

Affiliate
of Goldbelt
Mines Inc.

PASS LAKE RESOURCES LTD.

NORTH WEST BRITISH COLUMBIA MINING EXPLORATION

RECEIVED
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MAY
1990

CORPORATE REVIEW

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The Company

Pass Lake Resources Ltd. is a public (VSE) company engaged in mineral exploration in British Columbia. Since mid-1988, Pass Lake has assembled and explored a large claim holding (2,333 units) in the active Galore Creek, Telegraph Creek and Iskut River gold camps of northwest British Columbia.

Pass Lake's strategy has been to obtain third party funding to explore carefully selected mineral properties. Steady progress has been made in farming out properties and exploration work requirements for properties under option now total \$10.1 million of which \$1.6 million of exploration must be completed in 1990. Property options now being negotiated are projected to increase the exploration expenditures on Pass Lake properties.

Northwest British Columbia

This region, which encompasses a 300-kilometer belt extending northward from Stewart, has proven over the past several years to be highly prospective for precious metals. Significant developing mines and advanced projects include Silbak-Premier, Skyline, Snip, Golden Bear, Sulphurets and Eskay Creek. With the recent addition of Eskay Creek, total gold resources in these deposits probably exceed 11 million ounces.

Northwest B.C. represents the largest and most exciting exploration play in Canada. As such, the region is likely to remain the focus of Canadian gold exploration and development for years to come. Estimates for 1990 expenditures alone are as high as \$100 million, the largest amount ever committed to the area in one year. Of this amount, \$60 million has been allocated to exploration (including 40 planned diamond drilling programs).

Within the region, new target areas are expected to emerge in 1990, notably at Galore Creek, where promising results from exploration over the last two years are expected to give rise to at least six drill programs in the coming season, two of which are planned on Pass Lake Properties.

Pass Lake Properties

Since early 1989, Pass Lake's property holdings have increased from 728 units to 2,333 units (583 sq. km/225 sq. mi.), the additions being attributable entirely to staking. The Company's claims comprise 1,459 units (365 sq. km) at Galore Creek, 646 units (161 sq. km) at Telegraph Creek, 158 units (40 sq. km) at Iskut River, and 70 units (17 sq. km) at Yehiniko Lake, 30 km south of Telegraph Creek. Of this total, 1,399 units in the Galore Creek camp and 337 units in the Telegraph Creek camp are now held under option by third parties.

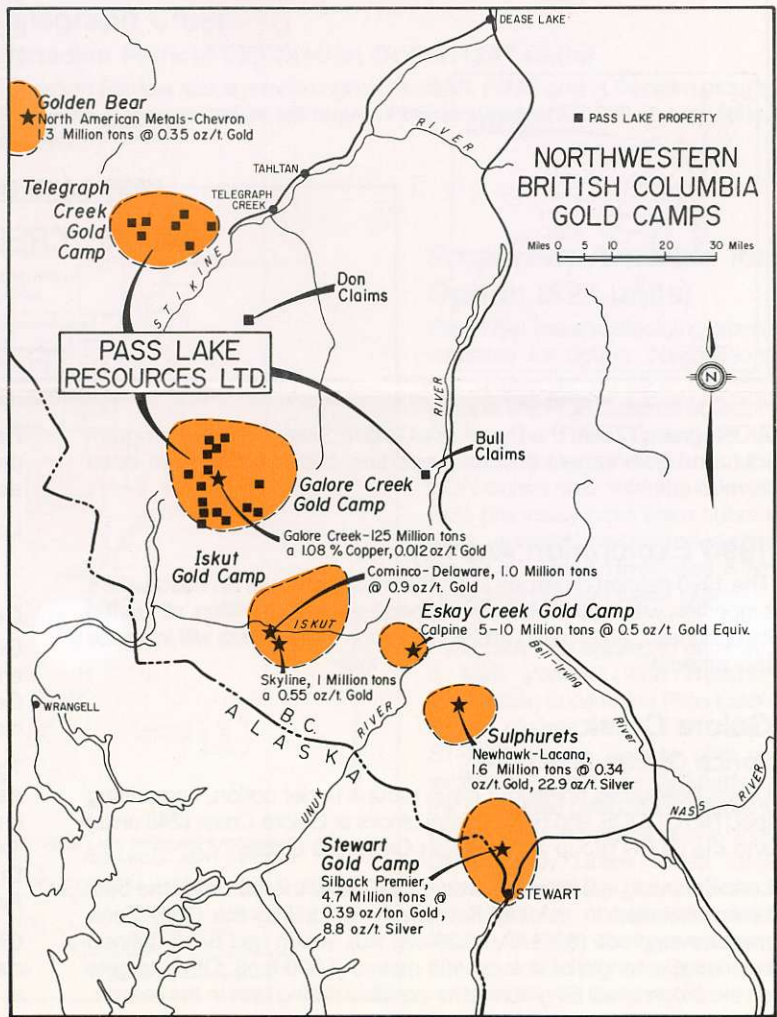
New acquisitions were based upon geological concepts developed by the company and on literature research using largely public domain data.

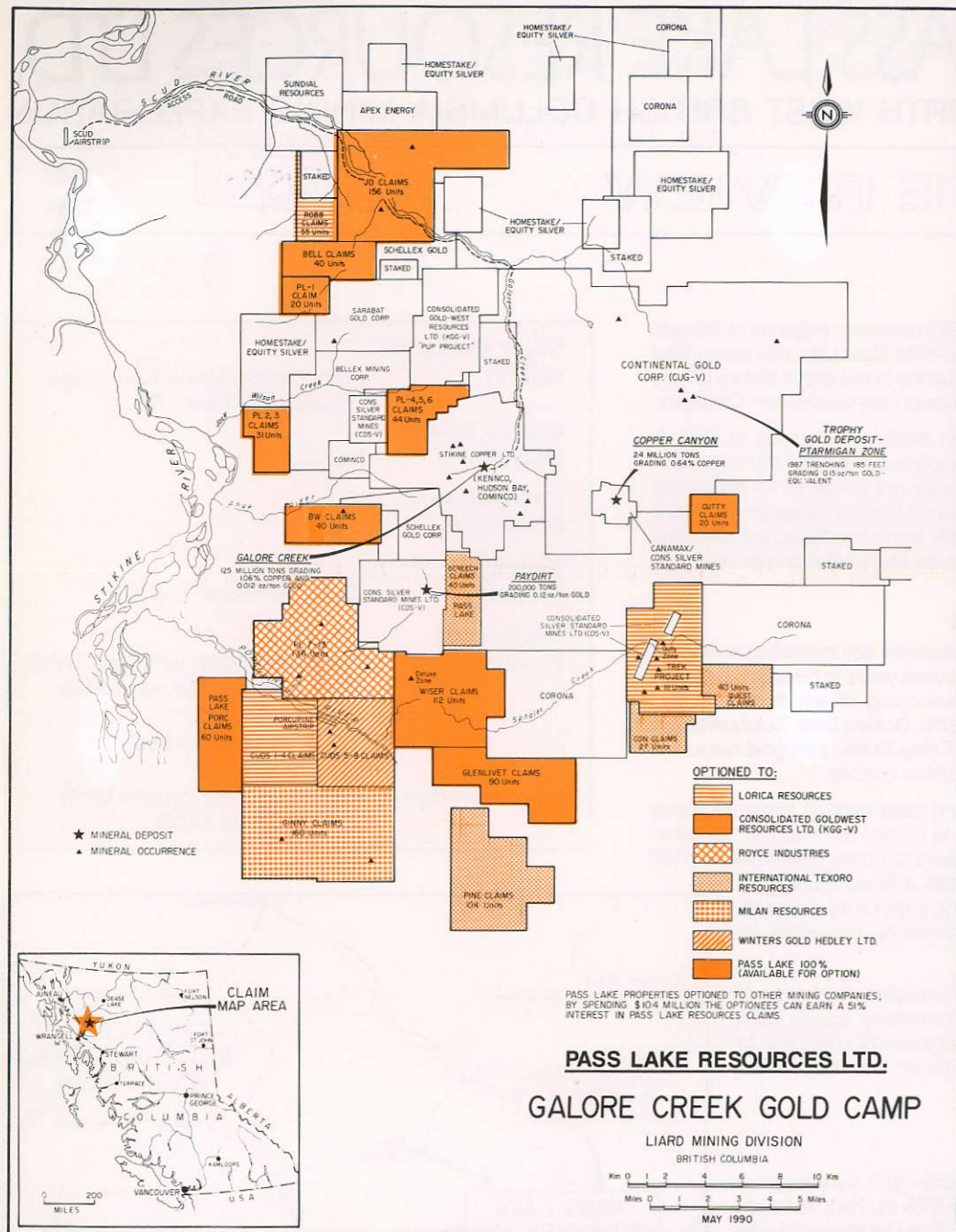
1989 Exploration Activity

During 1989, about \$500,000 was spent on Pass Lake properties at Galore Creek and Telegraph Creek, resulting in several gold discoveries.

Excellent results at Galore Creek were reported from the WISER claims (Deluxe Zone), under option to Consolidated Goldwest Resources, the TREK property (Gully Zone), optioned to Lorica Resources and the PL7-13 claims, farmed out to Royce Industries. Reconnaissance programs carried out by Pass Lake on its large CUDS and GINNY claim blocks generated several new gold occurrences, and these claims have now been optioned to third parties.

Stock Exchange Listing	- Vancouver Stock Exchange Trading Symbol "PLJ"
Shares Issued (May/90)	- 4,796,024
Share Price (May 7/90)	- \$0.90
Mineral Properties	- 225 Sq. Miles, NW B.C.
Exploration Funding	- \$10.1 Million in optional Third Party funding to earn 51% interest (\$1.6 Million in 1990)
Option Consideration	- \$750,000 over option term (\$270,000 in 1990)





At Telegraph Creek, the Pass Lake/Golden Sitka joint 1989 program identified gold targets on four properties, two of which have been farmed out.

1990 Exploration Activity

The 1990 season promises to be the most active yet on Pass Lake's properties, with total exploration expenditures of \$1.6 million, all funded by optionees. Anticipated additional option agreements will increase this amount.

Galore Creek Lorica Option (326 units)

Lorica Resources holds four claim groups under option, comprising the TREK, CUDS and ROBB claim blocks at Galore Creek (246 units) and the GLEN group at Telegraph Creek (80 units).

Lorica plans to spend in the order of \$400,000 this summer, the bulk being allocated to the TREK property for drilling the Gully Zone massive sulphide (5.3% Cu, 0.26 oz/t Au), which has been defined over a strike length of at least 400 meters (1,300 feet). Other targets on the property will be groomed for possible drilling later in the season.

Reconnaissance prospecting programs are planned for the other properties, focussed primarily on the CUDS 1-4 in the increasingly active Porcupine River vicinity.

Lorica expects to finance its 1990 program in late May or early June.

Consolidated Goldwest Option (566 units)

Goldwest must spend \$750,000 on Pass Lake's Galore Creek properties in 1990 to maintain its option in good standing. As of early May, Goldwest had raised the funds to carry out this year's program on the nine claim blocks it holds under option from Pass Lake.

The principal target is the Deluxe Zone on the Wiser claims where assays of up to 8.25 oz/ton Au and 20 oz/ton Ag were reported from a major north-south trending shear zone well exposed over at least 1,400 meters (4,600 feet) along strike and 30 meters (100 feet) width. Drilling (1,000 meters/3,300 feet) is planned on the Deluxe Zone once further sampling has identified specific initial targets.

Other claims requiring follow-up are the large JD block and the BW claims where anomalous silt, soil and rock samples were collected in 1989.

PASS LAKE RESOURCES LTD.
SCHEDULE OF OPTION AGREEMENTS
May 8, 1990

Assuming all option agreements are exercised, the total amount of exploration work to be funded through Pass Lake's option agreements would exceed \$13 million. Projected 1990 - 1993 exploration expenditures through option agreements are as follows.:

Claim	Units	Exploration Work (\$000's)				
		1990	1991	1992	1993	Total
Optionees						
Consolidated Goldwest	566	750	2,000			2,750
Lorica Resources	335	200	400	600	800	2,000
Royce Industries	136	125	150	200		475
Milan Resources*	160	150	250	400	600	1,400
Canadian Patricia*	257	70	130	200	300	700
Winters Gold Hedley*	80	100	150	200	400	850
International Texoro*	211	135	250	430	615	1,430
Commonwealth Gold**	60	50	100	150	200	500
Options in place	1,805	1,580	3,430	2,180	2,915	10,105
Agreement pending**	290	225	350	500	775	1,850
Unoptioned properties	238	100	225	350	475	1,150
All properties	2,333	1,905	4,005	3,030	4,165	13,105

*Regulatory approval required
 **Subject to definitive agreement

Pass Lake Mineral Property Holdings

	Units	Square Miles
June 30, 1988	95	9
Dec. 31, 1988	728	70
June 30, 1989	1,100	106
May 5, 1990	2,333	225

Royce Industries Option (136 units)

Royce has optioned the PL 7-13 claims on the north side of the Porcupine River and adjacent to the WISER and CUDS claim blocks. Expenditure commitments for 1990 are \$125,000 (minimum) primarily allocated to definition of the high grade (1-2 oz/ton) gold occurrences found in the 1989 reconnaissance program.

Royce intends to finance the program by way of an initial public offering scheduled for mid-May.

Milan Resources Option (160 units)

Milan optioned the GINNY block in the Porcupine River area in April, 1990, and must spend \$150,000 this season to maintain the option. Work will focus on detailed follow-up of gold occurrences discovered by Pass Lake in 1989 and preliminary prospecting and mapping over the entire claim block.

Milan has adequate funds to carry out the planned program.

Winters Gold Hedley Option (80 units)

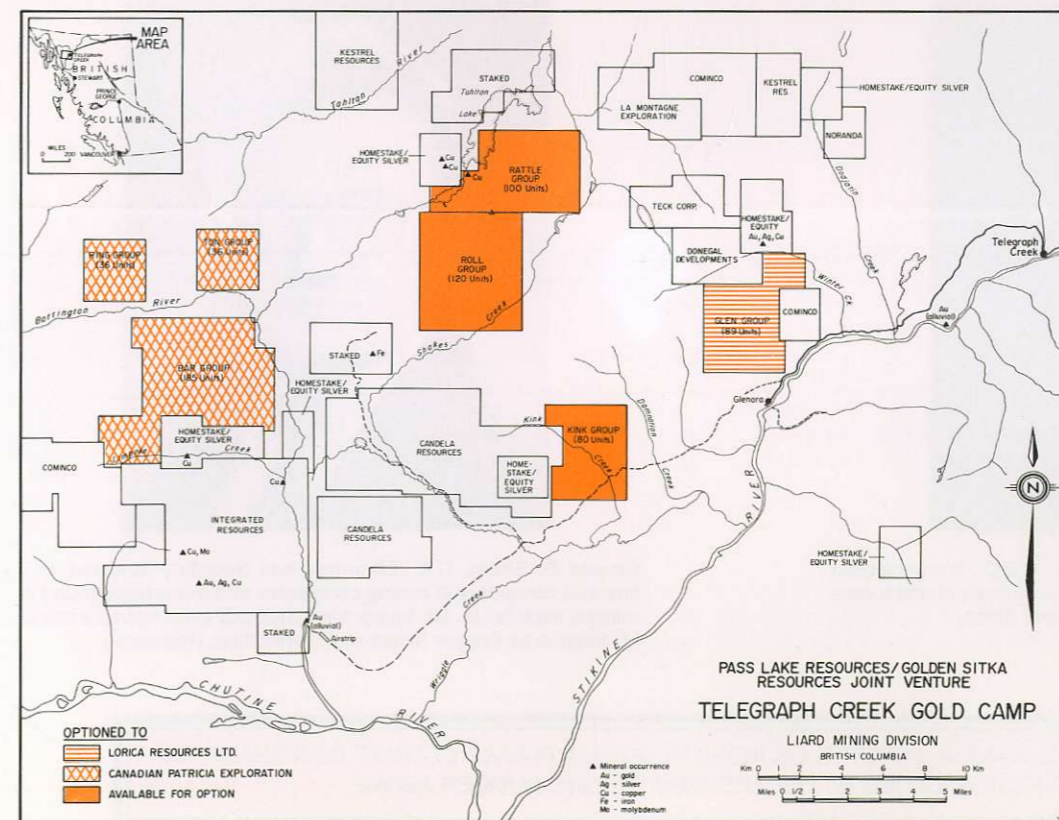
Winters Gold Hedley optioned the CUDS 5-8 claims in April, 1990. The claim block is located adjacent to the highly prospective WISER and PL 7-13 properties and hosts several gold and base-metal showings found by Pass Lake in 1989. Expenditure requirements are \$75,000 in 1990.

International Texoro Option (211 units)

Texoro holds four claim groups under two option agreements from Pass Lake. The CON and QUEST claims, subject to a May, 1989 option, are slated for modest reconnaissance exploration this year. The SCREECH and PINE groups, optioned in April, 1990, are situated in close proximity to Consolidated Silver Standard's Paydirt prospect (200,000 tons @ 0.12 oz/ton Au), the WISER claims and other promising Pass Lake properties. Texoro is planning a \$125,000 prospecting/mapping campaign on these two groups in 1990.

Telegraph Creek Canadian Patricia Exploration Option (257 units)

Canadian Patricia has agreed to option the BAR, RING and TON claim groups. The terms of the agreement will require Patricia to spend \$70,000 on exploration in 1990.



Properties Available for Option (528 units)

Pass Lake has six remaining groups available for option. Negotiations are underway on four of these groups, the PORC on claims at Galore Creek, the RATTLE and ROLL claims at Telegraph Creek and the DON claims near Yehiniko Lake. As well, proposals have been submitted to potential partners regarding the BULL (Iskut River) and KINK (Telegraph Creek) claim groups.

Pass Lake has agreed to enter into a joint venture with Noranda Exploration to combine Pass Lake's DON claims and Noranda's STRATA claims and to offer an exploration option to a third party for the combined claim block. Mapping by the B.C. Geological Survey indicates Eskay Creek facies rocks underlie part of the ground. Several new mineral occurrences were found during the government survey, including one grading a remarkable 4.3 oz/ton gold.

Corporate Directory

Directors

Jan E. Christoffersen
Donald D. Sharp*
Mike Muzykowski*
Gerald T. Cook*
* - Audit Committee

Solicitors

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10th Floor, 595 Howe Street
Vancouver, B.C.

Auditors

Tierney & White
214 - 131 Water Street
Vancouver, B.C.

Officers

President & C.E.O.
Jan E. Christoffersen
Chairman/
Secretary-Treasurer
Donald D. Sharp

Registrar and Records Office

1105 - 1020 Howe Street
Vancouver, B.C. V6Z 1R2
Telephone (604) 682-5205

Stock Exchange Listing

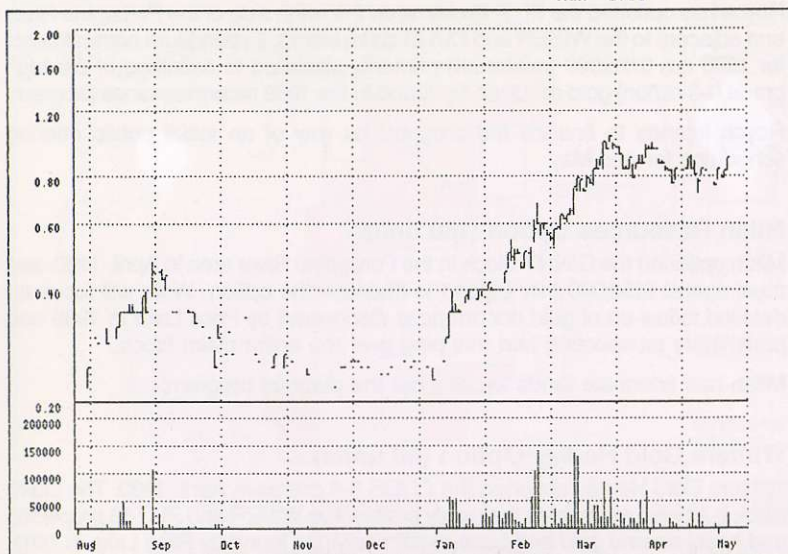
Vancouver Stock Exchange
- Symbol PLJ

Registered and Records Office

1105 - 1020 Howe Street
Vancouver, B.C. V6Z 1R2
Telephone (604) 682-5205

Capitalization

20,000,000 shares
authorized
- no par value
4,796,024 shares issued
(May 8, 1990)

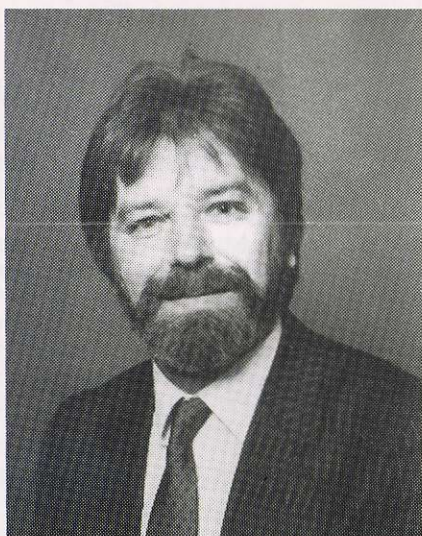


Symbol: PLJ Market: V Scale: AUTO Mode: BAR Trend: Copy: PRNT

Financial Review

The company is financially very sound, with working capital of \$220,000 and no near term funding requirements. Property option payments for 1990 are estimated at \$270,000, more than double Pass Lake's annual management and overhead costs. At this rate of activity, Pass Lake will record operating profits and positive cash flow.

In the past 18 months, Pass Lake has increased its mineral property holdings 24-fold and has had a 22-fold increase in the dollar value of its exploration option agreements. This growth is expected to continue in 1990.



J. E. Christoffersen, P.Eng., President and C.E.O., is a geological engineer with 20 years in mineral exploration, 15 years of which were with Amex Exploration in western Europe and Africa.



Donald D. Sharp, C.A., Chairman and Secretary-Treasurer, is a financial consultant to mining companies and has a background in mineral exploration. Mr. Sharp was previously chief financial officer of Whitehorse Copper Mines and Queenstake Resources.

TO RECEIVE PASS LAKE ANNUAL REPORTS OR NEWS RELEASES, PLEASE CONTACT DON SHARP OR
JAN CHRISTOFFERSEN AT THE ADDRESS / PHONE NUMBER ABOVE.