

The Securities offered for sale through this Prospectus may only be lawfully offered for sale in those jurisdictions in which this Prospectus has been accepted for filing and therein only by persons permitted to sell such securities. No securities commission or other 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.

SOUP 887807

**PROSPECTUS
NEW ISSUE**

DATED: November 22, 1988

D.L.

Soup Claims

940 025

THLONE RESOURCES LTD.

620 - 625 Howe Street
Vancouver, British Columbia
V6C 2T6

(Hereinafter called the "Issuer")

500,000 common shares @ \$0.50 per share

PRICING SPREAD

	Price to the Public	Commission	Net Proceeds to the Issuer
.....	\$0.50	\$0.05	\$0.45
.....	\$250,000	\$25,000	\$225,000 *

legal, audit and printing expenses payable by the Issuer estimated to be \$15,000.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. The price of the common shares was determined by negotiation between the Agent and the Issuer.

A purchase of the Securities offered by this Prospectus must be considered as speculation. For further particulars reference should be made to the heading "Risk Factors" on page 12 hereof.

The Vancouver Stock Exchange has conditionally listed the Securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Exchange on or before May 25, 1989, including prescribed distribution and financial requirements.

No person is authorized by the Issuer to provide any information or to make any representations other than those contained in this Prospectus in connection with the issue and sale of the Securities offered by the Issuer.

Upon completion of this offering, if all the shares are sold, this issue will represent 26.31% of the shares then outstanding as compared to 52.10% that will be owned by the promoters, directors, senior officers and controlling persons of the Issuer. Refer to the heading "Principal Holders of Securities" on page 18 herein for details of shares held by directors, senior officers, promoters and controlling persons.

The offering price of \$0.50 per share exceeds the net tangible book value per share by \$0.31 after giving effect to the Offering, representing a dilution of 62%.

We, as Agent, conditionally offer these Securities subject to prior sale, if, as and when issued by the Issuer and accepted by us in accordance with conditions contained in the agency agreement referred to under "Plan of Distribution" on page 3 of this Prospectus subject to approval of all legal matters on behalf of the Issuer by Campney & Murphy, Vancouver, British Columbia.

AGENT:

MIDLAND DOHERTY LIMITED,
Davidson Group
Vancouver, British Columbia

Effective Date: November 25, 1988

disclosures in these sections contain excerpts from the report.

The claims area lies in the northern extension of the Quesnel Trough, within the Intermontane Belt of the Canadian Cordillera. The Quesnel Trough forms a 30 to 60 km wide north-westerly-trending assemblage of volcanic and sedimentary rocks of Upper Triassic to Lower Jurassic age Takla Group rocks. The Takla volcanic rocks are an association of island-arc type calc-alkaline to alkaline flows and volcanoclastic rocks of predominantly submarine origin. The extrusive rocks are interlayered with volcanogenic sandstone, siltstone, conglomerate, argillite, laminated limestone and limestone breccia.

The SOUP claims are underlain largely by volcanic rocks of the Upper Triassic Takla Group. These have been intruded by diorite stocks, sills and dykes, microdiorite and feldspar porphyry dykes and by quartz monzonitic batholithic rocks. A few narrow dykes of augite porphyry and mica lamprophyre also occur. Volcanic units strike north-northwesterly and dip moderately eastward and are offset by northwesterly and north to northeasterly-striking faults. Magnetite-rich, gold-copper-bearing skarn beds appear to lie parallel to the volcanic layering and are traceable for over 2,000 metres.

A magnetometer survey has identified at least three parallel skarn horizons. Similar-looking mineralization is present in quartz-magnetite veins occurring along cross-cutting faults which offset the skarn units. The skarn occurs in a series of intermittently exposed concordant lenses 1 to 5 metres thick, each up to several hundred metres long. Magnetite, ranging from 60 to 100%, is concentrated near the top of the horizon. Peripheral zones of disseminated magnetite 5 to 20 metres thick underlie most massive horizons and contain minor pyrite and chalcopyrite. Lenses of massive pyrite also occur within or adjacent to the zones of disseminated magnetite. The quartz-magnetite veins and replacement bodies occupy subsidiary faults and shear zones branching from or parallel to the main Saddle Gully Fault.

(d) Exploration History

Exploration has been conducted in the area of the SOUP claims since 1947. A number of gold and copper showings were located in the area. Active exploration for porphyry copper-molybdenum deposits was undertaken in the 1960's and 1970's. The SOUP claims were located in 1964. During the 1960's chip samples were taken and geological mapping done, tracing the exposed mineralization skarn horizons for a horizontal distance of 8,000 ft.

In the 1970's, three short test holes were drilled, a mineralographic study was made and test magnetic profiles were run over the magnetite rich horizons. Assay results were inconclusive,

SUMMARY

The SOUP property, comprising the equivalent of approximately 25 units, is located in North Central British Columbia about 200 km north-northeast of Smithers. Access to the property is by helicopter from Johanson Lake, a distance of 15 km. The road distance from Johanson Lake to Fort St. James is about 400 km. The zones of gold mineralization lie above timberline at an elevation of 1960 m on a 30° southwest-facing slope.

Triassic-Jurassic Takla Group submarine volcanic units of the Quesnel Trough underlie the claims. The Takla stratigraphy is intruded by diorite and quartz monzonite dykes, sills and plutons. Magnetite-rich, gold- and copper-bearing skarns occur in the volcanic assemblage.

The first mineral exploration in the region took place in the 1930's with the discovery of placer gold at McConnal Creek. Gold was first discovered in the SOUP claim area in 1947. Since 1947, several individuals and companies have conducted reconnaissance prospecting and soil geochemical surveys. Oxidized outcrops of mineralized skarn were not systematically sampled until the author conducted a preliminary examination of the property for BP Resources Canada Ltd. in 1984. This work demonstrated that two types of gold mineralization associated with magnetite were present.

In 1986 and 1987, the author conducted detailed magnetometer surveys to trace the auriferous magnetite-bearing skarn and vein occurrences. These magnetometer surveys successfully traced the main skarn zone for 1,300 m and located a southern extension to give the skarn horizon potential strike length of over 2,000m.

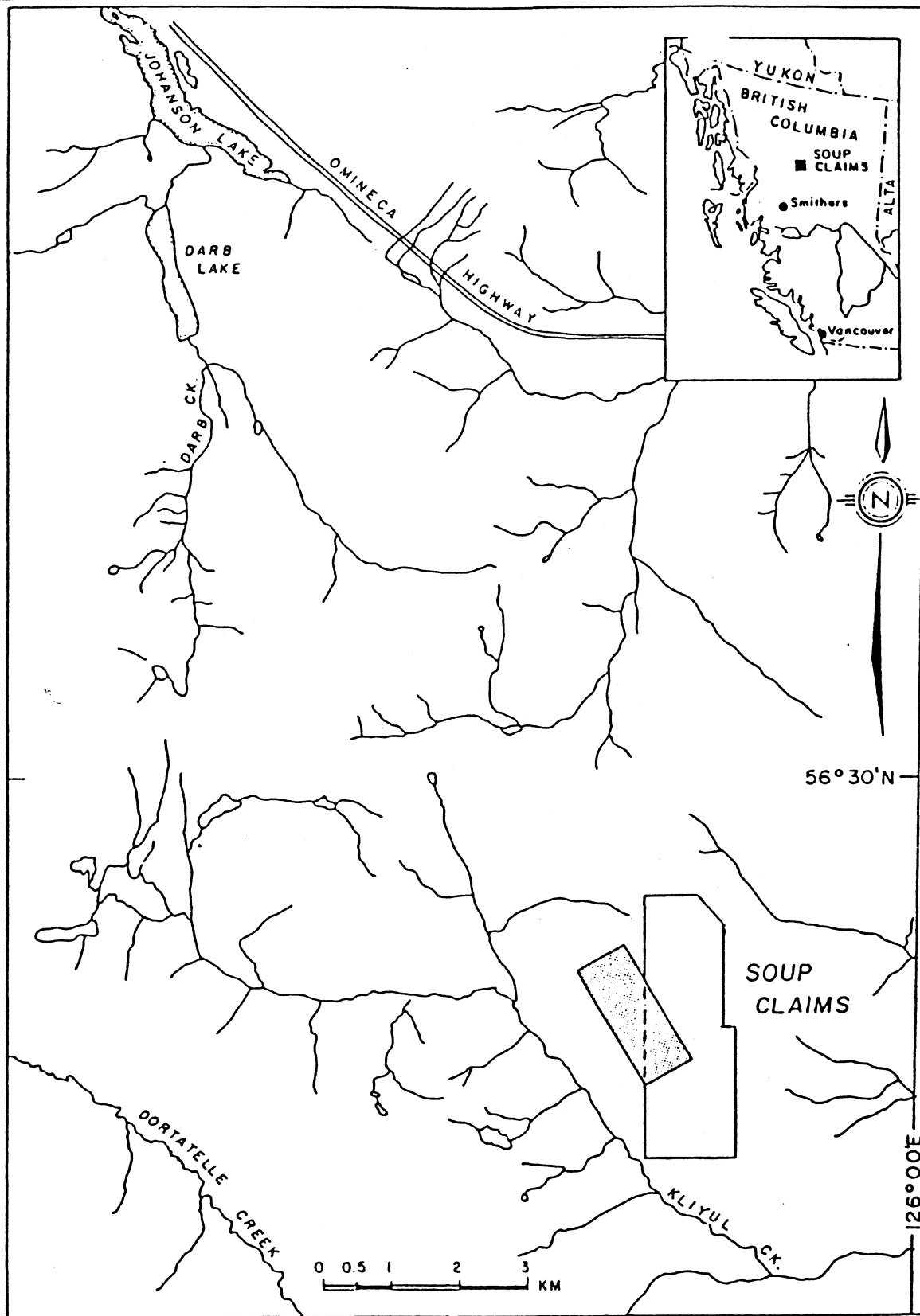
Rebagliati Geological Consulting Ltd.

Skarn outcrops and rubble trains were systematically chip-sampled. Samples in the skarn grade up to 0.252 oz/ton gold and 1.15% copper.

Cross-cutting fault/shear structures hosting quartz-magnetite-sulphide veins and replacement bodies contain appreciably higher gold concentrations, with samples grading up to 1.68 oz/ton gold. The proximity of the better mineralized skarn intervals to the cross-structure suggest that the points of intersection between the cross-structures and the skarn offer good potential for the development of medium- to high-grade ore shoots.

The extensive gold-bearing skarns and the richer discordant cross-structures warrant continued exploration.

A two-phase diamond drilling program is proposed. Phase I, budgeted at \$130,000.00, will test the better zones of mineralization. Contingent upon favourable results, Phase II will follow with a program of delineation drilling, tentatively budgeted at \$250,000.00.



[Handwritten signature]
 PROFESSIONAL
 CIVIL ENGINEER

REBAGLIATI GEOLOGICAL CONSULTING LTD.		
CLIENT: ATHLONE RESOURCES LTD.		
PROJECT: SOUP PROJECT		
TITLE: LOCATION MAP		
WORK BY: C.M.R.	DRAWN BY:	N.T.S. 94 D/8
DATE: FEB, 88	REVISED:	FIGURE: 1

Rebagliati Geological Consulting Ltd.

<u>Claim Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Recording Date</u>	<u>Expiry Date</u>
SOUP 12*	5805	12	October 5, 1983	October 5, 1994
SOUP 13	5806	12	October 5, 1983	October 5, 1994
SOUP 14	6491	12	August 13, 1984	August 13, 1995
SOUPFR	7735	1	August 1, 1986	August 1, 1996

*SOUP 12 is over-staked by SOUP 14.

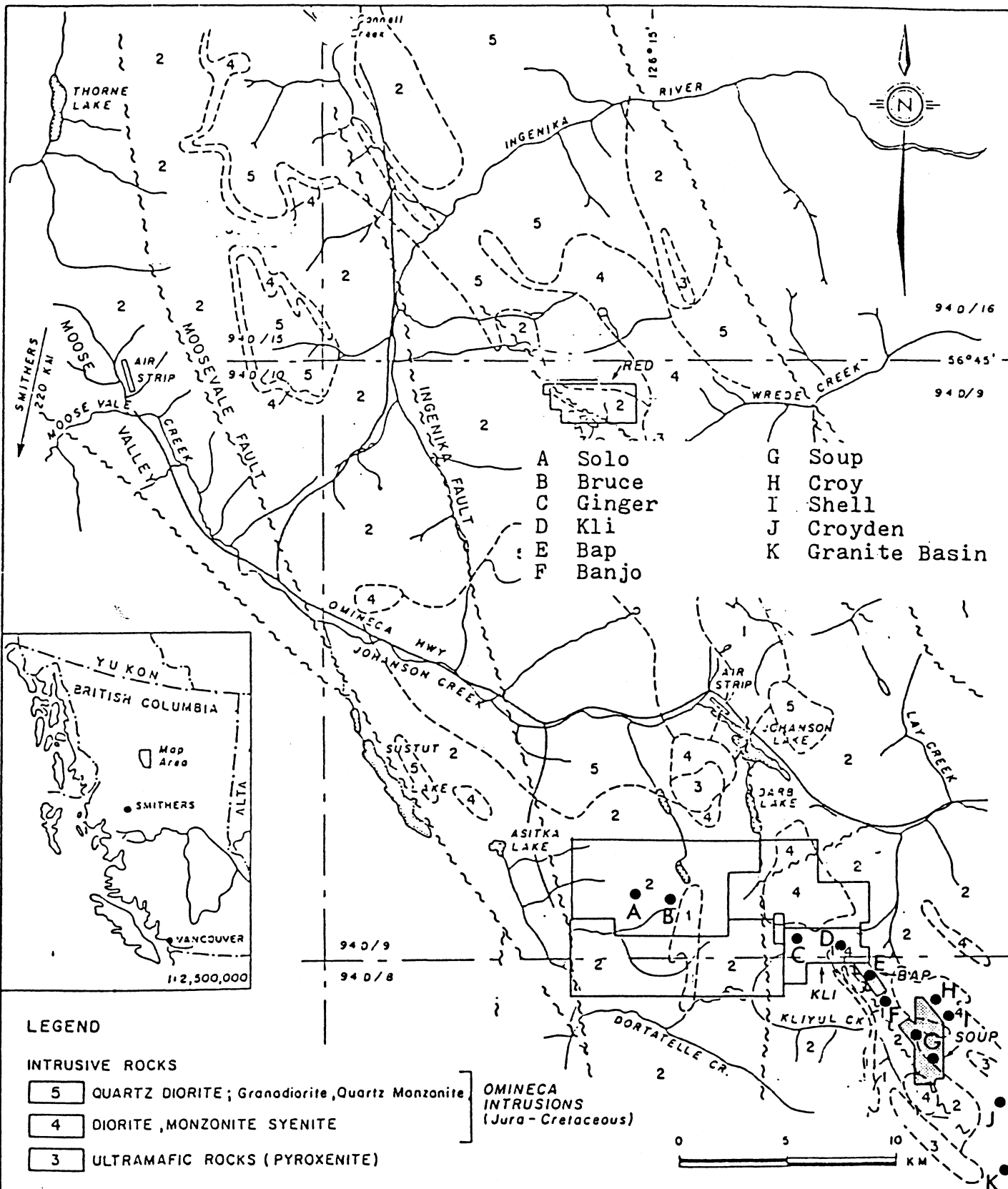
EXPLORATION HISTORY

After placer gold was discovered at McConnal Creek, approximately 50 km to the northwest, the Kliyul Creek region was actively prospected by Cominco in the 1930's. Cominco located a number of gold occurrences, including Granite Basin, Croydon, Porphyry Creek and, elsewhere in the belt, the Red, Osilinka and Vega copper showings. During the period 1946-1948, Springer Sturgeon Gold Mines actively explored gold-quartz veins at the Solo, Bruce and Ginger prospects in the Goldway Peak area (Fig.3).

In 1947, P.E. Olsen staked the Shell group of claims for Leitch Gold Mines Ltd. to cover a gossanous copper-gold prospect.

The area was actively explored during the 1960's and 1970's for porphyry copper-molybdenum deposits. The most impressive copper find was the Sustut Copper deposit discovered by Falconbridge Nickel Ltd., 40 km west of Johanson Lake.

The Kli property was first explored by Kennco for porphyry deposits. Sumac Mines and Vital Resources later discovered and explored an auriferous skarn deposit. Reserves in the order of 500,000 tons @ 0.05 oz/t Au and 0.4% Cu are drill-indicated (Sullivan 1984).



- | | | | |
|---|--------|---|---------------|
| A | Solo | G | Soup |
| B | Bruce | H | Croy |
| C | Ginger | I | Shell |
| D | Kli | J | Croyden |
| E | Bap | K | Granite Basin |
| F | Banjo | | |



LEGEND

INTRUSIVE ROCKS

- 5 QUARTZ DIORITE ; Granodiorite, Quartz Monzonite
- 4 DIORITE , MONZONITE SYENITE
- 3 ULTRAMAFIC ROCKS (PYROXENITE)

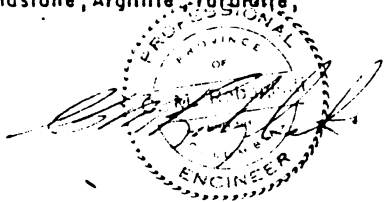
OMINECA INTRUSIONS (Jura - Cretaceous)

VOLCANIC ROCKS

TAKLA - UPPER TRIASSIC

- 2 ANDESITES , BASALTS , FLOWS , BRECCIAS , TUFFS
- 1 SEDIMENTS (Volcanic Sandstone, Argillite, Turbidite, minor Limestone)

A GOLD PROSPECTS



REBAGLIATI GEOLOGICAL CONSULTING LTD.		
CLIENT: ATHLONE RESOURCES LTD.		
PROJECT: SOUP PROJECT		
TITLE: REGIONAL GEOLOGY		
WORK BY: C.M.R.	DRAWN BY:	R.T.S. 94 D/8
DATE: FEB, 88	REVISED:	FIGURE: 3

Rebagliati Geological Consulting Ltd.

The SOUP claims were located on July 13, 1964 by W.H. White, P. Eng., and are thought to cover part of the Shell skarn prospect staked by Olsen in 1947. Exploration has been conducted intermittently on the SOUP claims over the past 24 years.

In 1964, G. Mannard of Southwest Potash Corp. undertook chip sampling of relatively unoxidized skarn at 6 inch intervals. These samples returned 20 ft @ 0.09 oz/t Au, 0.91% Cu; 35 feet @ 0.06 oz/t Au, 0.46% Cu; and 30 ft. @ 0.10 oz/t Au, 0.44% Cu.

In 1965, K.C. McTaggart, P. Eng., provided an excellent geological map of the property. Notably he was able to trace the intermittently-exposed mineralized skarn horizons for a horizontal distance of 8,000 feet.

In 1971, Falconbridge Nickel Mines Ltd. drilled three short x-ray diamond drill holes totalling 65 feet near the southeast end of the skarn. This drilling did not penetrate the zone of surface oxidation and recoveries in the highly-oxidized skarn were poor, ranging from 10% to 70%. As a result of the poor core recovery and the degree of oxidation, assays were inconclusive.

In 1975, A.J. Sinclair, P.Eng., undertook a mineralographic study. He concluded that good liberation of chalcopyrite could be expected and that most of the assays indicated a correlation of gold with copper which would likely be recovered in a copper concentrate.

In 1976, A. J. Sinclair, P. Eng., ran test magnetic profiles over the magnetite-rich mineralization and determined that magnetometer surveying would be an effective exploration technique for tracing the skarn horizon.

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BP Minerals Limited examined the property in 1977. Generally low but anomalous gold values were returned from continuous rock chip samples. One 3 m sample ran greater than 10,000 ppb gold.

The property was acquired by Vital Mines Ltd., who, in 1981, conducted magnetometer and soil (talus fines) geochemical surveys. Several outstanding high-contrast gold anomalies were identified with values frequently in the 500 ppb to 3,000 ppb range. The magnetometer survey was not of sufficient detail to adequately trace the skarn; however, local zones of high magnetic intensity correlated with highly-anomalous soil values.

Cumulative expenditures for the period 1964 to 1982 are estimated to have been \$92,000.00.

Results from Vital's surveys led BP Resources Canada Limited to further investigate the gold-copper-magnetite prospect in 1984. The \$70,000 work program conducted under the supervision of the writer, who at the time was employed as Senior Geologist for the Selco Division of BP Resources Canada Limited, substantiated McTaggart's geological work and earlier reports of significant gold mineralization. Seventeen samples collected by the writer's crew returned values in the 1.0 to 3.0 g/tonne range (0.029 to 0.088 oz/t Au) and 14 samples exceeded 3.0 g/tonne. The highest sample ran 62.30 g/tonne (1.82 oz/t) across 1.5 metres.

In 1986, Lemming Resources Ltd. optioned the claims; and, in 1986 and 1987, engaged Rebagliati Geological Consulting Ltd. to conduct detailed prospecting and magnetometer surveys to trace the gold-bearing magnetite-rich skarns across areas with overburden cover. Expenditures by Lemming totalled \$52,258.39.

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The surveys outlined a minimum strike length for the main skarn zone of 1,300 m, and identified a possible repetition of the zone 750 m farther south. A new discordant skarn was discovered by the magnetic survey. A composite chip sample across 50 m of rubble from this auriferous skarn graded 0.28 oz/ton gold and 0.43% copper. During the 1986 program, the writer relocated and resampled the mineralized zones located by BP's crew. BP's results were substantiated.

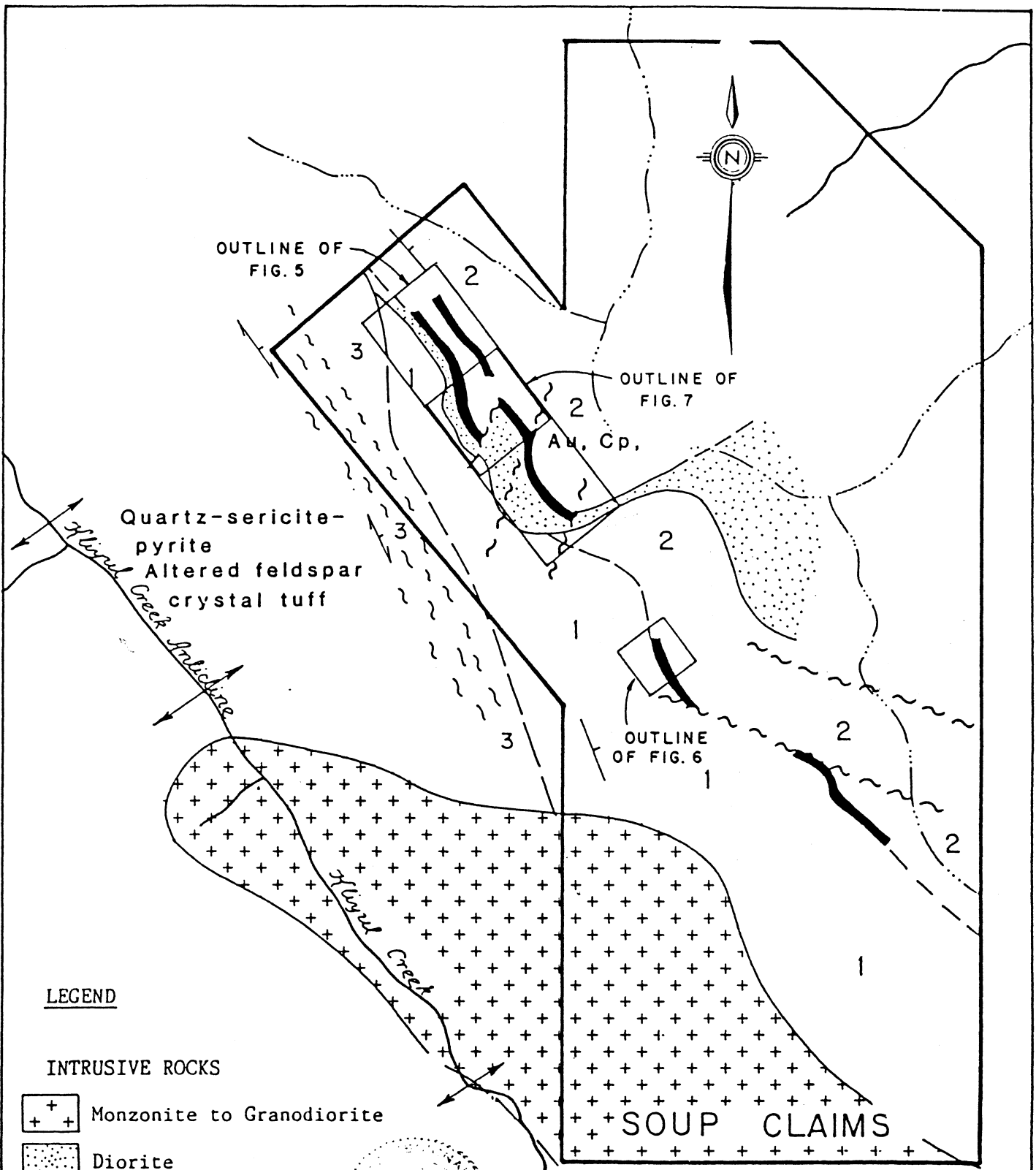
The preceding work programs by BP and Lemming identified several gold-bearing outcrops which warrant testing by diamond drilling.

In 1988, Athlone Resources Ltd. optioned the SOUP property from Lemming Resources Ltd.

REGIONAL GEOLOGICAL SETTING

The Kliyul Creek area lies in the northern extension of the Quesnel Trough, within the Intermontane Belt of the Canadian Cordillera. The Quesnel Trough forms a 30 km to 60 km wide northwesterly-trending assemblage of volcanic and sedimentary rocks of Upper Triassic to Lower Jurassic age Takla Group rocks whose equivalents extend from the U.S. border to north of the Stikine River (Richards 1976, Monger 1977).

The Takla Group is bordered on the east by late Paleozoic (Penn.-Perm.) metasedimentary and metavolcanic rocks of the Lay Range Assemblage (Omineca Geanticline) and on the west by Lower to Middle Jurassic rocks of the Hazelton Group (Pinchi Geanticline). The Takla volcanic rocks are an association of island-arc type calc-alkaline to alkaline flows and volcanoclastic rocks



Quartz-sericite-
pyrite
Altered feldspar
crystal tuff

LEGEND

INTRUSIVE ROCKS

- + + Monzonite to Granodiorite
- Diorite

TAKLA GROUP

- 3 Altered Andesite
- 2 Augite Andesite
- 1 Feldspar - Rich Andesite

— Skarn gold & copper-bearing



REBAGLIATI GEOLOGICAL CONSULTING LTD.		
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PROJECT: SOUP PROJECT		
TITLE: PROPERTY GEOLOGY		
WORK BY: C.M.R.	DRAWN BY:	M.T.S. 94 D/8
DATE: FEB 88	REVISED:	FIGURE: 4

upward into, and at first interfinger with, beds of andesitic to basaltic augite porphyry flows and flow breccias. Both the andesite and the augite porphyry flows are intruded by augite porphyry feeder dykes. Recessive, thin calcareous andesitic tuff units, indicative of a period of sedimentation, lie at the base of the augite-bearing units. On the west side of Kliyul Creek, these units correlate with west-dipping, thick beds of pyritic ash tuff, interlayered calcareous tuffs, gritty limestone and argillite which occupy the same stratigraphic position between the feldspathic andesite and the augite porphyries. The opposing dips suggest that Kliyul Creek occupies an anticlinal valley.

GOLD-COPPER MAGNETITE OCCURRENCES

Massive conformable lenses (or beds) of magnetite-rich skarn occurring near the base of the augite porphyry contain appreciable gold and copper. At least three parallel skarn horizons are recognized, possibly replacing calcareous tuffs. Similar-looking mineralization is present in quartz-magnetite veins occurring along cross-cutting faults which offset the skarn units. The skarn occurs in a series of intermittently exposed concordant lenses 1 to 5 metres thick, each up to several hundred metres long. Magnetite, ranging from 60 to 100%, is concentrated near the top of the horizon. Peripheral zones of disseminated magnetite 5 to 20 metres thick underlie most massive horizons and contain minor pyrite and chalcopyrite. Lenses of massive pyrite also occur within or adjacent to the zones of disseminated magnetite. Outcrops of skarn tend to be highly oxidized, forming orange-brown stain zones, and are characterized by epidote, actinolite and fine-grained garnet. Only minor calc-silicate alteration, typical of many skarn deposits, is present on the SOUP claims. The quartz-magnetite veins and replacement bodies