

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.

889736
Wolf

PROSPECTUS

DATED: January 22, 1987



LUCERO RESOURCE CORP.

(Incorporated under the laws of the Province of British Columbia)

725

PUBLIC OFFERING: 750,000 shares at \$1.00 per share

	Price to Public	Underwriter's Discount	Net Proceeds to be Received by the Company *
Per Share.....	\$1.00	\$0.10	\$0.90
Total	\$750,000	\$75,000	\$675,000

* Before deduction of legal, audit, printing and other expenses payable by the Company in connection with this Prospectus, estimated not to exceed \$25,000.

THERE IS NO MARKET FOR THE SECURITIES OF THE COMPANY. A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE REGARDED AS SPECULATIVE. ALL OF THE PROPERTIES IN WHICH THE COMPANY HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE COMPANY'S PROPERTIES HAS BEEN MADE, AND THEREFORE, THE EXISTENCE OF AND THE AREA OF THE PROPERTY COULD BE IN DOUBT.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE AUGUST 31, 1987, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

NO PERSON IS AUTHORIZED BY THE COMPANY TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE COMPANY.

WHEN ALL OF THE SHARES OFFERED BY THIS PROSPECTUS ARE SOLD TO THE PUBLIC, THE ISSUE WILL REPRESENT 32.3% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 46.3% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS, SENIOR OFFICERS AND CONTROLLING PERSONS OF THE COMPANY OR BY ASSOCIATES OF UNDERWRITERS AS DEFINED IN LOCAL POLICY 3-30 OF THE SUPERINTENDENT OF BROKERS, AND WHICH WERE ISSUED FOR CASH. AT THAT TIME, ASSOCIATES OF UNDERWRITERS WILL OWN 4.3% OF THE SHARES OUTSTANDING AS MORE PARTICULARLY DESCRIBED UNDER THE HEADING "OTHER MATERIAL FACTS".

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE FOR THE SHARES AT THE TIME OF SALE OF ANY SHARES OF THE COMPANY WHICH THE UNDERWRITER MAY ACQUIRE PURSUANT TO THE GREENSHOE OPTION AND THE BROKER'S OPTION. REFERENCE SHOULD BE MADE TO "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGE 1.

ONE OR MORE OF THE DIRECTORS OF THE COMPANY HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE IS MADE TO "DIRECTORS AND OFFICERS" ON PAGE 23 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

WE, AS PRINCIPAL, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE COMPANY AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE UNDERWRITING AGREEMENT REFERRED TO UNDER "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGE 1 OF THIS PROSPECTUS.

Name and Address of Underwriter
CANARIM INVESTMENT CORPORATION LTD.
2200 - 609 Granville Street
Vancouver, B.C.
V7Y 1H2

EFFECTIVE DATE: MARCH 3, 1987

The Company owns or has rights to acquire an interest in the mineral properties described below.

PROPERTIES

A. Wolf Property, Omineca Mining Division, British Columbia

Description

The Wolf Property is situate in the Omineca Mining Division, Province of British Columbia, and consists of nine contiguous mineral claims totalling 136 units more particularly described as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
Wolf	20-	5565(7)	July 18, 1991
Wolf 2	9	5566(7)	July 18, 1991
Wolf 3	12	5567(7)	July 18, 1991
Wolf 5	20-	6676(9)	September 26, 1991
Wolf 6	8	6677(9)	September 26, 1991
Wolf 7	15	6678(9)	September 26, 1991
Wolf 8	12	6679(9)	September 26, 1988
Wolf 9	20-	6680(9)	September 26, 1988
Wolf 10	20-	6681(9)	September 26, 1988

(hereinafter referred to as the "Wolf Property" or the "Property").

Particulars of Acquisition

Pursuant to an agreement dated September 23, 1986 with Lornex Mining Corporation ("Lornex"), of 1650 - 609 Granville Street, Vancouver, B.C., the Company has the option to earn interests in the Wolf Property on the terms described below and in consideration for the option, has committed to spend \$150,000 on work on or related to the Property by December 31, 1987.

40% Interest

In order to earn a 40% interest in the Wolf Property, the Company must expend a total of \$400,000 on work on or related to the Property by December 31, 1988. It must notify Lornex of the vesting of the 40% interest on completion of the expenditures and within 60 days of such notice, provide a report on the work and the results thereof to Lornex. Within 60 days of receipt of the

report, Lornex is required to provide an initial budget and program of work on the Property and within 30 days thereafter, the Company must elect to either:

- (a) participate as to 40% in the initial budget and program of work, or
- (b) take a 20% Net Profits Royalty Interest, as defined.

60% Interest

If Lornex elects not to submit an initial budget and program of work, the Company can elect to acquire a 60% interest in the Property by making further expenditures to a cumulative total of \$700,000 on work on the Property by the end of 12 months from the date of the election notice from Lornex. Following completion of the expenditures, the Company must notify Lornex of the vesting of the 60% interest in the Property and within 60 days thereafter, must provide Lornex with a report summarizing the work carried out and the results thereof, together with an initial program and budget for further work on the Wolf Property. Lornex then has the option to either:

- (a) participate as to 40% in the budget and program of work, or
- (b) take a 20% Net Profits Royalty Interest.

In the event the Company elects to earn a 60% interest in the Wolf Property but fails to expend the \$700,000 on work on the Property, its interest in the Property will remain at 40%.

In either case, if one party elects to participate in the initial budget and program of work presented by the other party, the parties will enter into a joint venture agreement and will establish an Operating Committee which would appoint the party owning the 60% interest as the initial Operator. In the event of non-participation by either party, its interest will be subject to dilution as determined pro rata to the actual and deemed expenditures of the parties. Should the interest of either party in the Property be reduced to 20%, such interest will immediately vest in the other party subject to a 20% Net Profits Royalty Interest to the non-participating party.

The Company may terminate its option as to all or any of the claims comprising the Wolf Property at any time provided that such claims are in good standing for a further period of at least 12 months.

The Wolf Property is subject to a 5% net profits royalty interest payable to Rio Algom Explorations Inc.

Lornex is a British Columbia reporting company whose shares are listed on the Vancouver Stock Exchange. Its controlling shareholder is Rio Algom Explorations Inc.

Location, Size and Access

The Wolf Property, which is approximately 8,500 acres in size, is located in central British Columbia, 115 kilometres south-southeast of Burns Lake between Entiako and Johnny Lakes. Present access to the Property is by helicopter from Burns Lake or Prince George. The Kluskus Road, one of many logging roads originating in Vanderhoof, leads to within 10 kilometres of the eastern boundary of the Property and construction of an access road to the Property can be easily accomplished.

History and Previous Work

The Wolf Property was discovered by Rio Algom Explorations Inc. in 1983 during the course of a regional lake sediment sampling programme. Subsequent work by this company or its subsidiary, Lornex, in 1984 and 1985 included soil and rock sampling, geological mapping, VLF-EM surveys, as well as trenching and diamond drilling.

Work to date has identified five mineralized zones and several silver in soil geochemical anomalies. Trench samples from one of these mineralized zones (the Ridge Zone) returned economic precious metal values (8.49 grams/tonne gold, 42.2 grams/tonne silver) over mineable widths (7.5 metres). Drilling below the surface mineralization established that faulting had displaced its down dip extension. Future work will be directed towards locating this both at depth and along strike. At the Pond Zone, anomalous gold values (200 to 500 ppb gold) occur at surface and have been intersected in drill core over significant lengths (greater than 50 metres). The Pond Zone is open to the south and silver in soil geochemical values indicate that grades may increase in that direction.

To date, Rio Algom and/or Lornex have expended a total of \$344,120 on exploration of the Wolf Property.

Mineralization

The claims comprising the Wolf Property are underlain by subaerial rhyolitic to andesitic flows, pyroclastic and epiclastic rocks of the Tertiary Ootsa Lake Group. Several north- to northeast-trending silicified epithermal zones have been outlined on the Property. The silicified zones are characterized by chalcedonic to microcrystalline quartz veins and stockworks which contain anomalous to significant gold and silver values. Gold/silver values in rocks correlate with silver anomalies in soils.

Underground and Surface Plant and Equipment

There is no underground or surface plant or equipment on the Wolf Property.

Work Done by the Company and Future Exploration

The Report on the Wolf Property prepared by Luca Riccio, Ph.D., Geological Consultant, (a minority shareholder in the Company) dated September 5, 1986, is reproduced in this Prospectus. The Report and the results of the work on the Property have been reviewed by John S. Vincent, Consulting Geologist who concurs with the conclusions and recommendations of Dr. Riccio that the Property is of exceptional merit and size. The Report recommends an exploration program to investigate silicified zones and geochemical targets outlined by previous work, and to evaluate overburden-covered areas. Phase I of the program of work recommends that an access road branching off the Kluskus logging road be built into the Property and be followed up by a program of trenching, mapping, prospecting, rock sampling, and silver soil geochemistry in selected areas, at an approximate cost of \$179,463. Contingent upon the results of Phase I, a Phase II program would consist of additional trenching and diamond drilling at an estimated cost of \$301,400.

The Company anticipates that work on this project will commence in the spring of 1987 and will take approximately six months to complete. The Company will contract out the majority of the work.

THE WOLF PROPERTY IS WITHOUT A KNOWN BODY OF ORE
AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

REPORT ON THE WOLF PROPERTY

Prepared for

**Lucero Resource Corporation,
1580 - 999 West Hastings Street,
Vancouver, British Columbia
V6C 2W2**

OMINECA MINING DIVISION

NTS 93F / 3W

Prepared by

**Luca Riccio, Ph.D.
Geological Consultant**

September 5, 1986

REPORT ON THE WOLF PROPERTY

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SUMMARY

The Wolf Property was acquired by Lucero Resource Corporation after an extensive investigation of properties which had the overall size and potential to host a new gold mining district in Canada. This large property consists of nine contiguous claims totalling 136 units or 8500 acres, located in moderate, forested terrain about 115 kilometers south of Burns Lake in central British Columbia. Road access via 150 miles of logging road from the northern Trans-Provincial Highway at Vanderhoof is currently within ten kilometers of the property. Construction of this remaining access road can be easily accomplished.

The property was discovered by Rio Algom Explorations Inc. (now Lornex Mining Corporation) in 1983, during the course of a regional lake sediment sampling programme. Subsequent work by this company in 1984 and 1985 included soil and rock sampling, geological mapping, VLF-EM surveys, as well as limited trenching and diamond drilling.

The claims are underlain by subaerial rhyolitic to andesitic flows, pyroclastic and epiclastic rocks of the Tertiary Ootsa Lake Group. Several north to northeast-trending silicified epithermal zones have been outlined on the property. The silicified zones are characterized by chalcedonic to microcrystalline quartz veins and stockworks which contain anomalous to significant gold and silver values. Gold/silver values in rocks correlate with silver anomalies in soils.

It is believed that the geological setting and style of mineralization at the Wolf Property can be compared to other Tertiary epithermal deposits in British Columbia, and is analogous to volcanic hosted, epithermal precious metal deposits found in some of the large districts of the western United States (for example, Paradise Peak, 10 million tons grading 0.1 oz gold and 3.0 oz silver per ton; and Round Mountain, 12 million tons grading 0.06 oz gold and 0.07 oz silver per ton).

Work on the Wolf Property to date has identified two potential target types:

(a) High grade vein deposits, for example the Ridge Zone, where trench sampling returned values of 8.49 grams/tonne gold (0.25 oz/ton) and 42.2 grams/tonne silver (1.25 oz/ton) over 7.5 meters (24.7 feet);

(b) Large tonnage, lower grade, open pit deposits, as in the Pond Zone where sampling over widths of up to 30 to 40 meters (100 - 130 feet) over strike lengths of at least 350 meters (1155 feet) encountered consistently anomalous gold values with assays up to 0.06 oz gold/ton.

A two-phase exploration programme is highly recommended by the writer to further evaluate the property. The first phase, which will include access road construction, extensive trenching, as well as rock and soil sampling, is estimated to cost \$179,463.00. Phase II, contingent upon the success of Phase I, will consist of additional trenching and diamond drilling at an estimated cost of \$301,400.00.

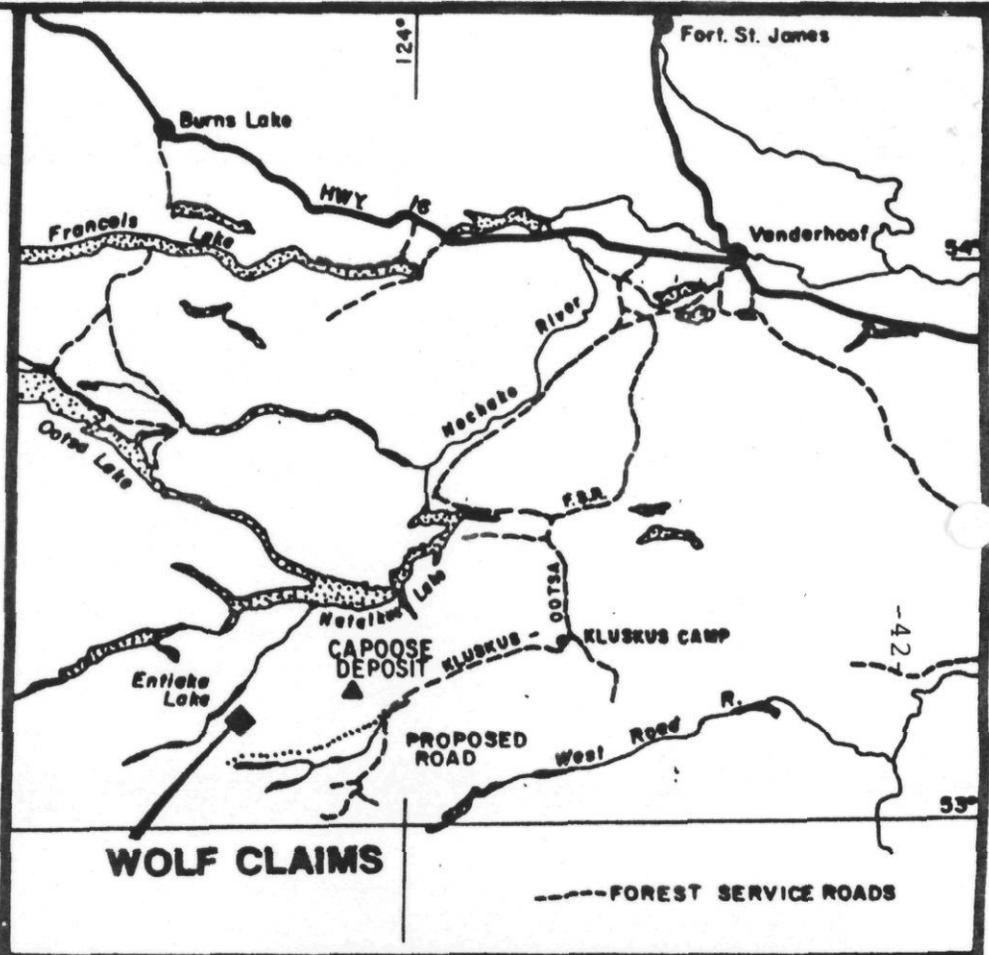
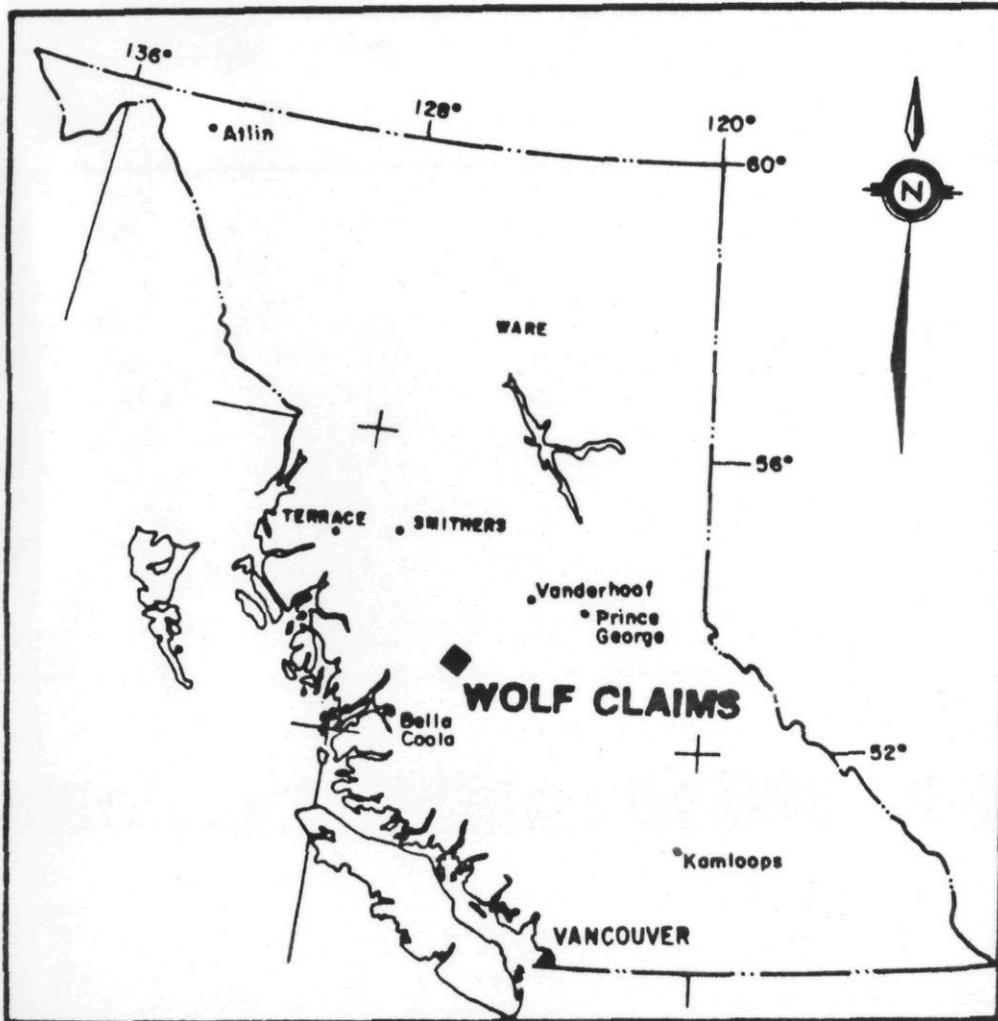
INTRODUCTION

Lucero Resource Corporation has commissioned L. Riccio to compile this report on the Wolf Property, synthesizing the work carried out to date and recommending an appropriate exploration program for further evaluation.

This report is based on a field examination carried out on July 15, 1986 and a review of all available literature.

LOCATION, PHYSIOGRAPHY AND ACCESS

The claims are located in central British Columbia, 115 kilometers south-southeast of Burns Lake, between Entiako and Johnny Lake. The claims are centered at 53°12'N latitude and 125°27'W longitude (Figure 1).

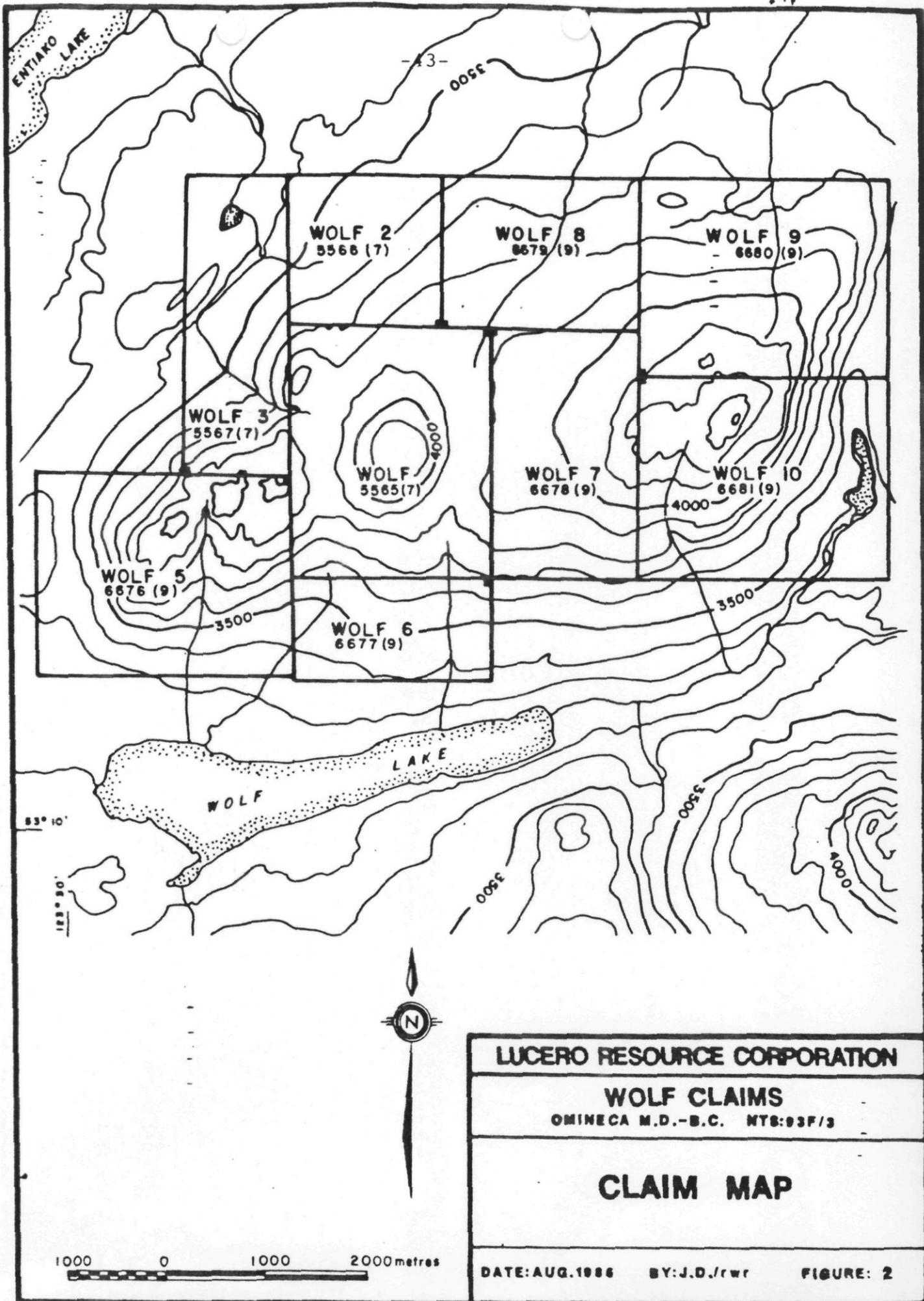


LUCERO RESOURCE CORPORATION

WOLF CLAIMS
OWNECA M.D.-B.C. NTS:93F/3

LOCATION MAP

DATE: AUG. 1986 BY: J.D./rwr FIGURE: 1



The claims are located in moderate to rolling terrain at elevations ranging from 975 meters to 1350 meters. A forest cover of immature jack pine mantles the property.

Present access to the property is by helicopter from Burns Lake or Prince George. The Kluskus Road, one of many logging roads originating in Vanderhoof, leads to within 10 kilometers of the eastern boundary of the claim block. The extension of this road to the property is relatively easy and will be completed during the first phase of exploration.

PROPERTY AND OWNERSHIP

The Wolf Property consists of nine claims totalling 136 units (Figure 2). The claims are recorded as follows:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record Number</u>	<u>Date Staked</u>	<u>Date Recorded</u>
Wolf	20	5565	13 Jul '83	18 Jul '83
Wolf 2	9	5566	15 Jul '83	18 Jul '83
Wolf 3	12	5567	14 Jul '83	18 Jul '83
Wolf 5	20	6676	23 Sep '84	26 Sep '84
Wolf 6	8	6677	22 Sep '84	26 Sep '84
Wolf 7	15	6678	23 Sep '84	26 Sep '84
Wolf 8	12	6679	22 Sep '84	26 Sep '84
Wolf 9	20	6680	21 Sep '84	26 Sep '84
Wolf 10	20	6681	22 Sep '84	26 Sep '84

The registered owner of the claims is Rio Algom Explorations Inc.

HISTORY AND PREVIOUS WORK

The Wolf claims were located by Rio Algom Explorations Inc. as a result of anomalous silver values (2.1 ppm) in lake sediments in the area. Subsequent follow up work (Spence, 1983) consisting of soil and rock geochemical sampling on three grids led to the discovery of anomalous gold (up to 9700 ppb) and silver (up to 65 ppm) values associated with north-northeast trending silicified epithermal zones.

Field work in 1984 (Cann, 1984) included geological mapping, soil sampling over extensions of previous grids, chip sampling of silicified zones, trenching and additional staking (seven claims). Trench samples from the Ridge Zone assayed up to 8.49 grams/tonne gold and 42.4 grams/tonne silver over 7.5 meters. Chip sampling at other localities led to the discovery of several additional areas of multiphase silicification with accompanying gold and silver mineralization.

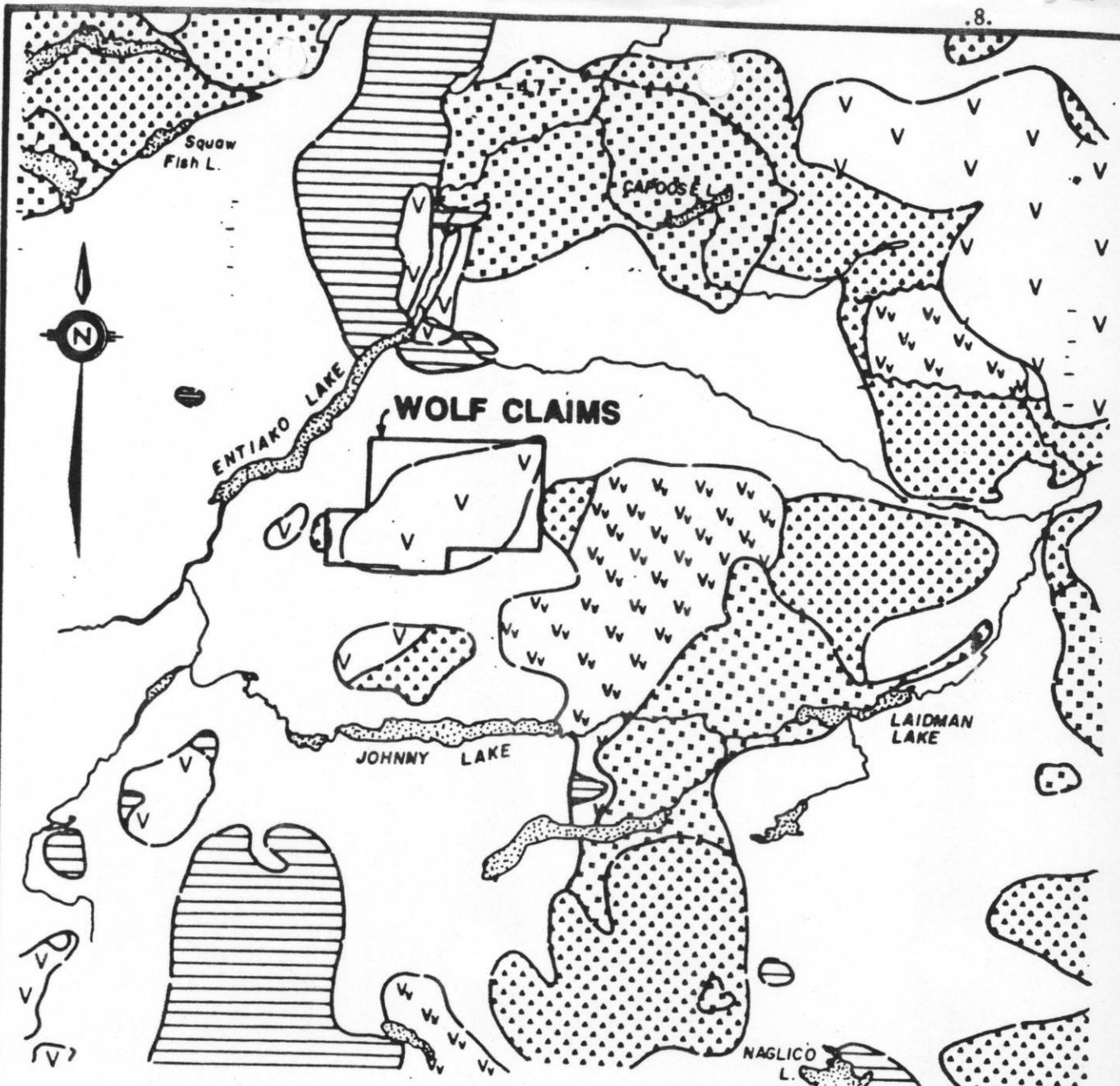
The 1985 program (Holmgren and Cann, 1985) was aimed at drill testing the Ridge Zone, evaluating overburden-covered areas in the vicinity of this zone using geophysics and trenching, and investigating the eastern portion of the property. Four holes totalling 344.1 meters drilled on the Ridge Zone did not intersect mineralization and indicated that the zone is truncated by a fault. Magnetic and VLF-EM surveys were only partially useful in tracing the zone, but did outline lithologic contacts. Rock sampling to the southeast of the Ridge Zone identified a new, large gold/silver-bearing zone (Pond Zone). Two exploratory holes (249.4 meters) drilled on the Pond Zone, confirmed the presence of anomalous gold and silver values at depth. Geochemical and geological surveys on the eastern portion of the property outlined a 1.2-kilometer by 0.4-kilometer silver in soil geochemical anomaly, coinciding with outcrops of silicified rhyolite.

REGIONAL GEOLOGY AND MINERALIZATION

Basement rocks in the region are volcano-sedimentary sequences of the Upper Triassic to Lower Jurassic Takla Group (Figure 3). Takla Group rocks include basic volcanic flows, breccias and tuffs, with interbedded clastic sediments and minor limestone beds. The Takla Group is unconformably overlain by andesitic rocks and clastic sediments of the Middle Jurassic Hazelton Group. Both Takla and Hazelton group rocks are intruded by granitoid bodies of post Middle Jurassic age. Overlying the Mesozoic rocks are non-marine, Tertiary Ootsa Lake Group rocks, consisting of rhyolite, andesite and minor sediments. The Ootsa Lake Group is overlain unconformably by the non-marine, late

Tertiary Endako Group, an essentially underformed succession of plateau basaltic flows, breccias and tuffs. The nature and distribution of Tertiary volcanic rocks in the region indicates that Tertiary volcanic activity took place in an extensional basin and range tectonic setting.

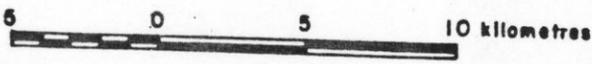
Mineral occurrences in the region include copper-molybdenum porphyries genetically related to post Middle Jurassic granitoids and the bulk tonnage silver-lead-zinc (copper-gold) Capoose deposit. The latter is hosted by Hazelton Group volcanics.



SIMPLIFIED AFTER TIPPER (1963)

LEGEND

- PLEISTOCENE & RECENT
 -  Till, gravel, sand and silt.
- MIOCENE & LATER (ENDAKO GROUP)
 -  Mainly subaerial Basalt
- UPPER CRETACEOUS TO OLIGOCENE (OOTSA LK. GROUP)
 -  Basalt to Rhyolite, minor sediments
- UPPER JURASSIC & /OR CRETACEOUS
 -  Granitoids
- MIDDLE & LOWER JURASSIC (HAZELTON GROUP)
 -  Andesitic rocks, clastic sediments.
- UPPER TRIASSIC & LOWER JURASSIC (TAKLA GROUP)
 -  Mafic flows, tuffs, breccias; Argillite and minor Limestone



LUCERO RESOURCE CORPORATION
WOLF CLAIMS OMINECA M.D.-B.C. MTS:93F/3
WOLF PROPERTY REGIONAL GEOLOGY
DATE: AUG. 1986 BY: J.D./rwr FIGURE: 3

PROPERTY

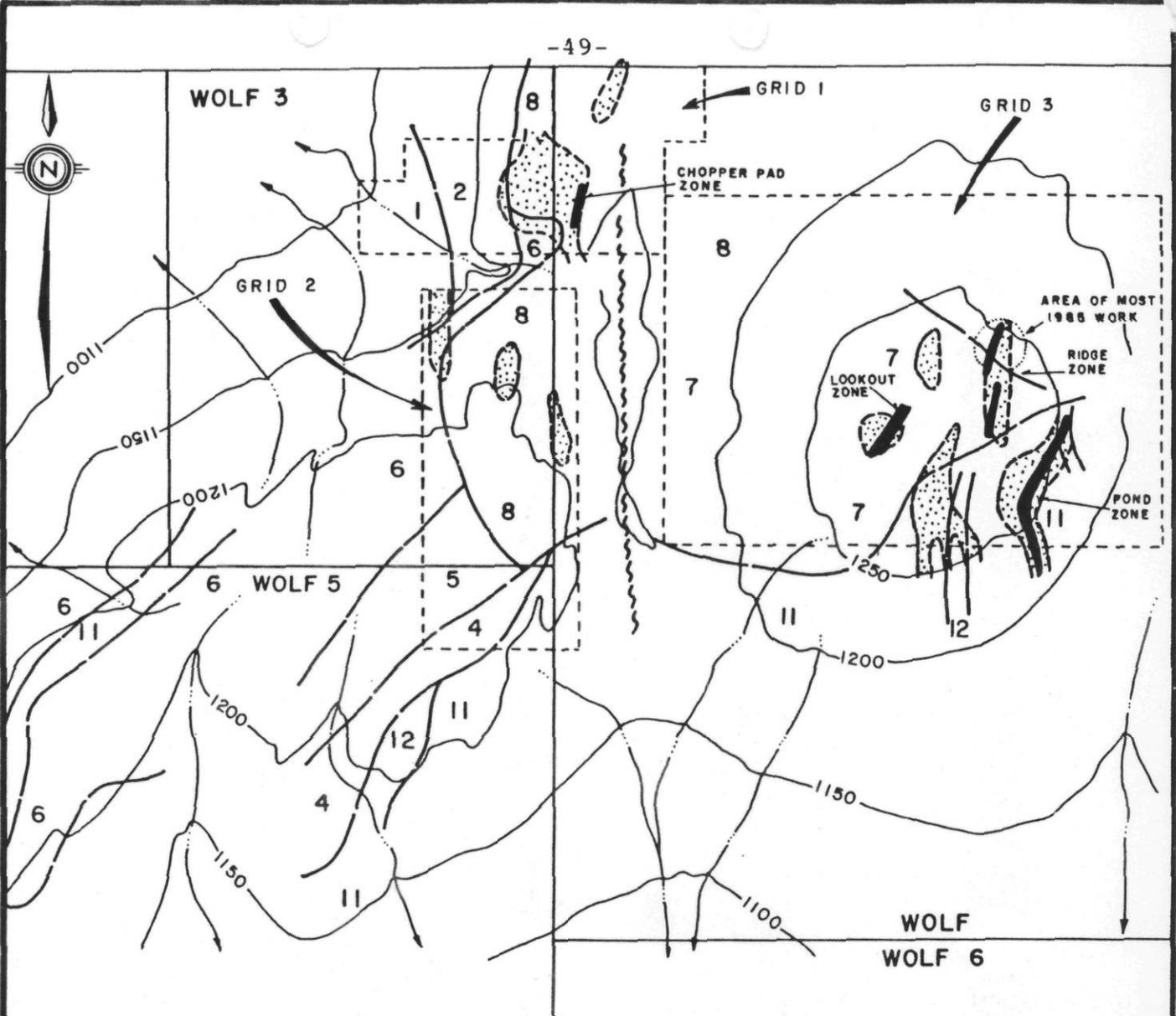
GEOLOGY

Geological compilations (Andrew et al, 1985) of the western and eastern portions of the Wolf Property are shown in Figures 4 and 5, respectively. Four assemblages and 12 map units have been recognized in the Western Claims (Figure 4). The 'basal' package of volcanic conglomerate felsic lapilli tuff and porphyritic andesite is characterized by steeply-dipping sedimentary and tuffaceous units, possibly reflecting proximity to a major ring fault. The 'pyroclastic' package consists of flat-lying tuffs and K-feldspar - quartz porphyry and is interpreted as representing a tuff ring. The 'dome and vent' package is made up of rhyolite, commonly flow-banded and spherulitic, and related volcanic breccias of possible hydrothermal origin. The 'late stage and intrusive' package contains extrusive andesitic phases and intrusive rhyolite porphyry and quartz-eye porphyry.

MINERALIZATION, ALTERATION AND GEOCHEMISTRY

Mineralization at the Wolf Property consists of structurally controlled north to northeast trending, weakly to pervasively silicified, quartz-vein/stockwork zones, apparently restricted to the youngest or stratigraphically highest units. The silicified zones display typical epithermal features such as microcrystalline to chalcedonic silica, drusy and vuggy quartz, and multistage veining. Weak argillic and sericitic alteration is found within silicified zones. All mineralization zones are characteristically sulphur-poor, and are not appreciably anomalous in either high level elements (As, Sb, Hg) or base metals.

Work on the property to date has identified five areas of epithermal quartz veining containing anomalous to economic gold-silver values in rocks and several large silver in soil anomalies. The location of these mineralized zones and of the gold-silver geochemical anomalies is shown in Figures 4 and 5. A summary description of each zone is given below.



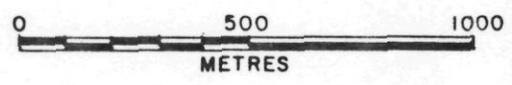
(GEOLOGY AFTER ANDREW, GODWIN, CANN 1985)

LEGEND:

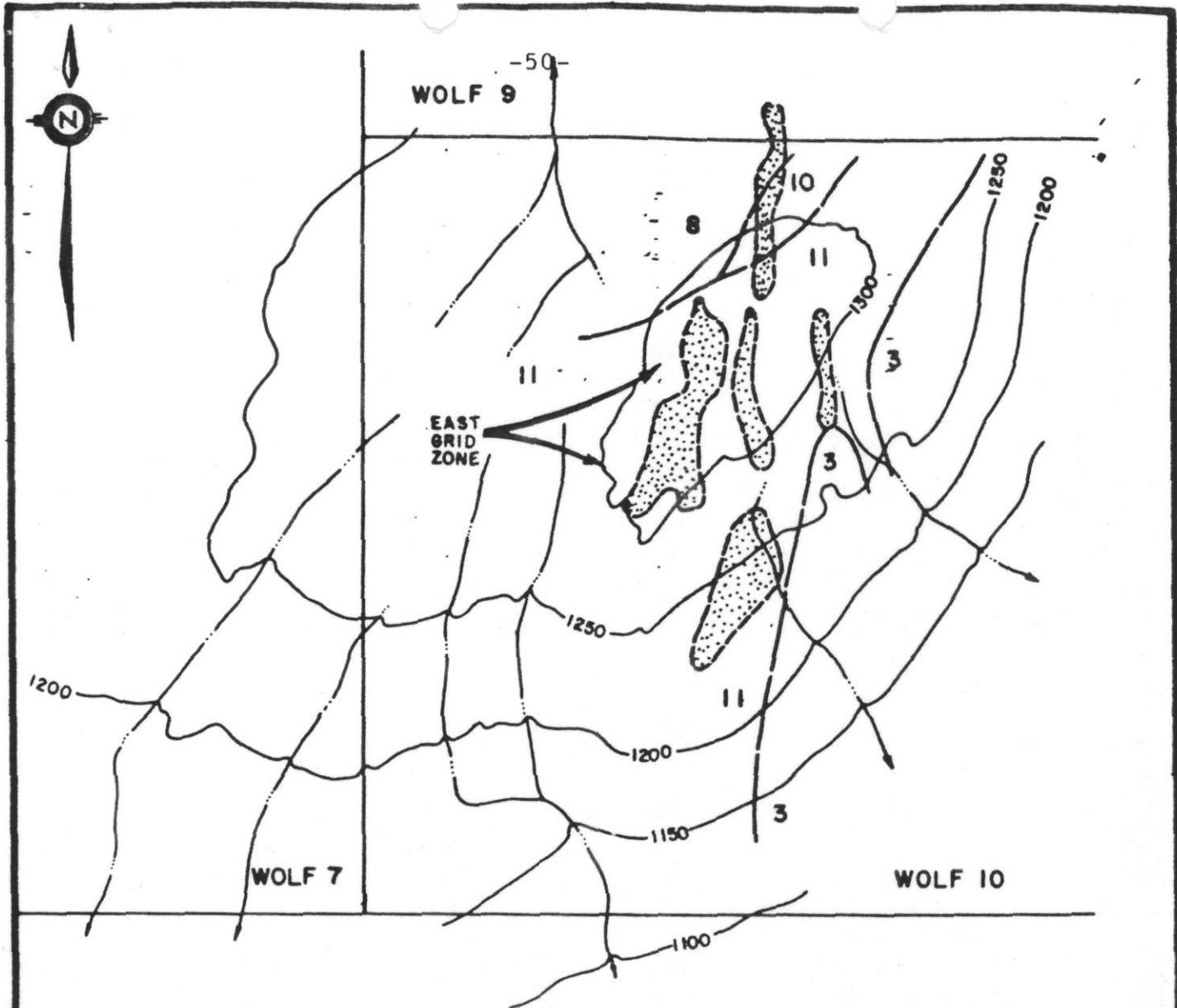
- 12 QUARTZ EYE PORPHYRY
- 11 RHYOLITE PORPHYRY
- 10 DARK GREEN PORPHYRIC ANDESITE
- 9 VOLCANIC BRECCIA
- 8 RHYOLITE
- 7 GREY - MAROON CRYSTAL TUFF
- 6 MAROON, K-FELDSPAR QUARTZ PORPHYRY
- 5 CREAM APHANITIC ASH TUFF
- 4 GREY GREEN LITHIC CRYSTAL TUFF
- 3 PORPHYRITIC ANDESITE & ANDESITE BRECCIA
- 2 FELSIC LAPILLI TUFF
- 1 VOLCANIC CONGLOMERATE

- SILVER SOIL ANOMALY (>0.6 ppm. Ag)
- SILICIFIED ZONE

BASAL PACKAGE
 PYROCLASTIC AND VENT INTRUSIVE PACKAGE
 DOME LATE STAGE AND VENT INTRUSIVE PACKAGE



LUCERO RESOURCE CORPORATION
WOLF CLAIMS
OMINECA M.D.-B.C. NTS:93F/3
WOLF PROPERTY
GEOLOGY AND GEOCHEMISTRY
(WESTERN HALF)
DATE: AUG. 1986 BY: J.D./rwr FIGURE: 4



(GEOLOGY AFTER ANDREW, GODWIN, CANN 1985)

LEGEND:

- | | | |
|----|---|--|
| 12 | QUARTZ EYE PORPHYRY | LATE STAGE
DOME AND
VENT
INTRUSIVE
PACKAGE |
| 11 | RHYOLITE PORPHYRY | |
| 10 | DARK GREEN PORPHYRIC ANDESITE | |
| 9 | VOLCANIC BRECCIA | PIROCLASTIC
PACKAGE |
| 8 | RHYOLITE | |
| 7 | GREY-MAROON CRYSTAL TUFF | BASAL
PACKAGE |
| 6 | MAROON, K-FELDSPAR QUARTZ PORPHYRY | |
| 5 | CREAM APHANITIC ASH TUFF | |
| 4 | GREY GREEN LITHIC CRYSTAL TUFF | |
| 3 | PORPHYRITIC ANDESITE & ANDESITE BRECCIA | |
| 2 | FELSIC LAPILLI TUFF | |
| 1 | VOLCANIC CONGLOMERATE | |
-  SILVER SOIL ANOMALY (>0.6 ppm Ag)



LUCERO RESOURCE CORPORATION

WOLF CLAIMS

OMINECA M.D.-B.C. NT8:83F/3

**WOLF PROPERTY
GEOLOGY AND GEOCHEMISTRY
(EASTERN GRID)**

- o **The Ridge Zone** is a north-northeast trending silicified zone extending for 200 meters before disappearing beneath overburden to the north. Thirteen trenches, hand-blasted over an area 60 meters long and 30 meters wide, have uncovered moderately to severely brecciated quartz-eye tuff. Highly brecciated portions are intensely silicified and cut by a network of anastomosing chalcedonic and microcrystalline quartz veins. Visible mineralization in all trenches ranges from nil to one percent pyrite. Gold and silver values correlate positively with the degree of brecciation, silicification and quartz veining. Best trench assays (Trench No.6) are 8.49 grams/tonne gold and 42.2 grams/tonne silver over 7.5 meters and 13.58 grams/tonne gold over 1.7 meters. Drilling beneath the mineralized zone (four holes totalling 344.1 meters) failed to intersect the mineralized surface material. Drill data indicate that the mineralization (?) is cut off by a shallow-dipping fault whose surface expression is probably a gully immediately west of the trench area.

Sample descriptions and analytical results from rocks and soils collected by the writer from the Ridge Zone are given in Appendices 1 and 2 respectively. It is important to note that the two soils collected immediately above trench material assaying around 10 grams/tonne gold are NOT anomalous in gold (5 ppb Au). On the other hand, both soils are enriched in silver (2.6 and 7.3 ppm Ag). The importance of this fact is that previously, the absence of gold in soils, whether silver was present or not, was taken as a negative indicator. Thus potentially promising areas were not investigated further. This new evidence makes it essential to re-examine for gold those areas where soils report only anomalous silver.

- o **The Pond Zone** is a northeast to north trending, 350-meter long, 30-to 40-meter wide, silicified zone, located south and east of the Ridge Zone. The zone is underlain by variably silicified and quartz veined feldspar-quartz porphyry, characterized by mutually crosscutting

microcrystalline to chalcedonic quartz veins and bands or veins of bladed sinter-like white silica. Detailed chip sampling over an area 160 meters long and 50 meters wide returned values averaging several hundred ppb gold and three to four ppm silver, with individual values as high as 2200 ppb gold and 38.6 ppm silver. Two holes drilled under this zone intersected similar grades over core lengths in excess of 50 meters. The Pond Zone is open to the south as indicated by highly anomalous silver in soil values (up to 5.0 ppm) occurring along the southernmost line of grid 3.

- o The **Lookout Zone** is a northeast trending, 150-meter long and 30- to 40-meter wide zone of irregular chalcedonic quartz veining cutting maroon crystal tuff. Rock chip sampling to date has returned weakly anomalous gold (30 to 40 ppb) and silver (less than 1 ppm) values. The best single assay from this zone was 2.1 grams/tonne gold and 20.5 grams/tonne silver.
- o The **Chopper Pad Zone** is a north-northeast trending, rhyolite-hosted, silicified zone, lying on the eastern margin of a broad silver in soil geochemical anomaly, covering an area 400 meters long and up to 300 meters wide. Chip sampling over a weakly quartz veined zone, 130 meters long and 20 to 40 meters wide, has failed to encounter appreciable gold or silver values. The sampled area is located on a small ridge surrounded by low-lying terrain devoid of outcrop. Consequently, the cause of the large silver in soil geochemical anomaly remains unexplained.
- o **East Grid Anomalies** - Several large silver in soil geochemical anomalies characterize the East Grid area (Figure 5). The anomalies are mainly restricted to a weakly quartz-veined rhyolite porphyry unit (Unit 11). Preliminary sampling has identified a few anomalous silver values (0.7 to 2.5 ppm) with no corresponding gold values.

CONCLUSIONS AND RECOMMENDATIONS

The Wolf showings are believed to represent the first reported discovery of significant epithermal gold-silver mineralization within Tertiary Ootsa Lake Group rocks. Similar geologic settings, age and style of mineralization are also found at the Blackdome and Dusty Mac gold-silver deposits in southern British Columbia, as well as at much larger deposits located in the western United States, for example, Paradise Peak and Round Mountain, Nevada.

Work to date has identified five mineralized zones and several silver in soil geochemical anomalies. Trench samples from one of these mineralized zones (the Ridge Zone) returned economic precious metal values (8.49 grams/tonne gold, 42.2 grams/tonne silver) over mineable widths (7.5 meters). Although drilling beneath this zone failed to encounter economic mineralization, the faulted off portion of the mineralized system and its extension along strike remain to be investigated. At the Pond Zone, anomalous gold values (200 to 500 ppb gold) occur at surface and have been intersected in drill core over significant lengths (greater than 50 meters). The Pond Zone is open to the south and silver in soil geochemical values indicate that grades may increase in that direction.

It is the writer's opinion that this property has considerable potential for bonanza and bulk-tonnage gold-silver deposits. Aims of the proposed exploration program are to 1) investigate silicified zones and geochemical targets outlined by previous work, and 2) to evaluate overburden-covered areas. In order to accomplish these objectives, it is imperative that an access road branching off the Kluskus logging road be built into the property. This should be followed up by an extensive Phase I program of trenching, mapping, prospecting, rock sampling and silver soil geochemistry in selected areas. A contingent Phase II program should consist of additional trenching and diamond drilling.

The work by Rio Algom Exploration Inc. has so far focused on areas of outcrop along ridge tops. Furthermore, the exploration programs have been somewhat hampered by difficult access and heavy forest cover. The completion

of the road access will open up this large property for the more thorough investigation it definitely warrants.

Cost estimates of the investigation are summarized below.

COST ESTIMATES

Phase I

Road Construction (15 km @ \$6000/km)	\$	90,000	
Cat & Backhoe Trenching		15,000	
Soil Samples (1000 @ \$6/sample)		6,000	
Rock Samples (500 @ \$10/sample)		5,000	
Personnel (4 X \$200 X 40 days)		32,000	
Supervision		5,000	
Camp Costs, Food, etc.		<u>10,000</u>	\$ 163,000
Contingency @ 10%			<u>16,300</u>
			<u>\$ 179,463</u>

Phase II

Cat & Backhoe Trenching	\$	20,000	
NQ Diamond Drilling (2000 m @ \$100/m)		200,000	
Assays (1000 samples @ \$10/sample)		10,000	
Supervision and Report Preparation		10,000	
Personnel (2 X \$200 X 60 days)		24,000	
Camp Costs, Food, etc.		<u>10,000</u>	\$ 274,000
Contingency @ 10%			<u>27,400</u>
			<u>\$ 301,400</u>

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- Andrew, K. P. E., Godwin, C. L, and Cann, R. M. (1986): Wolf Epithermal Precious Metal Vein Prospect, Central British Columbia (93F /3W). British Columbia Ministry of Energy, Mines and Petroleum Resources, Geological Fieldwork, 1985. Paper 1986-1, p.317-320.
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CERTIFICATE OF QUALIFICATIONS

I, LUCA RICCIO, hereby certify that:

1. I am a consulting geologist residing at 1440 Paisley Road, North Vancouver, British Columbia, V7R 1C3.
2. I was awarded a BSc (Honours) Geology degree at the University at Turin, Italy in 1969, and a MSc and a PhD in Geology at the University of Western Ontario in 1972 and 1976 respectively.
3. I have been involved in mineral exploration, both seasonally and full-time since 1969.
4. I am a Fellow of the Geological Association of Canada and a Member of the Canadian Institute of Mining and Metallurgy.
5. I personally reviewed the literature on the Wolf Property and examined the property on July 15, 1986.
6. I have an interest in Lucero Resource Corporation in that I own 50,000 shares in this Company.
7. I consent to the inclusion of this report in a Prospectus or Statement of Material Facts for the purpose of raising funds through the Vancouver Stock Exchange or other financial institutions.

DATED at Vancouver, British Columbia this 5th day of September, 1986.



Luca Riccio

Luca Riccio, PhD.
Geological Consultant

APPENDIX 1

ROCK AND SOIL SAMPLE DESCRIPTIONS:
SAMPLES COLLECTED BY
L. RICCIO

ROCK AND SOIL SAMPLES COLLECTED BY L. RICCIO

<u>Sample No.</u>	<u>Description</u>
88713	8-centimeter piece of split drill core from 16.2 meters in Drill Hole No.2.
88714	5-centimeter piece of split drill core from 46.8 meters in Drill Hole No.1.
88715	6-centimeter piece of very friable black argillite with finely-divided pyrite from 48.5 meters in Drill Hole No.1.
88716	8-centimeter piece of split drill core from 57.3 meters in Drill Hole No.6.
88717	6-centimeter piece of split drill core - black pyritic siltstone from 49.2 meters in Drill Hole No.1.
<u>88718</u>	Selected sample of heavily-veined, <u>altered rhyolite</u> from <u>Trench No.4, Ridge Zone.</u>
<u>88719</u>	Grab sample from high grade zone in <u>Trench No.4, Ridge Zone.</u>
88720	Grab sample form lower grade quartz stockwork area in Lookout Zone.
88721	Grab sample from area approximately 300 meters south of Pond Zone; altered and silicified rhyolite with 30% veining by <u>chalcedonic silica.</u>
<u>88722</u>	Selected sample from 'higher grade material' in <u>Trench No.1, Ridge Zone.</u>
<u>88723</u>	Grab sample from moderately silicified and veined rhyolite in <u>Trench No.7, Ridge Zone.</u>
<u>88724</u>	Grab sample from heavily silicified and veined rhyolite in <u>Trench No.7, Ridge Zone.</u>
88725	Grab sample from Trench No.3 in Ridge Zone; silicified rhyolite with chalcedonic quartz stockwork and abundant black limonitic pitch in vuggy zones.
T6	Soil collected over highly auriferous portion of Trench No.6, Ridge Zone.
T7	Soil collected over highly auriferous portion of Trench No.7, Ridge Zone.

APPENDIX 2

ANALYTICAL RESULTS:
SAMPLES COLLECTED BY L. RICCIO

Certificate of GEOCHEM

Company: LUCERO RES. CORP.
Project:
Attention: J. DAWSON

File: 6-550
Date: AUG 4/86
Type: ROCK ASSAY

We hereby certify the following results for samples submitted.

Sample Number	AG PPM	HG PPB	AS PPM	AU PPB	SB PPM
88713	1.3	160	23	180	1
88714	1.5	195	50	5	1
88715	2.2	120	68	10	1
88716	4.0	105	23	35	1
88717	2.4	135	48	5	1
88718	128.0	110	12	8500	1
88719	61.5	100	27	8750	1
88720	2.3	60	13	50	1
88721	3.9	65	5	1200	2
88722	15.8	55	22	5900 X	1
88723	19.6	75	30	2350	1
88724	46.5	65	17	6800 X	1
88725	3.5	80	110	135	9

Some of these should have been requested for assay.

Certified by

MIN-EN LABORATORIES LTD.

MILLEN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street, North Vancouver, B.C., Canada V7M 1T2

-61-

PHONE: (604) 291-5514 or (604) 262-4524

TELEAX: 64-752222

Certificate of GEOCHEM

Client: LUCERO RESOURCE CORP.

File: 6-550

Project:

Date: AUGUST 17/86

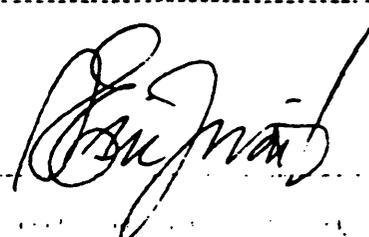
Location: 10010 RD, DAWSON

Type: SOIL GEOCHEM

We hereby certify the following results for samples submitted.

Sample Number	AG PPM	AU PPB
T6	2.6	5
T7	7.3	5

(Soils)



John S. Vincent Limited Consulting Geologists

530 - 800 WEST PENDER STREET, VANCOUVER, B.C. V6C 2V6

Telephone: (604) 683-2306

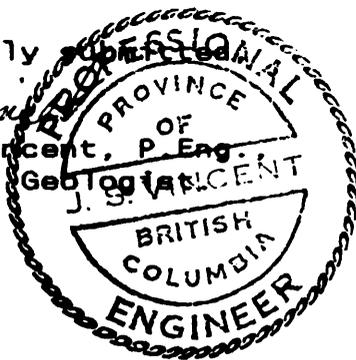
Lucero Resources Corp.,
1530 - 999 W. Hastings St.,
Vancouver, B.C.

September 24, 1986.

Dear Sirs:

As you requested, I have reviewed the report on the Wolf Property dated September 5, 1986, and discussed the results with the author, Dr. Luca Riccio.

Continued evaluation is fully warranted, and I concur with the conclusions and recommendations set out in the above mentioned report.

Respectfully,
John S. Vincent
John S. Vincent, P. Eng.
Consulting Geologist


CERTIFICATE

I, John S. Vincent, P. Eng., of Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geologist with offices located at 530-800 West Pender St., Vancouver, B.C.
2. I am a graduate of Queen's University, Kingston, Ont., B.Sc. 1959, and a graduate of McGill Univ. in Montreal, M.Sc. 1962. Both degrees being in Mining Geology.
3. I have practiced my profession continuously for 27 years. I am a member in good standing of the Professional Engineers of British Columbia, and a Fellow of the Geological Association of Canada.
4. I have no interest direct or indirect in the securities or properties of Lucero Resource Corporation.

Vancouver, B.C.,
November 15, 1986.



John S. Vincent, P. Eng.