the agreement with Kilo Gold Mines Ltd. See "Business of the Corporation". The Corporation has utilized advances from directors to fund this payment, such advances to be non-interest bearing.

Although the above use of proceeds describes management's best present expectations, variations may be made in the expenditure of the net proceeds received based upon further evaluation of mineral exploration results.

Any funds received by the Corporation from the exercise of the Agent's Option will be added to the working capital of the Corporation. See "Plan of Distribution - Agent's Option". The proceeds from prior sales of shares by the Corporation have been added to its working capital. See "Prior Sales".

Until required for the Corporation's purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any province thereof or of the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or the Alberta Treasury Branch, or in prime commercial paper.

PLAN OF DISTRIBUTION

Pursuant to an Agency Agreement dated June 26, 1998 among the Corporation, Georgia Pacific Securities Corporation and the Montreal Trust Company of Canada (the "Agency Agreement"), the Corporation has appointed Georgia Pacific Securities Corporation ("Georgia Pacific" or the "Agent") as its agent to offer for sale to the public in Alberta and British Columbia 1,893,000 Common Shares of the Corporation offered herein, at \$0.35 per Common Share, subject to the terms and conditions in the Agency Agreement. Georgia Pacific will receive a commission of \$0.05 per share and will be reimbursed for its direct out-of-pocket expenses estimated at \$20,000. Georgia Pacific has agreed to use its best efforts to secure subscriptions for all Common Shares offered hereunder on behalf of the Corporation. The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers and investment dealers, who may or may not be offered part of the compensation derived from the Offering. The Corporation has granted the Agent a right of first refusal to provide further equity financing for a period of 12 months from the date of the final prospectus.

The Agent may terminate its obligations under the Agency Agreement at any time before the day that the Common Shares of the Corporation are listed, posted and called for trading on the Exchange if there is an occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets, the business of the Corporation or the ability of the Agent to perform its obligations under the Agency Agreement, or if the Common Shares offered by this prospectus cannot, in the opinion of the Agent, be profitably marketed due to the state of the financial markets. The Agent may also terminate its obligations under the Agency Agreement at any time upon the occurrence of certain stated events.

Agent's Option

Pursuant to the Agency Agreement, the Corporation has granted to Georgia Pacific an option (the "Agent's Option") to acquire up to 473,250 Common Shares at a price of \$0.35 per share. The Agent's Option is exercisable in whole or in part, from time to time, within two years of the date of the final prospectus and is non-transferable. The Agent's Option is qualified for distribution by this prospectus.

The Agent's Option will contain, among other things, anti-dilution provisions and provisions for adjustment of the appropriate number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain stated events, including any subdivision, consolidation or reclassification of the shares of the Corporation, the payment of stock dividends or the amalgamation of the Corporation.

The Corporation will receive the net proceeds of the financing after the subscriber's rights of withdrawal have expired and against delivery of the certificates for the Common Shares.

A portion of this Offering may be sold to persons and companies registered for trading in securities other than in Canada and the United States of America, which persons and companies may in turn sell to their clients and investors situated outside of Canada and the United States of America.

Subscription

The total subscription is 1,893,000 Common Shares. The funds received from the sale of the Common Shares offered hereunder will be deposited with the Montreal Trust Company of Canada, Edmonton, Alberta, and will not be released until a total of \$662,550 has been deposited, and Georgia Pacific has consented. The total subscription must be raised within 90 days of the date of the receipt for the final prospectus, or such other time as may be authorized by the Executive Directors of the Alberta Securities Commission and British Columbia Securities Commission, failing which the Montreal Trust Company of Canada will remit the funds collected to the original subscribers without interest or deduction.

Directors, Officers and other insiders may buy Common Shares of the Corporation pursuant to this Offering.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which as at June 26, 1998, 1,512,000 were issued and outstanding as fully paid and non-assessable (including the initial 250,000 Common Shares to be delivered to Kilo Gold Mines Ltd. pursuant to the Kilo Agreement), 250,000 Common Shares are reserved pursuant to the Kilo Agreement, 220,000 will be reserved under a directors' officers and key employees stock option plan and 473,250 will be reserved for the Agent's Option. See "Directors, Officers and Key Employees Stock Options" and "Plan of Distribution".

The holders of the Common Shares are entitled to dividends as and when declared by the Board of Directors, to one vote per share at meetings of shareholders of the Corporation and upon liquidation to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares to be outstanding on completion of this offering will be fully paid and non-assessable.

The Corporation is also authorized to issue an unlimited number of Preferred Shares, in series of which as at June 26, 1998 no shares were issued and outstanding.

The holders of the Preferred Shares are not entitled to vote at meetings of the shareholders, are entitled to such dividends as may be prescribed at the time of issuance by the Board of Directors, are entitled, upon liquidation, to participate equally with the Common Shares for the assets of the Corporation (subject to any special rights, privileges, restrictions and conditions attached at the time of issuance) and are subject to such other terms and conditions as may be prescribed by the Board of Directors at the time of issuance.

CAPITALIZATION

Capital	Authorized	Outstanding as at October 31, 1997 and as at January 31, 1998	Outstanding After Giving Effect to this Issue
Common	Unlimited	\$86,520 (1,512,000 shares)	\$609,420 ² (3,405,000 shares)
Preferred	Unlimited	Nil	Nil

(1) The deficit of the Corporation as at October 31, 1997 was \$164,697 (January 31, 1998 - \$176,224 (unaudited)).

(2) The Corporation has reserved an aggregate of 220,000 Common Shares for a Directors', Officers and Key Employees Stock Option Plan. As at the date of the final prospectus, the Corporation

will have allocated options for an aggregate of 220,000 Common Shares under the Directors', Officers and Key Employees Stock Option Plan. See "Directors' Officers & Key Employees Stock Options".

(3) The Corporation will grant on closing an option to the Agent for 473,250 Common Shares, exercisable within two years of the date of the final prospectus. See "Plan of Distribution".

(4) An aggregate of 250,000 Common Shares have been issued and are to be delivered to Kilo Gold Mines Ltd. pursuant to the Kilo Agreement on listing with a further 250,000 Common Shares to be issued and delivered 21 days after listing upon the Alberta Stock Exchange. See "Business of the Corporation".

(5) Capitalization figures are stated taking into account the gross proceeds less deductions for commissions and offering expenses.

PRIOR SALES

Since the date of incorporation of the Corporation, 1,512,000 Common Shares have been issued as follows:

Date	Number of Shares	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration Received
May 30, 1994	1,000	\$0.10	\$100.00	Cash ¹
July 31, 1995	750,000	\$0.01	\$7,500.00	Property ^{1 & 2}
November 1, 1995	300,000	\$0.10	\$30,000.00	Cash ¹
November 1, 1995	211,000	\$0.22	\$46,420.00	Cash ¹
December 31, 1995 & February 23, 1996	250,000	\$0.01	\$2,500.00	Property ^{1 & 2}
	1,512,000		\$86,520.00	

(1) Issued under exemption in s 32(j) and 58(a) of the Securities Act (British Columbia)

(2) An aggregate of 750,000 Common Shares were issued by the Corporation pursuant to the Kirk Agreement. An aggregate of 250,000 Common Shares were issued and will be delivered upon listing and a further 250,000 Common Shares will be issued and delivered 21 days after listing pursuant to the Kilo Agreement. See "Business of the Corporation".

PRINCIPAL SHAREHOLDERS

The following are the persons who own of record or who are known to the Corporation to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation as at June 26, 1998.

NAME AND MUNICIPALITY OF RESIDENCE	TYPE OF OWNERSHIP	NUMBER OF SHARES ¹	PERCENTAGE OF SHARES OWNED BEFORE OFFERING	PERCENTAGE OF SHARES OWNED AFTER OFFERING ¹
Thomas E Kirk ² Victoria, B.C.	of record and beneficial	771,000	50%	23%
Kilo Gold Mines Ltd. Calgary, AB	of record and beneficial	250,000 ³	17%	14% ⁴

(1) assumes no further purchases made pursuant to this offering.

(2) Thomas E. Kirk holds 771,000 common shares directly. He is a director of Tesla Explorations Ltd. which has been issued 200,000 Common Shares and is a director of Kilo Gold Mines Ltd. See "Business of the Corporation". Mr. Kirk is to be granted 60,000 stock options at the date of the final prospectus. See "Directors, Officers & Key Employees Stock Options".

(3) Kilo Gold Mines Ltd. has been issued and will be delivered an aggregate of 250,000 Common Shares upon listing and a further 250,000 Common Shares 21 days after listing pursuant to the Kilo Agreement. See "Business of the Corporation".

(4) assumes issuance of further 250,000 Common Shares 21 days after listing pursuant to Kilo Agreement.

As at June 26, 1998, the 1,051,000 Common Shares beneficially owned or controlled, directly or indirectly, by all directors and officers as a group prior to giving effect to this issue represent approximately 70% of the issued and outstanding Common Shares of the Corporation and will represent approximately 31% after giving effect to this issue.

DIRECTORS AND OFFICERS

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years:

Thomas E. Kirk President and Director
Victoria, British Columbia

Mr. Kirk is the President, Chief Executive Officer and a Director of Skylark-Ranger (1994-present) and has been a Director (1985-present) and President of Kilo Gold Mines Ltd. (1985-1995) and President and a Director of Hedley-Sterling Explorations Inc. (1988-91) (junior public natural resource corporations). Mr. Kirk has been a mining prospector since 1955, primarily in British Columbia.

Gail Bishop (1) Secretary-Treasurer and Director
Victoria, B.C.

Ms. Bishop is the Secretary-Treasurer and a Director of Skylark-Ranger Resources Inc. (1995-present). Prior thereto, Ms. Bishop was Administrative Assistant and Bookkeeper for Kilo Gold Mines Ltd. (1986-1995) and Hedley-Sterling Explorations Inc. (1987-1990) (junior public natural resource corporations).

Robert M. MacKenzie Director
Nelson, B.C.

Mr. MacKenzie has been engaged in prospecting and mining in southern British Columbia for the past 50 years, being his full time occupation since leaving Canadian Pacific Railways in 1984. He operated "MacKenzie Holdings" from 1980 to 1993, which bought, sold and repaired mine gear and developed mining prospects. He was a Director and a property manager of King Jack Resources Ltd. (a junior public natural resource corporation) from 1986 to 1990.

Kevin M. Newman (1) Director
Ashcroft, B.C.

Mr. Newman presently is a part-time geological consultant and is registered as a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia. He commenced work as a geologist after graduating with a B.Sc. (Geology Major) in 1956. From 1969 to 1993, he was employed by Cominco Ltd., finishing as Senior Mine Geologist of its Highland Valley Copper operation from 1986 to 1993.

Allan F. Bellamy (1) Director
Keremeos, B.C.

Mr. Bellamy is a Registered Professional Engineer in the Province of British Columbia. After graduating with a BASc. from the University of British Columbia in 1974, he was engaged in copper and gold mining in the Province of British Columbia for 20 years. He presently owns and operates an orchard in the Similkameen valley of British Columbia.

Eunho Lee
Victoria, B.C.

Director

Mr. Lee has been employed by Imperial Tobacco Ltd. as a Market Analyst (April 1997 - present) and prior thereto as a Sales Representative/Manager (November 1989 - April 1997). He served as as Director of GLS Global Assets Ltd. (a junior natural resource company listed on the Vancouver Stock Exchange) from April 1995 to April 1997.

(1) Member of audit committee.

The Corporation's directors and officers are not required and do not currently intend to devote all of their time to the affairs of the Corporation. The amount of time devoted to the affairs of the Corporation will be dependent upon the ability of management to identify natural resource participations. For the coming year, it is anticipated that the President, Thomas E. Kirk, will be working full time on the affairs of the Corporation and the Secretary-Treasurer, Gail Bishop, will spend approximately 50% of her time on the affairs of the Corporation. The remaining directors will spend sufficient time to consider matters placed before the Board of Directors of the Corporation which is estimated not to exceed 5% of their time.

DIVIDEND POLICY

No dividends have been paid on any shares of the Corporation since the date of its incorporation and it is not contemplated that any dividends will be paid in the immediate future or foreseeable future.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The following table sets out the aggregate remuneration paid by the Corporation to its directors and officers for the 12 month period ended October 31, 1997:

	From Office of Employment (Aggregate)	Nature of Remuneration	
		Cost of Pension Benefits (Aggregate)	Other (Aggregate)
Directors (Total Number 6)	NIL	NIL	NIL
(Senior Officers 2)	13,894	NIL	NIL

The Corporation has signed directors, officers and key employees stock option plan agreements. See "Directors, Officers and Key Employees Stock Options".

DIRECTORS , OFFICERS AND KEY EMPLOYEES STOCK OPTIONS

Pursuant to a resolution of the Board of Directors of the Corporation dated June 26, 1998, the Corporation offered a stock option plan to its directors, officers and key employees and reserved 220,000 common shares for the Plan. On closing of this offering, the Corporation will allocate stock options for an aggregate of 220,000 Common Shares to the following directors, officers and key employees:

Name	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiry Date
Thomas E. Kirk	60,000	\$0.35	June 26, 2000
Gail Bishop	40,000	\$0.35	June 26, 2000
Robert M. MacKenzie	30,000	\$0.35	June 26, 2000

Kevin M. Newman	30,000	\$0.35	June 26, 2000
Allan F. Bellamy	30,000	\$0.35	June 26, 2000
Eunho Lee	30,000	\$0.35	June 26, 2000

These options are qualified for distribution by this prospectus.

PROMOTER

Thomas E. Kirk may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Thomas E. Kirk is a director, officer and shareholder of the Corporation. Mr. Kirk received 750,000 Common Shares for the acquisition of his interest in the Chapleau Creek Gold Properties and he is a director of Kilo Gold Mines Ltd. which has been issued and will be delivered 250,000 Common Shares upon listing and will be issued and delivered a further 250,000 Common Shares 21 days after listing pursuant to the Kilo Agreement. See "Prior Sales", "Interest of Management and Others in Material Transactions" and "Escrowed Securities".

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares within the two years prior to the date hereof, other than contracts in the ordinary course of business, except:

1. Directors, Officers and Key Employees Stock Option Agreements dated June 26, 1998 among the Corporation, Thomas E. Kirk, Gail Bishop, Robert M. MacKenzie, Kevin M. Newman, Allan F. Bellamy and Eunho Lee. See "Directors', Officers and Key Employees Stock Options".
2. Agency Agreement dated June 26, 1998 among the Corporation, Georgia Pacific Securities Corporation and the Montreal Trust Company of Canada. See "Plan of Distribution".
3. Sale Agreement dated effective July 31, 1995 between Thomas E. Kirk and the Corporation. See "Business of the Corporation - Mining Property"
4. Sale Agreement dated effective February 23, 1996 between Kilo Gold Mines Ltd. and the Corporation. See "Business of the Corporation - Mining Property"
5. Escrow Agreement dated June 26, 1998 among Thomas E. Kirk, Minnie Kirk, Kilo Gold Mines Ltd., Montreal Trust Company of Canada and the Corporation. See "Escrowed Securities".

Copies of these agreements will be available for inspection at 510 Sun Life Place, 10123-99 Street, Edmonton, Alberta, T5J 3H1, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors and officers are engaged and will continue to be engaged in natural resource participations on their own behalf and on behalf of their corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the Business Corporations Act (Alberta).

RISK FACTORS

1. An investment in the securities offered hereunder is highly speculative due to the nature of the Corporation's business, the present stage of development, and the fact that the Corporation does not have a record of dividends.
2. There is currently no market for the securities offered hereunder.
3. The purchaser of common shares offered by the Corporation under this prospectus will incur an immediate dilution to his investment of \$0.223 per share or 63.7%, assuming the total subscription is reached.
4. The mining industry is competitive and the Corporation competes with a substantial number of other companies that have greater resources. Many of such companies not only explore for and produce ore, but also carry on refining operations and market mining products on a world-wide basis.
5. Mining exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that commercial quantities of ore will be discovered by the Corporation. The marketability of ore which may be acquired or discovered by the Corporation will be affected by numerous factors beyond the control of the Corporation. These factors include world-wide market fluctuations, the proximity and capacity of mining processing equipment, and government regulations relating to prices, taxes, royalties, land tenure, allowable production, importing and exporting of mining products and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of any or all of them may result in the Corporation not receiving an adequate return on investment capital.
6. There can be no assurance that any mining operations undertaken by the Corporation will be profitable in the future. The Corporation may require additional financing to explore adequately the mineral property interests it holds or may acquire, and if financing is unavailable for any reason, the Corporation may become unable to acquire or retain or realize any value from its mineral property interests.
7. While the Corporation has investigated title to all mining claims and, to the best of its knowledge, title to all properties is in good standing, this should not be construed as a guarantee of title. The mining claims may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.
8. The risks involved in the mining industry vary depending upon the type of mineral and include environmental hazards, industrial accident, flooding, periodic or seasonal interruptions due to climate and hazardous weather conditions, and unusual or unexpected formations. Such risks could result in damage to or destruction of mineral properties or production facilities, personal injury, environmental damage, delay in mining and possible legal liability. The Corporation presently has no liability insurance in this regard and may become subject to liability for pollution, cave-ins or hazards which it cannot insure or against which it may elect not to insure.
9. With respect to the Chapleau Creek Property, the following should be specifically noted:
 - (a) Although there has been some past production, it has been of a very limited extent. Specifically, although a small tonnage (2,618 tonnes) of higher than average grade (23.32 gpt gold) was removed prior to 1940, there is no guarantee that the proposed work program will define an economically viable gold deposit.

(b) In order for the properties to be economic, veins of the indicated width and dip would have to carry much higher values than have been found to date. There is a risk that such values might not be encountered.

(c) While the currently proposed financing is sufficient to complete the proposed work program, since gold mineralization occurs in shoots within veins, there is a risk that the limited drilling program could miss such shoots.

(d) The tonnage and grade estimates prepared by the independent consultant are very preliminary and based on scant data and major assumptions. No provision for mining dilution, which is substantial for narrow, shallow-dipping veins, has been made.

10. Subscribers must rely upon the expertise and judgment of management with respect to all operations of the Corporation. Several directors and officers of the Corporation participate in the mining industry directly or through association with other companies or entities. See "Conflicts of Interest".

11. The Corporation is subject to a variety of waste disposal, pollution control and similar environmental laws. The Corporation believes that it is presently in compliance in all material respects with such existing laws. Changing government regulations may have an adverse effect on the Corporation.

12. The success of the Corporation is largely dependent on the performance of its key employees. Failure to retain key employees or to attract and retain additional key employees with necessary skills could have a materially adverse impact upon the Corporation's growth and profitability.

13. The Corporation presently does not have key man insurance in effect for its management.

14. Certain of the Corporation's mining claims are dependent upon unregistered agreements. The You Claims are within the boundaries of a provincial park and may not be developed. See "Business of the Corporation".

DILUTION

Based on the Corporation having a book value of \$0.127 per Common Share as at January 31, 1998 (after giving effect to the offering proceeds less commissions and offering expenses), purchasers of the Common Shares offered by this prospectus at \$0.35 will suffer an immediate dilution of \$0.223 or approximately 63.7% per Common Share on the basis of there being 3,405,000 Common Shares of the Corporation outstanding after the offering and sale of this offering of 1,893,000 Common Shares.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Directors of the Corporation will be allocated options to acquire an aggregate of 220,000 Common Shares under a Directors', Officers and Key Employees Stock Option plan with the Corporation. See "Directors', Officers and Key Employees Stock Options".

Thomas E. Kirk has been issued 750,000 Common Shares directly, is a director of Tesla Explorations Ltd. (which has been issued 200,000 Common Shares and advanced to the Corporation \$91,000.00 under a non-interest bearing loan in return for which Tesla has the first right of refusal on the Corporation's mining claims to recover its advances) and is a director of Kilo Gold Mines Ltd. which has been issued and will be delivered 250,000 Common Shares upon listing and will be issued and delivered a further 250,000 Common Shares 21 days after listing pursuant to the Kilo Agreement. See "Business of the Corporation".

AUDITORS' REPORT TO THE DIRECTORS

We have audited the balance sheets of Skylark-Ranger Resources Inc. as at October 31, 1997 and October 31, 1996 and the statements of operations and deficit and changes in financial position 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 financial statements present fairly, in all material respects, the financial position of the company as at October 31, 1997 and October 31, 1996 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.

Signed "KPMG"

Chartered Accountants

Victoria, Canada

March 31, 1998, except for note 7
which is as of June 26, 1998

SKYLARK-RANGER RESOURCES INC.

Balance Sheet

	January 31 1998	October 31 1997	October 31 1996
	(Unaudited)		
Assets			
Current assets:			
Cash	\$ 2,271	\$ 2,974	\$ 12,200
Mining properties (note 2)	181,913	181,123	49,109
	<u>\$ 184,184</u>	<u>\$ 184,097</u>	<u>\$ 61,309</u>
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 26,757	\$ 23,688	\$ 11,572
Due to shareholder	156,131	147,586	3,526
	<u>182,888</u>	<u>171,274</u>	<u>15,098</u>
Due to related party (note 3)	91,000	91,000	45,000
Shareholders' equity (deficiency):			
Share capital (note 4)	86,520	86,520	86,520
Deficit	(176,224)	(164,697)	(85,309)
	<u>(89,704)</u>	<u>(78,177)</u>	<u>1,211</u>
Basis of presentation (note 1(a))			
Contingencies and commitments (note 5)			
	<u>\$ 184,184</u>	<u>\$ 184,097</u>	<u>\$ 61,309</u>

See accompanying notes to financial statements.

Approved by the Board:

Signed "Thomas E. Kirk" Director
Thomas E. Kirk

Signed "Gail Bishop" Director
Gail Bishop

SKYLARK-RANGER RESOURCES INC.

Statement of Operations and Deficit

	Three months ended January 31 1998 (Unaudited)	Three months ended January 31 1997 (Unaudited)	Year ended October 31 1997	Year ended October 31 1996
Expenditure:				
Professional fees	\$ 2,345	\$ 5,457	\$ 47,297	\$ 27,088
Salary and benefits	3,782	3,665	13,894	13,955
Office expenses and rent	4,058	4,029	13,535	16,145
Other	1,342	1,315	4,662	5,004
Loss for the period	11,527	14,466	79,388	62,192
Deficit, beginning of period	164,697	85,309	85,309	23,117
Deficit, end of period	\$ 176,224	\$ 99,775	\$ 164,697	\$ 85,309

See accompanying notes to financial statements.

Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.04)
Weighted average number of shares outstanding	1,512,000	1,512,000	1,512,000	1,437,000

SKYLARK-RANGER RESOURCES INC.

Statement of Changes in Financial Position

	Three months ended January 31 1998 (Unaudited)	Three months ended January 31 1997 (Unaudited)	Year ended October 31 1997	Year ended October 31 1996
Cash provided by (used in):				
Operations:				
Loss for the period	\$ (11,527)	\$ (14,466)	\$ (79,388)	\$ (62,192)
Changes in non-cash operating working capital:				
Accounts payable and accrued liabilities	3,069	849	12,116	640
Due to shareholder	8,545	56	144,060	(1,726)
	87(13,561)	76,788	(63,278)	
Financing:				
Shares issued for non-cash consideration	-	-	-	2,500
Advances from related party	-	15,000	46,000	45,000
Mining properties acquired	(790)	(1,530)	(119,807)	(13,757)
General exploration costs capitalized	-	(5,000)	(12,207)	(11,269)
(790)	8,470(86,014)	22,474		
Decrease in cash	(703)	(5,091)	(9,226)	(40,804)
Cash, beginning of period	2,974	12,200	12,200	53,004
Cash, end of period	\$ 2,271	\$ 7,109	\$ 2,974	\$ 12,200

See accompanying notes to financial statements.

SKYLARK-RANGER RESOURCES INC.

Notes to Financial Statements

Information as at January 31, 1998 and 1997 and for the three month periods ended January 31, 1998 and January 31, 1997 is unaudited

Skylark-Ranger Resources Inc. (the "company") was incorporated under the laws of Alberta and its principal activity is the acquisition and development of mining properties.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements are presented on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. At January 31, 1998 the company has incurred operating losses and has shareholders and working capital deficiencies. Continuing operations are dependent upon the ability of the company to develop commercial mineral production, obtain financing to continue development and meet corporate obligations and attain profitable operations. Should the going concern basis of accounting be inappropriate, adjustments may be necessary to recorded assets and liabilities and reported expenses.

(b) Mineral properties:

The company expenses exploration costs unless reasonable assurance exists that the property will be acquired.

The company defers its cost of acquiring, exploring and developing mineral properties until such time as the properties are placed into production or abandoned. At that time the deferred costs are amortized on a unit of production basis or written off.

Amounts recorded for mineral properties represent costs incurred to date and are not intended to reflect present or future values. The recoverability of amounts shown for mineral properties is dependent upon the discovery and economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims, the ability of the company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

(c) Options agreements:

From time-to-time the company acquires properties pursuant to the terms of option agreements. Because options are exercisable entirely at the discretion of the optionee, amounts payable but not yet due are not recorded as liabilities. Option payments are recorded as mineral property acquisition costs when the payments are made and are written off when the property is abandoned.

(d) Administrative expenses:

It is the company's policy to expense administrative expenses on an accrual basis.

SKYLARK-RANGER RESOURCES INC.

Notes to Financial Statements, page 2

Information as at January 31, 1998 and 1997 and for the three month periods ended January 31, 1998 and January 31, 1997 is unaudited

2. Mining properties:

(a) Thomas E. Kirk agreement:

On July 31, 1995 the company purchased certain mineral claims from Thomas E. Kirk ("Kirk agreement") and, as consideration, issued 750,000 common shares to him. The sale agreement included three claims and four crown grants in the Slocan/Lemon property that were previously held in trust by Thomas E. Kirk for the company. The company will pay a royalty of 1% of net smelter returns on any ore shipped from the claims to International King Jack Resources Ltd. In addition, three of the crown grants are subject to a subsidiary agreement between the company and Roy Welloff ("Welloff"). Under the Welloff agreement, the company will pay a royalty of 12% of the net smelter returns to Welloff on any ore shipped from the crown grants.

(b) Kilo Gold Mines Ltd. option agreement:

On February 23, 1996 Kilo Gold Mines Ltd. ("Kilo"), a related party, assigned the following mining claims to the company through an option agreement: 32 claims and eight crown grants in the Slocan/Lemon Creek mining property; 14 claims and two crown grants in the Apex mining property; twelve claims and three crown grants in the Hedley mining property; and nineteen claims and one crown grant in the Trophy/YOU mining property.

The option consideration for the mining claims consisted of 500,000 common shares, plus an agreement that the company will pay \$100,000 to Kilo. In October 1997 the company completed payment to Kilo of the \$100,000 and completed acquisition of all of the Kilo's claims and crown grants. The common shares will be paid out as follows: 250,000 upon listing on The Alberta Stock Exchange and 250,000 on or before 21 days following the date of listing.

In the Apex mining property, 14 claims and one crown grant are covered by two subsidiary agreements under which the company will pay a royalty of 2 ½% of net smelter returns.

SKYLARK-RANGER RESOURCES INC.

Notes to Financial Statements, page 3

Information as at January 31, 1998 and 1997 and for the three month periods ended January 31, 1998 and January 31, 1997 is unaudited

2. Mining properties (continued):

The following is a summary of the claims and crown grants related to each agreement and mining property, and the expenditures on mining properties capitalized during the year:

	Claims	Crown grants	January 31 1998	January 31 1997	October 31 1997	October 31 1996
Mining property:						
(a) Slocan/Lemon Creek			\$ 114,490	25,675	114,460	25,464
Held by company	42	8				
International King Jack						
Resources Ltd. option	3	4				
(b) Apex			24,458	6,672	23,698	5,352
Held by company	14	1				
(c) Hedley			6,094	3,032	6,094	3,032
Held by company	12	3				
(d) Trophy/YOU			13,396	3,992	13,396	3,992
Held by company	19	1				
(e) Not yet acquired			23,475	16,268	23,475	11,269
	90	17	\$ 181,913	55,639	181,123	49,109

3. Due to related party:

The advances from Tesla Explorations Ltd., a related company, are non-interest bearing and have no required terms of repayment. Under the terms of the loan, Tesla Explorations Ltd. has the right of first refusal to option or acquire any property held by option, location, etc. by the company to recover any and all of its loans or advances.

SKYLARK-RANGER RESOURCES INC.

Notes to Financial Statements, page 4

Information as at January 31, 1998 and 1997 and for the three month periods ended January 31, 1998 and January 31, 1997 is unaudited

4. Share capital:

Authorized:

Unlimited number of common shares
Unlimited number of preferred shares

Issued and subscribed:

Issued	Number of shares		
	Subscribed	Consideration	
Issued and subscribed:			
Issued for mineral rights	750,000	-	\$ 7,500
Issued for cash	1,000	-	100
Subscribed for cash	-	511,000	76,420
Balance at October 31, 1995	751,000	511,000	84,020
Activity during the period ended			
October 31, 1996:			
Issued on subscriptions	511,000	(511,000)	-
Issued for mining claim options	250,000	-	2,500
Balance at October 31, 1996,			
October 31, 1997, and January 31,			
1997 and January 31, 1998	1,512,000	-	\$ 86,520

5. Contingencies and commitments:

The company has commitments to maintain the mining properties in good standing under its agreements and option agreements. In addition, the company is required to make annual payments of US \$2,300 under the terms of the agreement with Welloff referred to in note 2. These payments are presently being capitalized to mining properties.

6. Income taxes:

The company has incurred losses for income tax purposes totalling \$162,369 which are available to offset against taxable income in future years as follows:

Loss	Available until
\$22,798	2002
\$61,504	2003
\$78,067	2004

The possible impact of these losses has not been reflected in these accounts.

SKYLARK-RANGER RESOURCES INC.

Notes to Financial Statements, page 5

Information as at January 31, 1998 and 1997 and for the three month periods ended January 31, 1998 and January 31, 1997 is unaudited

7. Subsequent event:

Pursuant to an agency agreement dated June 26, 1998, the company has agreed to file a prospectus for the issuance of 1,893,000 common shares at \$0.35 per share for net proceeds of \$522,900 after issuance costs and expenses and an agent's commission of \$0.05 per share. The agent has been granted an option to acquire 473,250 common shares exercisable at \$0.35 per share each which expires two years from the date of the final prospectus. The company will grant options to acquire 220,000 common shares to certain officers and directors effective with the filing of the prospectus.

PROSPECTUS OF SKYLARK-RANGER RESOURCES INC.
DATED: JUNE 26, 1998

CERTIFICATE OF THE CORPORATION

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act (Alberta), by Part 7 of the Securities Act (British Columbia) and the respective regulations thereunder.

Signed "Thomas E. Kirk"
THOMAS E. KIRK
Chief Executive Officer

Signed "Gail Bishop"
GAIL BISHOP
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Signed Kevin M. Newman"
KEVIN M. NEWMAN
Director

Signed Allan F. Bellamy"
ALLAN F. BELLAMY
Director

CERTIFICATE OF PROMOTER

The foregoing constitutes full, true and plain disclosure of all material facts relating to securities offered by this prospectus as required by Part 8 of the Securities Act (Alberta), by Part 7 of the Securities Act (British Columbia) and the respective regulations thereunder.

Signed "Thomas E. Kirk"
THOMAS E. KIRK

PROSPECTUS OF SKYLARK-RANGER RESOURCES INC.
DATED: JUNE 26, 1998.

CERTIFICATE OF THE AGENT

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act (Alberta), by Part 7 of the Securities Act (British Columbia) and the respective regulations thereunder.

GEORGIA PACIFIC SECURITIES CORPORATION

PER: Signed "R. Brian Ashton"
R. Brian Ashton

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Georgia Pacific Securities Corporation: K.C. Kam, R.B. Ashton, D. Duggan, C.S.Y. Chow, L.A. Martin.