

AVATAR RESOURCE CORPORATION

VSE-AAV

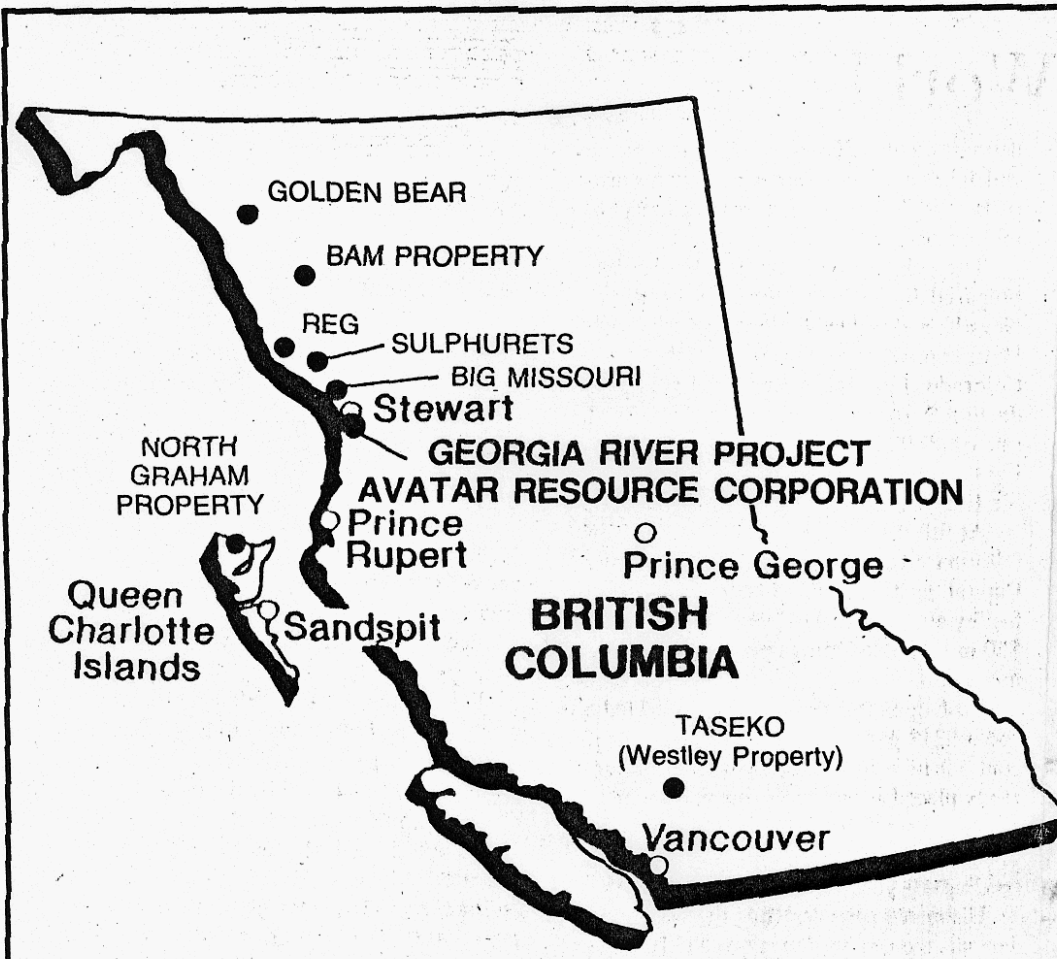
12G Exemption #82-2166

THE GEORGIA RIVER PROJECT

The Georgia River property is located about 13 kilometers south of Stewart in northwestern B.C. which has become one of the hottest gold mining areas in British Columbia. The property lies on the eastern contact of the Coast Range Batholith intruding volcanics and sediments of the Hazelton Group.

Two shear patterns have been developed on the property in a northwest direction and a later extensive cross fracturing and faulting in a northerly direction. Significant gold, silver, lead, zinc with minor copper mineralization within quartz veins appear to be restricted to the zones of later faulting. Marked gold enrichment appears to be associated with areas of vein intersection.

Gold was first discovered in the area in 1910 and in 1914 an adit was driven with development along the Bullin vein for 400 feet. During the period 1928 to 1934 a significant additional amount of underground work was carried out including three additional adits and extensive drifting and cross-cutting. 500 tonnes of ore with an average grade of 0.658 oz. per tonne gold was mined in 1937.



On July 7, 1988, the NIM Group of Limited Partnerships of Vancouver, funded Avatar on a flow through share basis for 400,000 shares at \$0.50 per share to provide \$200,000 to the company to carry out drilling on the Georgia River property. At the conclusion of this program the property has total measured, indicated and inferred reserves of 120,037 tons with an average grade of 0.55 opt Au and .68 Ag. The recent drilling indicates that the ore shoots extend to 850 feet below surface. As a result, ore calculations will be re-evaluated in light of the most recent results. It is anticipated that the reserves will be doubled as a result of the drilling.

In September of 1988, the company announced results from a six hole drill program. These holes were drilled to test for the down dip extension of an ore shoot defined during work in 1979 - 1981. Results of the holes are as follows:

| Drill Hole No. | Intersection | Width | Au (opt) | Ag (opt) |
|----------------|--------------|-------|----------|----------|
| 88-01 (-55°) | 362.5-365.1 | 2.6 | 5.202 | 4.99 |
| 88-02 (-65°) | 121.3-124.3 | 3.0 | .235 | 0.71 |
| 88-02 (-65°) | 241.5-245.5 | 4.0 | 1.925 | 0.36 |
| 88-02 (-65°) | 470.5-472.5 | 2.0 | .116 | 0.05 |
| 88-03 (-70°) | 539.1-540.1 | 1.0 | .229 | 0.11 |
| 88-03 (-70°) | 580 -581.2 | 1.2 | .365 | 0.51 |
| 88-06 (-72°) | 855 -858.2 | 3.2 | .456 | 0.13 |

Values obtained from random sampling of a bulk tonnage sample (collected in 1987) yields the following:

| Sample No. | Au (opt) | Ag (opt) |
|------------|----------|----------|
| GR Bulk 1 | 1.173 | 2.15 |
| GR Bulk 2 | 3.267 | 7.38 |
| GR Bulk 3 | 4.324 | 8.43 |
| GR Bulk 4 | 1.076 | 0.88 |
| GR Bulk 5 | 0.649 | 0.92 |

Trench Sampling along the southwest vein yielded the following:

| Sample No. | Width (in) | Au (opt) | Ag (opt) |
|------------|-------------|----------|----------|
| CRT1 | 28 | .680 | .92 |
| CRT2 | 25 | .138 | .57 |
| CRT3 | 20 | .013 | .11 |
| CRT4 | random grab | 4.426 | 10.41 |
| CRT5 | random grab | .090 | .86 |

On September 27, 1988 NIM purchased an additional 418,461 flow through shares of the company at a price of \$0.65 per share for a total consideration of \$272,000.00.

The company plans to diamond drill an additional 6,000 feet to add to existing proven reserves.

The drilling program commenced in early October and is expected to take five weeks to complete.

For further information contact:

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