

**SYNERGY
MANAGEMENT INC.**

Registered Securities Advisors

• Mining Stock Report •Analyst: Don White
Phone: (206) 734-5874
177 Telegraph Rd. 523
Bellingham, WA 98226**Our Specialty
N.A. Precious Metals Shares****Stock
Recommendation: Kootenay King Resources Inc.****CONTACT: Mr. Michael Schussl (604) 685-6633****Stock Symbol: KKG - V****SUMMARY & OPINION**

Kootenay King Resources Inc. (KKG) is just getting off the ground as a junior mining company. We find KKG shares considerably undervalued. All the company's properties fit a corporate policy. This policy is finding and placing into production a world-class ore body. We believe the market will respond as an exciting 1988 development program unfolds. For those investors who are looking for shares under the C\$.50 level, that have the potential to move much higher KKG has to be a buy for speculative accounts.

PROPERTIES**SHENANDOAH: (California)**

KKG has an option to earn 100% interest (subject to a 5% NSR) in this potential heap-leach gold mine. (see enclosed map)

This 32 claim property is located in North Central California (Plumas County) adjacent to the Rich Gulch gold deposit. At present Inca Resources Inc. is conducting a feasibility study that includes mill and process designs. Of course should the Inca property go into production this will greatly enhance mining infrastructure in the area. In my research I found that this study is to be completed during 1988. At present, the Inca Resources people have 17.2 million tons of .086 oz/ton gold (drill indicated) reserves.

KKG's consultant geologist (Mr. Donald G. Allen, P. Eng.) states, "it (the Shenandoah) is identical (geologically) to that of the gold deposit currently being evaluated by Inca-ABM Gold Group about four miles to the Northeast."

As exploration properties go, the Shenandoah has excellent potential not too far down the development road.

GOLD STRIKE SYNDICATE (Nevada)

KKG has a 33.33% interest in this syndicate of VSE listed companies. The syndicate is organized and managed by A & M Explorations Ltd. and McClintok/Hardy Engineering.

The syndicate has four separate properties (totalling 128 claims) in the Mount Tobin area; Pershing County Nevada. (see enclosed map)

These properties were secured just ahead of a staking and claims gold rush. As you may be aware, there have been several records broken in the drill-core values and ore body sizes in the general surrounding area.

KKG'S properties are located about 25 miles SW of Battle Mountain's Fortitude Mine and 7 miles NW of Echo Bay Gold's Cove-McCoy gold deposits. Mr. Neil Muncater (VP Exploration Echo Bay Gold) recently stated the Cove deposit could have a reserve approaching 4 million ounces of gold and 250 million ounces of silver. At year end 1987, proven and possible reserves at the McCoy Mine (one mile south of the Cove) stood at 521,000 ounces of gold. Our point is, as virgin exploration properties go, KKG certainly has a shot at a bull elephant here.



ERIE CREEK (British Columbia)

Located 7 miles NE of Salmo, BC the property consists of 107 mineral claims. Canamax holds a 2.0% NSR and first right of refusal on future development financing. After a brief talk with Canamax it is my understanding Canamax only optioned this property out because of extensive other obligations. In the early 1970's Canamax (then Amax Canada) located several large anomalies including a copper-silver zone which is 1.5 miles in diameter. Due to low gold prices at the time, the property was not evaluated for it's gold potential. In 1970 one drill core encountered 279 feet of sulphide mineralization that included 98 feet of 1.2 oz/ton silver plus low values of copper.

KKG's consultant geologist (Mr. Donald G. Allen, P. Eng.) notes that this property has geological similarities with the Willa Mine which is located 40 miles North of the Erie Creek property. The Willa (going into production this year) also was the Erie Creek property. The Willa

property. The Willa (going into production this year) also was once considered a low grade base metals property.

In summation, the Erie Creek along with KKG's other properties, represent excellent potential in the context of finding a sizeable ore body.

MANAGEMENT:

Present management is a composite of mining and business-finance experience. President Mr. Larry Sostad is Chairman of The Board. Mr. Sostad has over 25 years experience in exploration management. Mr. Sostad is a third generation mining prospector who has evaluated properties on a international basis.

Director, Mr. Laurence Sookochoff P. Eng. possesses a well respected position in the international mining community.

Director, Mr. Michael Schuss has a 10 year background in junior mining company affairs and finance.

Director, Mr. Robert H. Davie has 20 years experience in the mining finance community.

CAPITALIZATION:

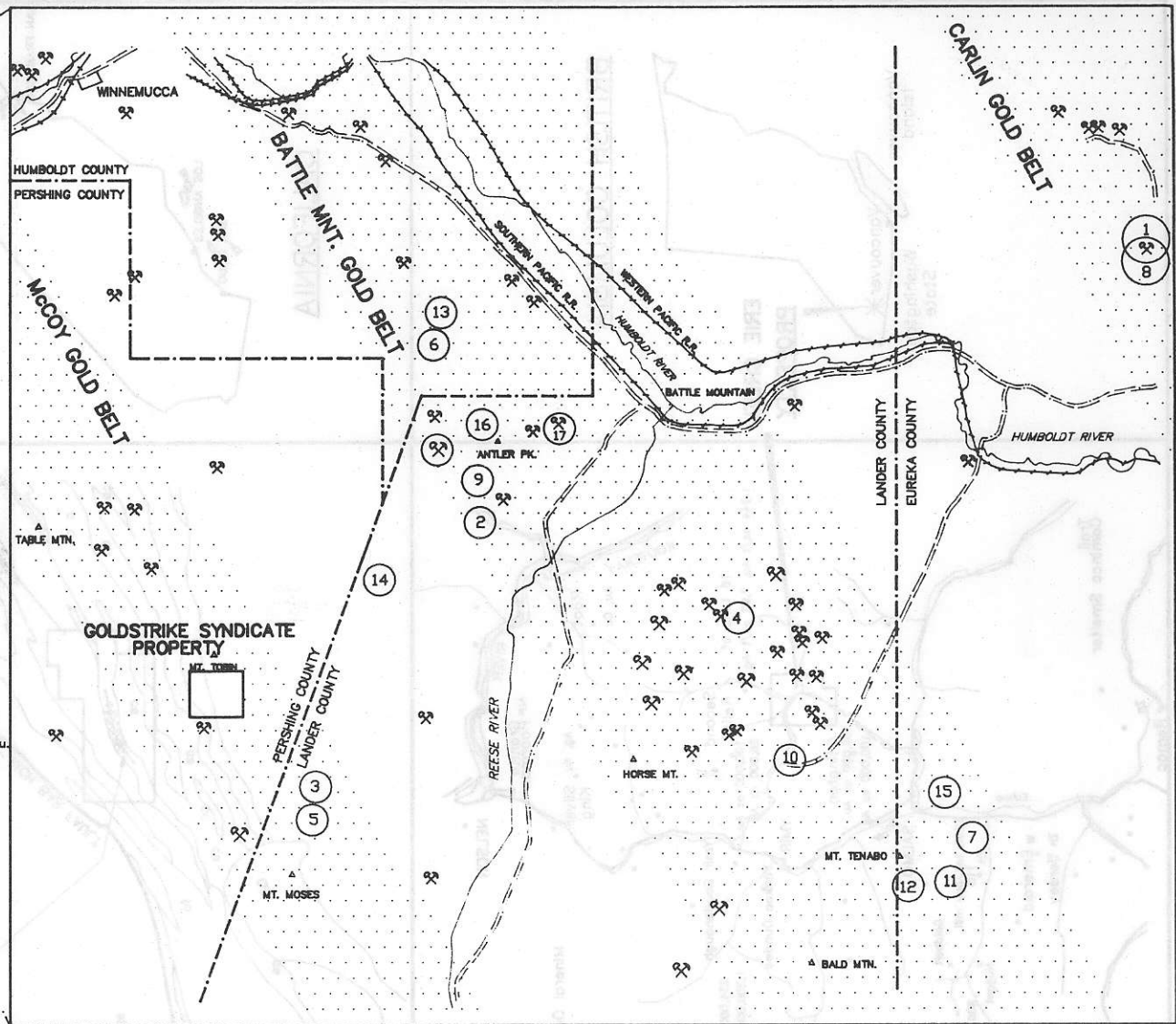
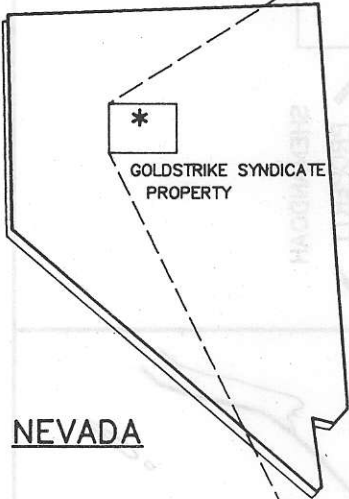
In addition to the following data, KKG is in the process of concluding a financial package to fund it's up and coming development program.

Listed VSE Symbol	KKG	File 82-1997 Under Rule	12g3-2 (b) (2) U.S.
Shares Issued	(1) 1,758,000	Estimated Float	500,000
Flow-Through Shares	(2) NONE	Shareholders	about 160
Warrants Outstanding	NONE	Working Capital	C\$30,000
Options Outstanding	(3) 145,800	Long or Short Term Debt	NONE
Fully Diluted	1,903,800		

- NOTES: (1) Less 750,000 held in escrow
 (2) Prior to NIM Financing
 (3) At C\$.40 to 1 JUL. 1989.

DISCLOSURE STATEMENT. Information contained herein has been compiled from recognized investment services and other sources believed to be reliable. There is, however, no guarantee of its accuracy or completeness. Recommendations made herein are intended for investors who are aware of and financially able to bear and suited the inherent risks involved. Synergy Management Inc., its employees and their clients, may from time to time have long, short and/or options positions in said securities mentioned. The securities described may not be qualified for purchase or sale in all jurisdictions. Any opinions expressed are statements of judgement on this date and are subject to future change without notice. Neither the information nor any opinion expressed herein shall be considered to constitute an offer to sell or a solicitation to buy any securities mentioned. Recommendations are made in the general sense and suitability for the individual acquisition or sale should be a matter of discussion and agreement between broker and client before action is taken. Past performances should not be considered a guarantee of future results.

NEVADA



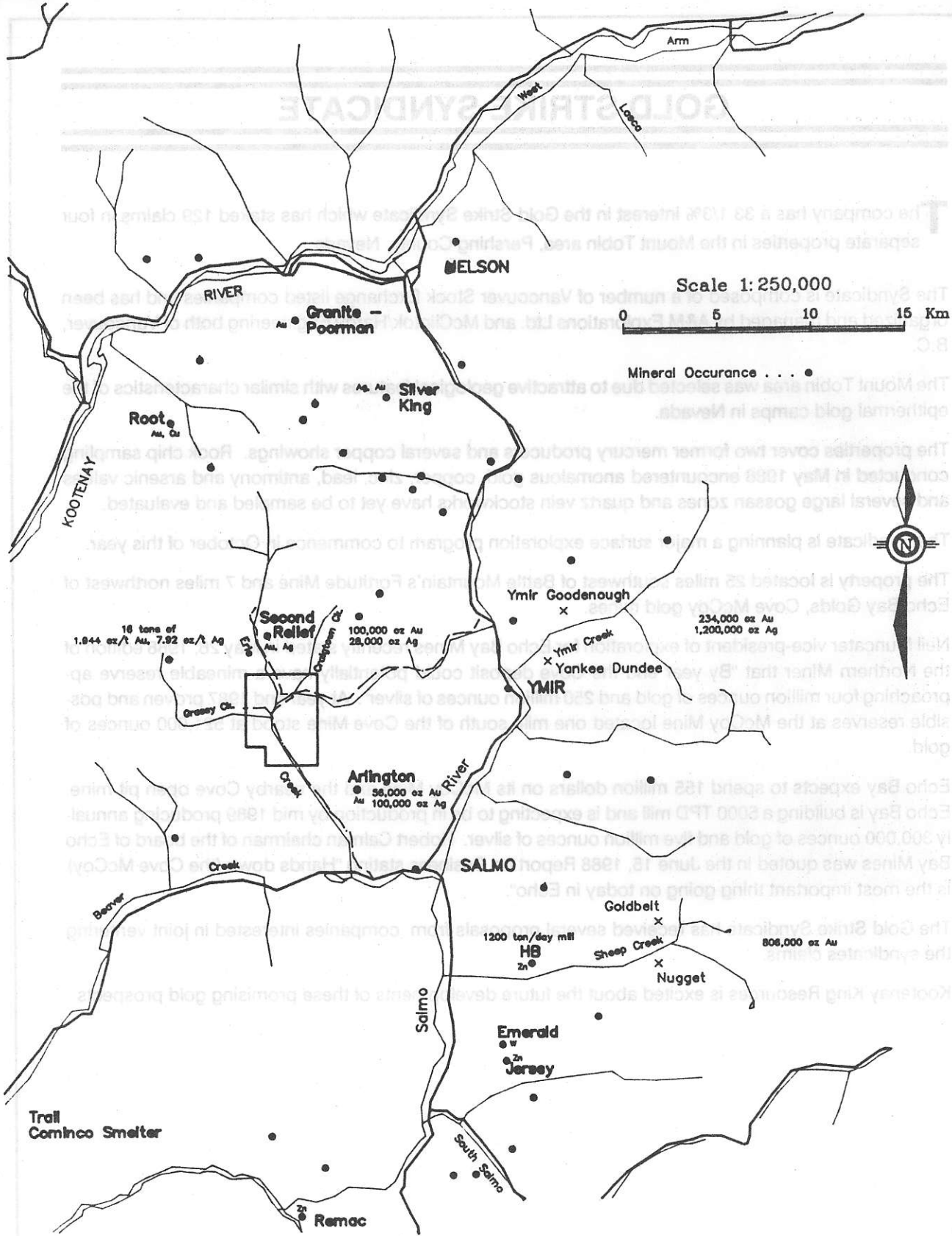
DEPOSIT	COMPANY	TONNAGE
1 GOLD QUARRY	NEWMONT GOLD	197,845,000 tons of .042 oz/t Au.
2 CANYON PLACER	BATTLE MTN. GOLD	49,280,000 cu/yds of .0053 oz/yd Au.
3 COVE DEPOSIT	ECHO BAY MINES	16,400,000 tons of .076 oz/t Au.
4 HILLTOP PROPERTY	RUSKIN / US PRECIOUS METALS	10,350,000 tons of .073 oz/t Au.
5 McCOY MINE	ECHO BAY MINES	9,667,000 tons of .054 oz/t Au.
6 EAST HILL, REDROCK	PLACER DOME, LACANA, RAYROCK	7,700,000 tons of .034 oz/t Au.
7 BUCKHORN	COMINCO/EQUINOX	7,000,000 tons of .040 oz/t Au.
8 MAGGIE CREEK		6,706,000 tons of .045 oz/t Au.
9 FORTITUDE MINE	BATTLE MTN. GOLD	6,060,000 tons of .219 oz/t Au.
10 GOLD ACRES	KENNECOTT	4,800,000 tons of .105 oz/t Au.
11 HORSE CANYON	PLACER DOME	3,940,000 tons of .055 oz/t Au.
12 CORTEZ (MINED OUT)	PLACER DOME	3,560,000 tons of .279 oz/t Au.
13 MARIGOLD PROJECT	PLACER DOME, LACANA, RAYROCK	2,930,000 tons of .128 oz/t Au. 1,400,000 tons of .027 oz/t Au.
14 BUFFALO VALLEY MINE	HORIZON GOLD	2,020,000 tons of .032 oz/t Au.
15 ZEKE DEPOSIT	NORTHERN DYNASTY	2,000,000 tons of .056 oz/t Au. .244 oz/t Ag.
16 FRANK LEWIS PROJECT		940,000 tons of .048 oz/t Au. .610 oz/t Ag.
17 SUPRISE MINE	BATTLE MTN. GOLD	730,000 tons of .122 oz/t Au. 1.08 oz/t Ag.

OTHER GOLD PROSPECTS

KOOTENAY KING RESOURCES

GOLD STRIKE SYNDICATE

BATTLE MOUNTAIN, NEVADA



KOOTENAY KING RESOURCES
ERIE CREEK PROPERTY
MINERAL OCCURRENCES

GOLD STRIKE SYNDICATE

The company has a 33 1/3% interest in the Gold Strike Syndicate which has staked 129 claims in four separate properties in the Mount Tobin area, Pershing County, Nevada.

The Syndicate is composed of a number of Vancouver Stock Exchange listed companies and has been organized and managed by A&M Explorations Ltd. and McClintok/Hardy Engineering both of Vancouver, B.C.

The Mount Tobin area was selected due to attractive geological features with similar characteristics of the epithermal gold camps in Nevada.

The properties cover two former mercury producers and several copper showings. Rock chip sampling conducted in May 1988 encountered anomalous gold, copper, zinc, lead, antimony and arsenic values and several large gossan zones and quartz vein stockworks have yet to be sampled and evaluated.

The Syndicate is planning a major surface exploration program to commence in October of this year.

The property is located 25 miles southwest of Battle Mountain's Fortitude Mine and 7 miles northwest of Echo Bay Golds, Cove McCoy gold mines.

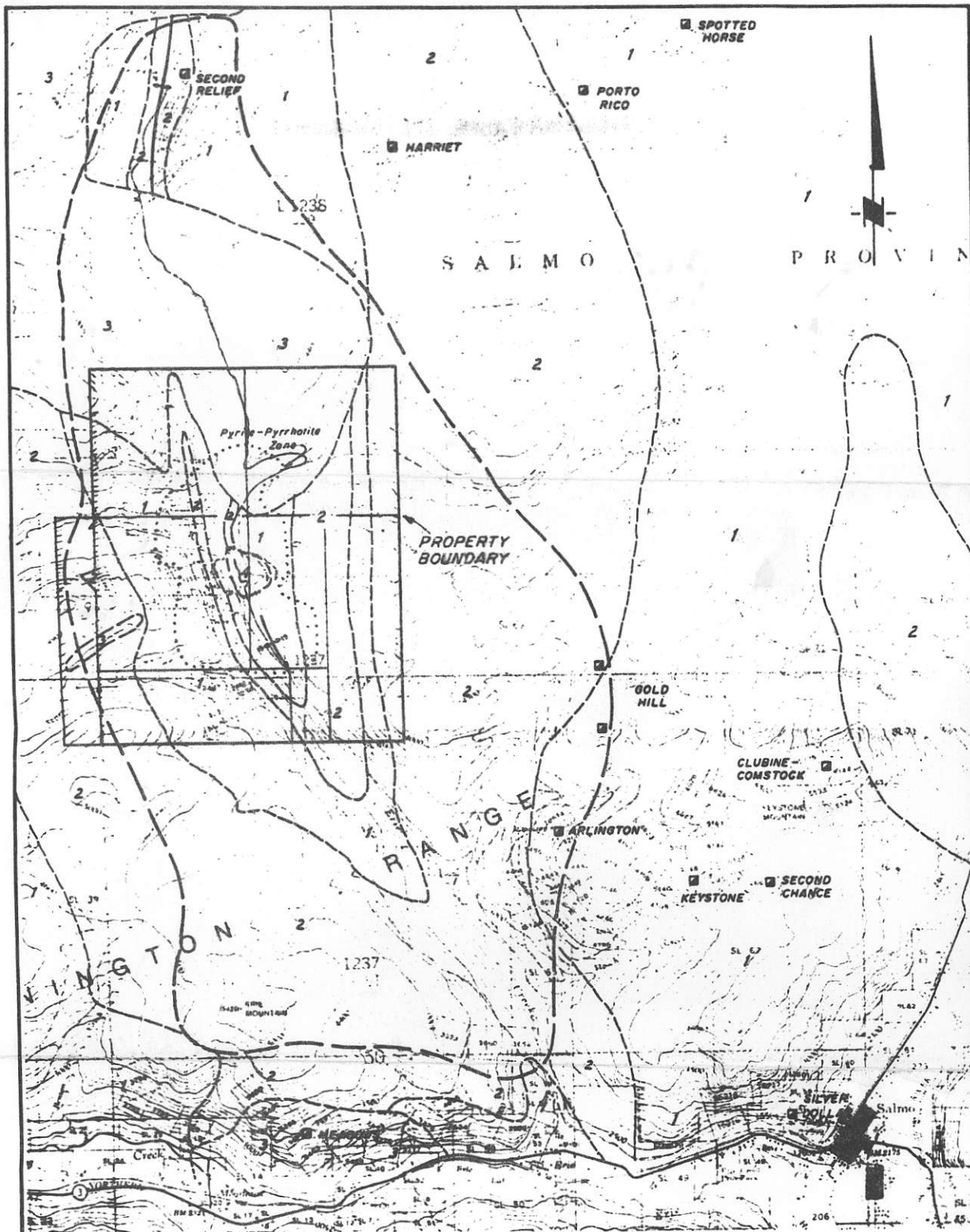
Neil Muncater vice-president of exploration for Echo Bay Mines recently stated in May 26, 1988 edition of the Northern Miner that "By year end the Cove deposit could potentially have a mineable reserve approaching four million ounces of gold and 250 million ounces of silver". At year end 1987 proven and possible reserves at the McCoy Mine located one mile south of the Cove Mine stood at 521,000 ounces of gold.

Echo Bay expects to spend 155 million dollars on its McCoy Mine and the nearby Cove open pit mine. Echo Bay is building a 5000 TPD mill and is expecting to be in production by mid 1989 producing annually 300,000 ounces of gold and five million ounces of silver. Robert Calman chairman of the board of Echo Bay Mines was quoted in the June 15, 1988 Report on Business stating "Hands down (the Cove McCoy) is the most important thing going on today in Echo".

The Gold Strike Syndicate has received several proposals from companies interested in joint venturing the syndicates claims.

Kootenay King Resources is excited about the future developments of these promising gold prospects.

KOOTENAY KING RESOURCES
ERIE CREEK PROPERTY
MINERAL OCCURRENCES



LEGEND

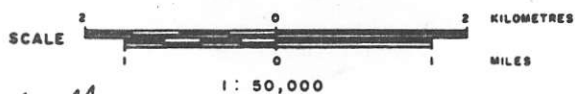
- 4 ERIE CREEK STOCK
- 3 NELSON BATHOLITH - *Porphyritic granodiorite*
- 2 ROSSLAND FORMATION - *Augite porphyritic basalt, volcanic breccia.*
- 7 HALL FORMATION - *Argillite, phyllite.*

SYMBOLS

- Limit of Erie Creek Dyke Complex.
- Approximate geological contact.
- Mine or prospect
- Major fold axis (anticline).

ERIE CREEK PROPERTY
NELSON M. D. - B. C.

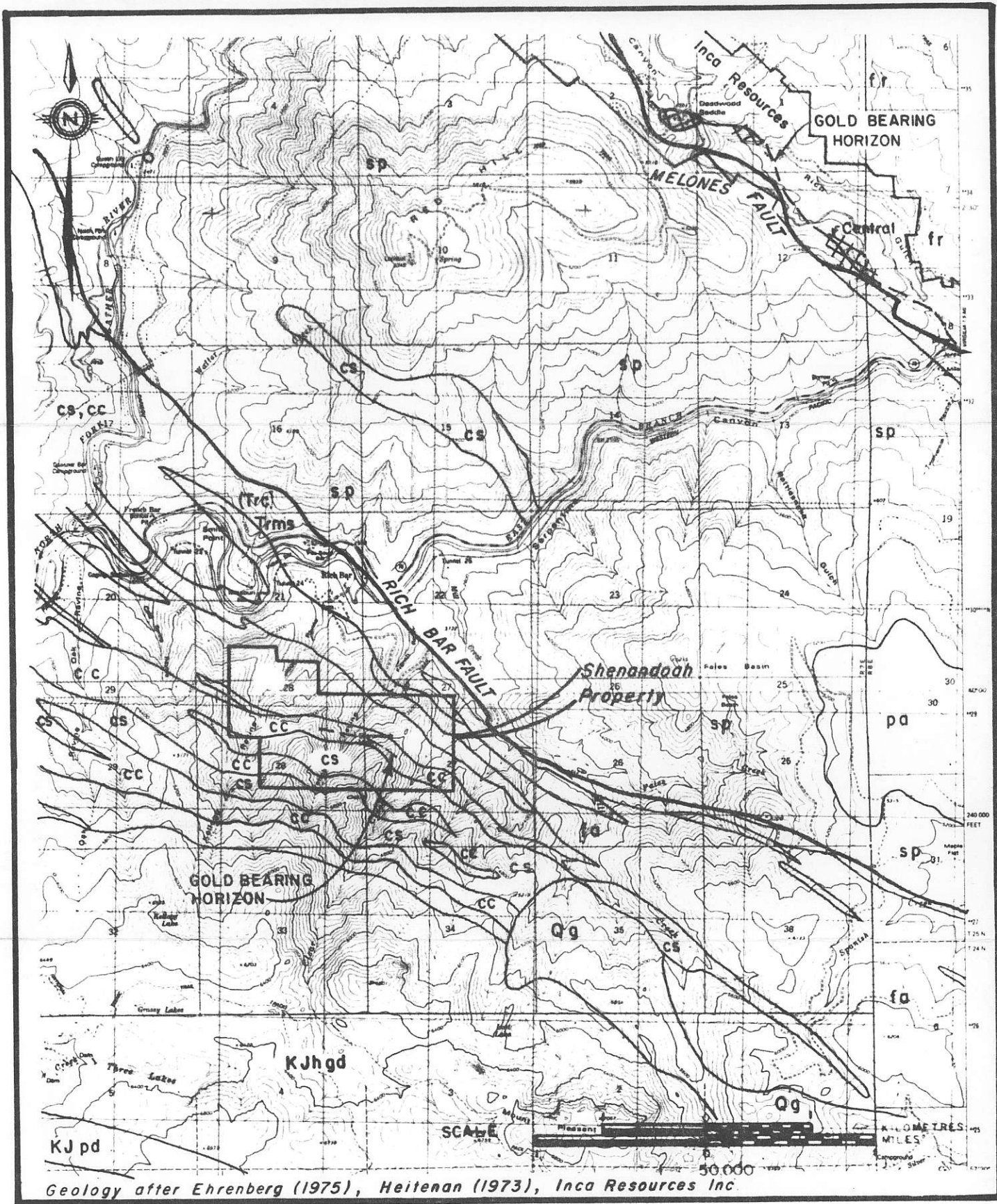
REGIONAL GEOLOGY



Donald J. Allen

Vancouver -

S.P.B.G.T.



Geology after Ehrenberg (1975), Heitman (1973), Inca Resources Inc.

KOOTENAY KING RESOURCES INC.
GEOLOGY AND CLAIM BOUNDARIES
RICH BAR AREA
 PLUMAS COUNTY, CALIFORNIA



Township 24N, 25, Range 7E, 8E

FIGURE 4