

Preliminary Prospectus date June 5th, 1987.

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.



Kootenay King Resources Inc.

(hereinafter called the "Issuer")

619 - 744 West Hastings Street, Vancouver, B.C. V6C 1A5

PUBLIC OFFERING — 550,000 Common Shares

Shares	Price to public	Commissions	Proceeds to Issuer if all Units are sold
Per Share	\$0.40	\$0.03	\$0.37
Total	\$220,000	\$16,500	\$203,500(1)

(1) Before deducting the expense of this offering estimated not to exceed \$12,000.

THERE IS NO CURRENT MARKET FOR THE SHARES OF THE ISSUER. THE PRICE OF THIS OFFERING HAS BEEN DETERMINED BY NEGOTIATION BETWEEN THE ISSUER AND THE AGENTS.

A PURCHASE OF THE SECURITIES HEREUNDER MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. SEE "SPECULATIVE NATURE OF SECURITIES".

AN APPLICATION HAS BEEN MADE TO CONDITIONALLY LIST THE SECURITIES BEING OFFERED HEREIN ON THE VANCOUVER STOCK EXCHANGE. LISTING IS SUBJECT TO THE ISSUER FULFILLING THE LISTING REQUIREMENTS OF THE EXCHANGE.

CERTAIN OF THE DIRECTORS OF THE ISSUER ARE DIRECTORS OF OTHER REPORTING COMPANIES AND HAVE POTENTIAL CONFLICTS OF INTEREST WHEN SERVING IN SUCH CAPACITIES (SEE "DIRECTORS AND OFFICERS").

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

WEST COAST SECURITIES LTD.
400 - 815 West Hastings Street
Vancouver, B.C. V6C 3G6

BRINK, HUDSON & LEFEVER LTD.
1500 Park Place, 666 Burrard Street
Vancouver, B.C. V6C 3L4

KOOTENAY KING RESOURCES INC.

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PROSPECTUS SUMMARY

The following is a summary only and is qualified by the more detailed information appearing elsewhere in this Prospectus.

- ISSUE:** 550,000 common shares without par value (with a minimum offering of 300,000 shares).
- PRICE:** \$0.40 per share. Each share is subject to a commission payable of \$0.03 per share so that the Issuer will net \$0.37 per share.
- PURPOSE OF THE ISSUE:** The purpose of this issue is to provide the Issuer with funds to pay its accounts payable, to make the option payment due on the Erie Creek property, to carry out the recommended work program on its Erie Creek property and for working capital.
- PRINCIPAL BUSINESS:** The principal business of the Issuer is the acquisition, exploration and development of mineral properties in Canada.
- CURRENT ACTIVITY:** The Issuer owns 11 mineral claims and has an option to acquire a 100% interest in an additional 22 mineral claims and intends to conduct exploration work on such mineral claims comprising 107 units (the "Erie Creek Property") located northwest of Salmo in the Nelson Mining Division, in the Province of British Columbia.
- FINANCIAL INFORMATION:** Prior to this Offering, the Issuer raised \$109,500 through the sale of shares. As of April 30, 1987, the Issuer has spent \$55,681 on acquisition, exploration and development of the Erie Creek property.
- RISK FACTORS:** For a description of the risk factors and speculative nature of the shares being offered see the heading "Risk Factors" herein.

THE ISSUER

The Issuer was incorporated under the laws of British Columbia on April 19, 1985. The Issuer will be a reporting company upon acceptance for filing of this prospectus by the Superintendent of Brokers (the "Superintendent") for the Province of British Columbia.

The registered and records office of the Issuer is 400-1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, and the head office of the Issuer is 619 - 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

PLAN OF DISTRIBUTION

Primary Offering

The Issuer, by its Agents, hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 550,000 common shares in the capital of the Issuer at the price of \$0.40 per share. The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") as determined by the Agents and the Issuer, with the consent of the Exchange, within a period of one hundred and eighty (180) days from the date upon which the shares of the Issuer are conditionally listed on the Exchange.

Appointment of Agents

The Issuer, by an agreement (the "Agency Agreement") dated June 5, 1987, appointed the following as its agents (the "Agents") to offer the shares through the Exchange as follows:

<u>Name of Agent</u>	<u>Participation</u>
West Coast Securities Ltd.	275,000 shares
Brink Hudson & Lefever	275,000 shares.

In the opinion of the Issuer's directors, it will be necessary to sell 300,000 of the shares offered hereunder in order to raise sufficient funds to provide for the expenses of this offering, the option payment, the accounts payable, the cost of Phase 1 of the recommended work program on the Issuer's property and reasonable working capital.

All funds received from the sale of the shares offered hereunder will be deposited in an account designated as a trust account, at Central Trust Company ("Central Trust"), 700 - 750 West Pender Street, Vancouver, British Columbia, until subscriptions for 300,000 of the shares offered under this prospectus have been received. Central Trust has undertaken and agreed with the Issuer that:

- (a) if the proceeds of the sale of 300,000 or more of the shares offered under this prospectus shall have been received by Central Trust within 180 days of the effective date of this prospectus (being the date of issuance of a Receipt for this prospectus by the Superintendent), then

Central Trust will release the subscription funds, less commissions, to the Issuer and will notify the Superintendent of such release; and

(b) if the proceeds of the sale of 300,000 of the shares offered under this prospectus shall not have been received by Central Trust within 180 days of the effective date of this prospectus, then Central Trust will refund the subscription funds in full to the subscribers.

The Agents will receive a commission of \$.05 per share for each share sold by them.

The Agents reserve the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licenced broker-dealers, brokers and investment dealers, who may or may not be offered part of the commissions or bonuses derived from this Offering.

The obligations of the Agents under the Agency Agreement may be terminated at any time prior to the sale of any of the shares, at the Agents' discretion, on the basis of their assessment of the state of the financial markets and may also be terminated prior to the opening of the market on the Offering Day upon the occurrence of certain stated events.

Those persons holding more than a 5% interest in West Coast Securities Ltd. are James Dalton Thomas, Douglas Francis Corrigan, Surjiet Johal, Ruth Rosaline Wade, Earl Wilfred Hope and James Hardwick Thomas.

Those persons holding an interest of not less than 5% in Brink Hudson & Lefever Ltd. are Alan G. Thompson, Brian D. Graves, Francis A. Lefever, John L. Mathers, G. Douglas MacDonald and Fred G.T. Wong.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with the Offering.

The directors, officers and other insiders of the Issuer may purchase shares from the Offering.

An application has been made to conditionally list the securities being offered herein on the Exchange. Listing is subject to the Issuer fulfilling the listing requirements of the Exchange.

SPECULATIVE NATURE OF SECURITIES

The shares of the Issuer must be considered speculative securities.

After giving effect to this offering (assuming the sale of all shares offered hereby but before exercise of the incentive options described under "Options to Purchase Securities") the common shares of the Issuer will have a net book value of approximately \$0.18 per share based on the Issuer's April 30, 1987 financial statements. Subscribers to the Offering will therefore suffer immediate dilution in the book value of their shares amounting to \$0.22 per share which represents a dilution of 55%.

Upon completion of the sale of the 550,000 shares offered hereby, the promoters, directors, senior officers and controlling persons of the Issuer will own, directly or indirectly, 55.33% of the total issued and outstanding common shares in the capital of the Issuer. The 550,000 common shares offered hereby represent 32.20% of the total number of common shares of the Issuer to be issued and outstanding upon completion of the Offering.

The mining properties of the Issuer are in the exploration and development stage only. There is no known body of commercial ore on these mining properties and any program to be conducted thereon will be exploratory searches for ore. There is no assurance that future exploration expenditures to be made by the Issuer will establish ore reserves.

DESCRIPTION OF SECURITIES

Common shares

All of the common shares without par value of the Issuer, both issued and unissued, are of the same class and rank equally as to dividends, voting rights and participation in assets. No common shares have been issued subject to call or assessment. There are no preemptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to modification, amendment or variation of such rights and provisions are contained in the Company Act of British Columbia.

DIRECTORS AND OFFICERS

<u>Name and address</u>	<u>Principal occupation during the last five years</u>	<u>Position with the Company</u>
Larry Ralph Wilson Sostad, 415 Roslyn Boulevard, North Vancouver, B.C., V7G 1P1	Self-employed prospector and mining contractor, director of Ming Mines Ltd. and Goldrich Resources Inc., reporting companies listed on the Exchange	President and a Director
Russell Murata, 1235 Ottaburn Road, West Vancouver, B.C., V7S 2J7	President of Pneuco Sales & Engineering Ltd., a non-reporting company engaged in forest and mining industry equipment sales	Director
Darrell Curtis Johnson, 3659 Sykes Road, North Vancouver, B.C., V7K 2A6	Retail sales person employed by Interbake Foods Ltd. since November, 1984, and prior thereto by Wrigley Canada Inc., both non-reporting companies	Director

Cheryl Rolston,
7050 Halligen Street,
Burnaby, B.C.
V5E 1R6

Self-employed bookkeeper and Secretary
president of Cavican Enterprises
Ltd., a non-reporting bookkeeping
and office services company

The Issuer's audit committee will be comprised of Larry Ralph Wilson Sostad, Russell Murata and Darrell Curtis Johnson.

CONFLICT OF INTEREST

As directors of the Issuer and of other reporting companies, certain of the directors may be involved in negotiating the acquisition and sale of property interests and other assets for these companies. From time to time, two or more of these companies may participate in the acquisition, exploration and development of properties, thereby allowing for participation in larger projects and permitting involvement in a greater number of projects and reducing financial exposure in respect of any one project. It may also occur that, because of the financial position of a company, including the Issuer, it will be necessary to assign its interest in a particular project to another of these companies. All such conflicts will be disclosed by the directors in accordance with the Company Act and these opportunities or prospects will be allocated amongst the companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate.

REGISTRAR AND TRANSFER AGENT

Central Trust Company, 700 - 750 West Pender Street, Vancouver, B.C., V6C 2B2, is the registrar and transfer agent for the shares of the Issuer.

AUDITOR

The auditor of the Issuer is Pannell Kerr MacGillivray, Chartered Accountants, 20th Floor, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

BUSINESS AND PROPERTIES OF THE ISSUER

The Issuer is engaged in the acquisition, exploration and development of resource properties. The Issuer holds the mining properties described herein.

Mining properties

The Issuer holds an option to acquire a 100% interest in the the first 22 of the following mineral claims (the "Optioned Claims") and is the owner of a 100% interest in the last 11 of the following mineral claims, located approximately 11 kilometres northwest of Salmo, British Columbia in the Erie Creek area, Nelson Mining Division, British Columbia (which claims are together referred to as the "Erie Creek Property"):

<u>Name of Claim</u>	<u>Record number</u>	<u>Number of Units</u>	<u>Expiry date</u>
Arnold	867	1	November 23, 1987
Belle	860	1	November 23, 1987
Ben Hassen	866	1	November 23, 1987
Bully Boy	862	1	November 23, 1987
Rosa	859	1	November 23, 1987
Copper King	910	1	December 15, 1987
Dora	909	1	December 15, 1987
Drum Lummon	912	1	December 15, 1987
Eddie	870	1	November 23, 1987
Florence	861	1	November 23, 1987
Good Enough	911	1	December 15, 1987
Gordon	913	1	December 15, 1987
Homestake	908	1	December 15, 1987
Louise	871	1	November 23, 1987
Maude S	865	1	November 23, 1987
Monte Carlo	907	1	December 15, 1987
Nelson	914	1	December 15, 1987
Ontario	864	1	November 23, 1987
Rockford	863	1	November 23, 1987
St. Louis	868	1	November 23, 1987
Westminster Fraction	869	1	November 23, 1987
June 5	1019	12	April 18, 1988
June 1	4168	16	July 2, 1988
June 2	4393	8	August 11, 1987
June 3	4394	16	August 11, 1987
June 4	4395	16	August 11, 1987
June 6	4396	12	August 11, 1987
Insurance 1-6	4397-4402	6	August 11, 1987.

The Issuer's option to acquire the Optioned Claims was acquired from Marguerite E. Sostad (the "Optionor") of 1575 Taylor Way, West Vancouver, British Columbia, by agreement (the "Erie Creek Option Agreement") dated August 31, 1986, between the Issuer and the Optionor. In order to maintain the Erie Creek Option Agreement in good standing, the Issuer is obliged to:

- (a) pay the sum of \$10,000 and allot and issue to the Optionor 50,000 fully paid and non-assessable treasury shares on the earlier of (i) ten days following completion of the Issuer's initial public offering and (ii) December 31, 1987, and
- (b) issue the Optionor an additional 50,000 treasury shares following completion of each of three phases of a work program on the Optioned Claimed subject in each case to the recommendation of the Issuer's independent consulting engineer to conduct the next phase and acceptance by the Exchange of an engineering report filed by the Issuer describing the work program carried out and recommending further work on the Optioned Claims.

Location, access and history

The Erie Creek Property is situated 11 kilometres northwest of Salmo and 25 kilometres southwest of Nelson. The property lies on both sides of Erie Creek near its confluence with Grassie and Craigtown Creeks. Access is by a well maintained logging road from Highway 3, about 15 minutes drive from Salmo.

Mineralization on the Erie Creek Property was first explored in the 1890s; however little information is available on the work carried out at that time. In the late 1920s Consolidated Mining & Smelting Ltd. conducted diamond drilling on the property. In 1966 the property was held by Canzac Mines Ltd. (a company controlled by the late Ralph Sostad) and optioned to McIntyre Porcupine Mines Ltd., who in 1969 and 1970 conducted 1712 metres of drilling in 12 holes. The best mineralization encountered was 85 metres grading 0.115% molybdenum and 0.05% copper including a 30 metre section grading 1.2 ozs per ton silver. The property was acquired by Amax Exploration Ltd. (now Canamax Resources Inc.) who in 1976 to 1979 conducted detailed geological mapping, geochemical sampling, geophysical surveys and diamond drilling totalling 1066 metres in four holes. It is estimated that Amax' expenditures on the property exceeded \$250,000. Gold values of up to 0.045 ozs. per ton and silver values of 7.8 ozs. per ton were encountered in shear vsins during the 1986 season.

The Optioned Claims were purchased from Canamax Resources Inc. ("Canamax") by the late Ralph Sostad pursuant to an agreement dated September 30, 1985, whereby Canamax retained a 2% Net Smelter Return royalty on the Optioned Claims. The Optioned Claims were acquired by the Optionor, the wife of the late Ralph Sostad, following his death in November, 1985.

Underground exploration and surface plant or equipment

To the knowledge of the signatories hereto, there has been no underground exploration or development of the Erie Creek Property since the 1930s and there is no surface plant or equipment on the property. Some prospect shafts and adits were done probably in the early part of this century although no records of the same exist.

Future exploration

In his report dated February 25, 1987, to the Issuer, Donald G. Allen, P.Eng., has recommended a 2-stage exploration program on the Erie Creek Property. Stage 1 will comprise expanding the existing survey grids and soil sampling at 25 metre intervals on lines 100 metres apart at a total estimated cost, including contingencies, of \$37,000. Stage 2, contingent upon favourable results of the Stage 1 program, consists of trenching, road construction, drill site preparation and 2,000 of diamond drilling at a total estimated cost, including contingencies, of \$102,000.

The Issuer intends to use part of the proceeds derived from the Offering to carry out Stage 1 of the work program recommended by Donald G. Allen, P.Eng., on the Erie Creek Property. Depending on the results obtained from the Stage 1 exploration program and subject to the recommendation of its independent engineers, the Issuer intends to carry

out Stage 2 of the program recommended by Donald G. Allen, P.Eng. To that end the Issuer will set aside a reserve from the proceeds derived from the Offering.

The Erie Creek Property has no known ore reserves.

USE OF PROCEEDS

The net proceeds of \$203,500 to be derived by the Issuer from the sale of the 550,000 shares offered hereunder will be applied, in order of priority, as follows:

(a) to pay the estimated legal, audit, printing and other expenses of this prospectus	\$ 12,000
(b) to pay the option payment due to Marguerite E. Sostad pursuant to the Erie Creek Option Agreement	\$ 10,000
(c) to carry out Stage 1 of the work program on the Erie Creek Property as recommended by Donald G. Allen, P.Eng., in his report dated February 25, 1987	\$ 37,000
(d) to set aside a reserve to complete Stage 2 of the work program as recommended by Donald G. Allen, P.Eng., in his report dated February 25, 1987, contingent upon favourable Stage 1 results	\$102,000
(e) to provide the Issuer with working capital for general corporate purposes	<u>\$ 42,500</u>
	TOTAL <u>\$203,500</u>

If only the minimum offering of 300,000 shares is sold the net proceeds will be \$111,000 and the Issuer will not set aside a reserve to complete the Stage 2 work program. In such event its working capital would increase to \$52,000.

The Issuer may, pursuant to the recommendations of a qualified engineer, abandon, in whole or in part, its present properties or may alter, as work progresses, the recommended or projected program or programs. The Issuer may use any moneys available due to any such abandonment or alteration for the purpose of conducting work on or examining other properties or participating in other ventures after the date of this prospectus. The allocation of funds in the manner set out above appears warranted on the basis of the information presently available to the Directors of the Issuer and the current economic circumstances and prevailing metal prices. However, the Issuer's Directors may elect to redirect the funds to other resource properties in the light of further information or a subsequent change in economic circumstances or metal prices.

If any material change occurs during the primary distribution of the shares offered hereunder, an amendment to this prospectus will be filed. If any material change occurs subsequent to completion of the said primary distribution, the shareholders of the Issuer will be notified.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this prospectus may be lawfully sold. Should the Issuer intend to use the proceeds to acquire non-trustee type securities after the distribution of the securities offered by this prospectus, approval by the shareholders of the Issuer must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this prospectus.

CAPITALIZATION

<u>Designation of security</u>	<u>Amount authorized</u>	<u>Amount out-standing as at April 30, 1987, being the date of the Issuer's last financial statements</u>	<u>Amount out-standing as of June 5 1987</u>	<u>Amount to be outstanding after sale of this public offering</u>
Common shares without par value	20,000,000	1,158,000	1,158,000	1,708,000

PRIOR SALES

Since the date of incorporation of the Issuer, a total of 1,158,000 common shares have been sold and issued for cash, as follows:

<u>Number of common shares</u>	<u>Price paid per share</u>	<u>Total com-missions paid</u>	<u>Total cash received</u>
750,000	\$.01	Nil	\$ 7,500
408,000	\$.25	Nil	\$102,000
1,158,000			TOTAL \$109,500

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Issuer, only the following persons hold beneficially, directly or indirectly, 10% or more of the issued common shares of the Issuer as at the date of this prospectus:

<u>Name and address</u>	<u>Type of ownership</u>	<u>Number and class of shares owned</u>	<u>Percentage of outstand-ing shares</u>
Larry Ralph Wilson Sostad, 415 Roslyn Boulevard,,	Of record and beneficial	675,000 escrowed and	66.06%

North Vancouver, B.C.,
V7G 1P1

90,000 free
trading

The percentage of common shares owned, directly or indirectly, by all of the promoters, directors, senior officers and controlling persons of the Issuer, as a group, is as follows:

<u>Designation of class</u>	<u>Percentage of class</u>
Common shares without par value	55.33%.

OPTIONS TO PURCHASE SECURITIES

The following non-transferable options to purchase shares of the Issuer have been granted to a director and an employee of the Company subject to approval of the Superintendent and the Exchange:

<u>Name of Optionee</u>	<u>Number of shares</u>	<u>Price per share</u>	<u>Expiry date of option</u>
Larry Ralph Wilson Sostad (director)	52,900	\$.40	July 1, 1989
Darrell Curtis Johnson (director)	20,000	\$.40	July 1, 1989
Russell Murata (employee)	47,900	\$.40	July 1, 1989
Cheryl Rolston (employee)	20,000	\$.40	July 1, 1989
Raymond B. Barry (employee)	5,000	\$.40	July 1, 1989.

ESCROWED SHARES

At the date of this prospectus, 750,000 common shares are held in escrow at Central Trust Company, 700 - 750 West Pender Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent and the Exchange. The escrow restrictions provide that the shares may not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or otherwise in any manner dealt with, without express consent, order or direction in writing of the Superintendent or the Exchange being first obtained, except as may be required by reason of the death or bankruptcy of any escrow shareholder.

In the event that the shares of the Issuer are listed on the Exchange, all transfers and releases of these escrowed shares will be dealt with by the Exchange.

The text of the escrow agreement is available for inspection at the Issuer's records office at 400-1140 West Pender Street, Vancouver, British Columbia.

<u>Designation of shares</u>	<u>Number of common shares held in escrow</u>	<u>Percentage of class</u>
Common shares without par value	750,000	64.77%.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the financial year ended April 30, 1987, the Issuer paid cash compensation to one executive officer for services rendered in the amount of \$9,600. The Issuer has made no payment with respect to deferred compensation benefits, compensation plans or other benefits to any directors or executive officers of the Issuer.

PROMOTERS

Under the definition of promoters contained in the Securities Act (British Columbia), Larry Ralph Wilson Sostad is the present promoter of the Issuer.

The promoter of the Issuer has acquired and now beneficially owns shares of the Issuer as follows:

<u>Name of promoter</u>	<u>Number of shares beneficially owned</u>	<u>Consideration for the issue of the shares</u>
Larry Ralph Wilson Sostad 415 Roslyn Boulevard, North Vancouver, B.C. V7G 1P1	675,000	Issued for cash at \$.01 per share
	90,000	Issued for cash at \$.25 per share.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The number of shares of the Issuer acquired and owned by the directors is disclosed under the caption "Promoters" herein.

Marguerite E. Sostad, the optionor of certain claims comprising the Erie Creek Property as described under "Business and Properties of the Issuer", is the mother of Larry Ralph Wilson Sostad, the President and a director of the Issuer.

MATERIAL CONTRACTS

The following material contracts have been entered into by the Issuer within the two years preceding the date hereof:

1. The Agency Agreement described under "Plan of Distribution".
2. The Option Agreement dated August 31, 1986, between the Issuer and Marguerite E. Sostad described under "Business and Properties of the Issuer".
3. The Escrow Agreement dated May 1, 1987, among Central Trust Company, the Issuer, Larry Ralph Wilson Sostad, Russell Murata, Darrell Curtis Johnson and Cheryl Rolston described under "Escrowed Shares".

The above contracts may be inspected at the records office of the Issuer at 400-1140 West Pender Street, Vancouver, British Columbia, during normal business hours while primary distribution of the securities offered hereunder is in progress and for a period of thirty (30) days thereafter.

OTHER MATERIAL FACTS

There are no facts believed by the signatories hereto to be material to this offering of securities which are not disclosed herein or in the accompanying reports.

PURCHASERS STATUTORY RIGHTS

The Securities Act (British Columbia) provides a purchaser with the right to withdraw from an agreement of purchase and sale within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contained a material misrepresentation or is not delivered to the purchaser prior to delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and the time limits within which they must be exercised the purchaser should refer to Sections 66, 114, 118 and 124 of the Securities Act (British Columbia) or consult a lawyer.

KOOTENAY KING RESOURCES INC.

FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

AUDITORS' REPORT

To the Directors of
Kootenay King Resources Inc.

We have examined the balance sheet of Kootenay King Resources Inc. as at April 30, 1987 and 1986 and the statement of changes in cash resources for the years then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as April 30, 1987 and 1986 and the changes in its financial position for the years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, Canada
June 5, 1987.

CHARTERED ACCOUNTANTS

KOOTENAY KING RESOURCES INC.

BALANCE SHEET

APRIL 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
ASSETS		
CURRENT		
Cash	\$ 22,954 ✓	\$ 6,996
MINERAL INTERESTS (Note 3)	6,410 ✓	6,400
DEFERRED EXPLORATION COSTS	39,281 ✓	17,560
DEFERRED ADMINISTRATION COSTS	<u>41,661 ✓</u>	<u>22,202</u>
	<u>\$ 110,306</u>	<u>\$ 53,158</u>
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	806	32,157
COMMITMENTS (Note 7)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Authorized		
20,000,000 common shares without par value		
Subscriptions received	-	21,000
Shares issued (Note 5)	<u>109,500 ✓</u>	<u>1</u>
	<u>\$ 110,306</u>	<u>\$ 53,158</u>

On behalf of the Board

KOOTENAY KING RESOURCES INC.
STATEMENT OF CHANGES IN CASH RESOURCES
FOR THE YEAR ENDED APRIL 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
CASH APPLIED FROM (APPLIED TO) OPERATIONS	\$ -	\$ -
DECREASE (INCREASE) IN WORKING CAPITAL		
Accounts and agreement payable	<u>(31,351)</u>	<u>32,157</u>
	<u>(31,351)</u>	<u>32,157</u>
CASH (APPLIED TO) INVESTING ACTIVITIES		
Acquisition of mineral interests	(10)	(6,400)
Deferred exploration costs	(21,721)	(17,560)
Deferred administration costs	<u>(19,459)</u>	<u>(22,202)</u>
	<u>(41,190)</u>	<u>(46,162)</u>
CASH DERIVED FROM FINANCING ACTIVITIES		
Share capital, including subscriptions	<u>88,499</u>	<u>21,001</u>
NET INCREASE IN CASH RESOURCES FOR THE YEAR	15,958	6,996
CASH RESOURCES - BEGINNING OF YEAR	<u>6,996</u>	<u>-</u>
CASH RESOURCES - END OF YEAR	<u>\$ 22,954</u>	<u>\$ 6,996</u>

KOOTENAY KING RESOURCES INC.

SCHEDULE OF DEFERRED EXPENDITURES

FOR THE YEAR ENDED APRIL 30, 1987 AND 1986

	As at April 30, 1987	During year ended April 30, 1987	During Year Ended and as at April 30, 1986
EXPLORATION AND DEVELOPMENT			
Geological prospecting, trenching and other	\$ 35,732 ✓	\$ 18,772	\$ 16,960
Licenses and recording fees	2,100 ✓	1,500	600
Engineering report	<u>1,449 ✓</u>	<u>1,449</u>	<u>-</u>
TOTAL, all relating to the Erie Creek interests	<u>\$ 39,281</u>	<u>\$ 21,721</u>	<u>\$ 17,560</u>
ADMINISTRATIVE			
Accounting and legal	\$ 3,310 ✓	\$ 1,900	\$ 1,410
Office and general	4,183	1,115	3,068
Travel and promotion	949	431	518
Printing	3,440 ✓	836	2,604
Management fee	19,200 ✓	9,600	9,600
Rent	6,989 ✓	4,184	2,805
Telephone	<u>3,590 ✓</u>	<u>1,393</u>	<u>2,197</u>
	<u>\$ 41,661</u>	<u>\$ 19,459</u>	<u>\$ 22,202</u>

KOOTENAY KING RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

1. ACCOUNTING POLICY

Mineral Interests

The company is engaged in the development of mineral properties and has established a policy of deferring all costs relating to exploration projects, including administration costs, until such time as the projects are put into commercial production, sold or abandoned.

The amounts shown for mineral interests and deferred costs represent unamortized costs to date and do not necessarily reflect present or future value.

2. INCORPORATION

The company was incorporated on April 19, 1985 under the Company Act of British Columbia.

3. MINERAL INTERESTS

	<u>1987</u>	<u>1986</u>
Erie Creek Area		
Nelson Mining Division, B.C.		
a) The company acquired 11 claims by staking	\$ 6,400	\$ 6,400
b) The company has acquired the option to earn up to a 100% interest, subject to a 2% net smelter return royalty, in 22 mineral claims, for consideration of:		
Cash on signing	10	-
Cash of \$10,000 and 50,000 shares of the company, on the earlier of 10 days following completion of the company's initial public offering (Note 6) and December 31, 1987		
150,000 common shares, to be issued		
50,000 shares after completion of each of three phases of an exploration program and regulatory authority approval		
	<u>\$ 6,410</u>	<u>\$ 6,400</u>

KOOTENAY KING RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

4. RELATED PARTY TRANSACTIONS

- a) An option agreement (Note 3b) was acquired from a relative of an officer and director of the company.
- b) Companies controlled by an officer and director, or by a relative of that officer and director, carried out contract staking and exploration work for the company amounting to \$18,100 during the year ended April 30, 1987 and \$27,336 during the year ended April 30, 1986 (of which \$21,443 was included in accounts payable at April 30, 1986).
- c) An officer and director of the company was paid management fees of \$9,600 for the year ended April 30, 1987 and \$9,600 for the year ended April 30, 1986 (included in accounts payable at April 30, 1986).

5. SHARE CAPITAL

a) Shares issued:

	<u>Number</u>	<u>Amount</u>
As at April 30, 1986	1	\$ 1
	=====	=====
As at April 30, 1987		
For cash of 25¢ per share	408,000	102,000
For cash of 01¢ per share	750,000	7,500
	-----	-----
	1,158,000	\$ 109,500
	=====	=====

The 750,000 shares issued at 1¢ per share are subject to trading restrictions.

- b) The company has reserved 200,000 shares for issue under the option agreement referred to in Note 3b).
- c) The company has granted stock purchase options to directors and an employee entitling them to purchase up to 145,800 shares at \$.40 per share until July 1, 1989; subject to the approval of regulatory authorities.
- d) See Note 6 - Subsequent Event

KOOTENAY KING RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

6. SUBSEQUENT EVENT

Subsequent to the year end the company entered into an agency agreement dated June 5, 1987 whereby 550,000 common shares of the company, at \$.40 per share, will be offered to the public through the facilities of the Vancouver Stock Exchange, for net proceeds to the company of \$203,500. The offering is subject to the sale of a minimum of 300,000 shares. The agents may terminate their obligations under the agreement prior to the offering day.

7. COMMITMENTS

The company is required to make option payments, issue shares, and make exploration expenditures in order to maintain its mineral interests in good standing.

KOOTENAY KING RESOURCES INC.

FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

AUDITORS' REPORT

To the Directors of
Kootenay King Resources Inc.

We have examined the balance sheet of Kootenay King Resources Inc. as at April 30, 1987 and 1986 and the statement of changes in cash resources for the years then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as April 30, 1987 and 1986 and the changes in its financial position for the years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, Canada
June 5, 1987.

CHARTERED ACCOUNTANTS

KOOTENAY KING RESOURCES INC.

BALANCE SHEET

APRIL 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
ASSETS		
CURRENT		
Cash	\$ 22,954 ✓	\$ 6,996
MINERAL INTERESTS (Note 3)	6,410 ✓	6,400
DEFERRED EXPLORATION COSTS	39,281	17,560
DEFERRED ADMINISTRATION COSTS	<u>41,661</u>	<u>22,202</u>
	<u>\$ 110,306</u>	<u>\$ 53,158</u>
	=====	=====
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	806	32,157
COMMITMENTS (Note 7)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Authorized		
20,000,000 common shares without par value		
Subscriptions received	-	21,000
Shares issued (Note 5)	<u>109,500</u>	<u>1</u>
	<u>\$ 110,306</u>	<u>\$ 53,158</u>
	=====	=====

On behalf of the Board

KOOTENAY KING RESOURCES INC.

STATEMENT OF CHANGES IN CASH RESOURCES

FOR THE YEAR ENDED APRIL 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
CASH APPLIED FROM (APPLIED TO) OPERATIONS	\$ -	\$ -
DECREASE (INCREASE) IN WORKING CAPITAL		
Accounts and agreement payable	<u>(31,351)</u>	<u>32,157</u>
	<u>(31,351)</u>	<u>32,157</u>
CASH (APPLIED TO) INVESTING ACTIVITIES		
Acquisition of mineral interests	(10)	(6,400)
Deferred exploration costs	(21,721)	(17,560)
Deferred administration costs	<u>(19,459)</u>	<u>(22,202)</u>
	<u>(41,190)</u>	<u>(46,162)</u>
CASH DERIVED FROM FINANCING ACTIVITIES		
Share capital, including subscriptions	<u>88,499</u>	<u>21,001</u>
NET INCREASE IN CASH RESOURCES FOR THE YEAR	15,958	6,996
CASH RESOURCES - BEGINNING OF YEAR	<u>6,996</u>	<u>-</u>
CASH RESOURCES - END OF YEAR	<u>\$ 22,954</u>	<u>\$ 6,996</u>

KOOTEMAY KING RESOURCES INC.

SCHEDULE OF DEFERRED EXPENDITURES

FOR THE YEAR ENDED APRIL 30, 1987 AND 1986

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TOTAL, all relating to the Erie Creek interests	<u>\$ 39,281</u> =====	<u>\$ 21,721</u> =====	<u>\$ 17,560</u> =====
ADMINISTRATIVE			
Accounting and legal	\$ 3,310	\$ 1,900	\$ 1,410
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	<u>\$ 41,661</u> =====	<u>\$ 19,459</u> =====	<u>\$ 22,202</u> =====

KOOTENAY KING RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

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150,000 common shares, to be issued 50,000 shares after completion of each of three phases of an exploration program and regulatory authority approval		
	<u>\$ 6,410</u>	<u>\$ 6,400</u>
	=====	=====

KOOTENAY KING RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

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KOOTENAY KING RESOURCES INC. 71

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1987 AND 1986

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MINING ENGINEERING

Suite 614-850 WEST HASTINGS STREET, VANCOUVER, B.C.
TELEPHONE (604) 681-0191
V6C 1E1

GEOLOGICAL REPORT

on the

ERIE CREEK PROPERTY

Nelson Mining Division - British Columbia

Lat. $49^{\circ} 16' N$

Long. $117^{\circ} 23' W$

N.T.S. 82F/6W

for

KOOTENAY KING RESOURCES INC.

by

Donald G. Allen, P. Eng. (B.C.)

February 25, 1987

Vancouver, B.C.

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APPENDIX

Appendix I	Sample Descriptions
Appendix II	Analytical Results

SUMMARY

Kootenay King Resources Inc. holds 107 claim units which cover a molybdenum-copper-tungsten-lead-zinc-silver + gold prospect in the Erie Creek area of southeastern British Columbia. The property is situated eleven kilometres northwest of Salmo and is accessible by good logging road. Nine of the 25 largest gold producers in British Columbia, in terms of past production, lie within 25 kilometres of the property.

The Erie Creek prospect is centred on a complex swarm of porphyritic acid to basic dikes of Eocene age which intrude sedimentary and volcanic rocks of the Hall and Rossland Formation, both of Jurassic age. The dike complex extends northward and southward for a total distance of seventeen kilometres and is six kilometres wide. Mineralization on the property occurs in four concentric zones:

- 1) an inner zone of molybdenite + scheelite (tungsten) mineralization which occurs in fracture and quartz vein stockworks;
- 2) a surrounding zone of chalcopyrite + scheelite in fracture zones and shear veins;
- 3) an outer zone of galena-sphalerite-chalcopyrite + gold shear veins; and
- 4) a widespread zone of disseminated and fracture controlled pyrite and pyrrhotite zone which occurs in and well beyond all zones.

The property has had a long history dating back to the late 1890's. The molybdenum-copper potential has been investigated in recent years by McIntyre Porcupine Mines and AMAX Exploration Ltd. (now Canamax Resources Inc.). Their work to date has included geological, geochemical and geophysical surveys and 2778 metres of diamond drilling in 15 holes. However, surveys to date have not fully delineated or tested the lead-zinc-silver zone. Silver values of up to 7.8 ounces per ton have been reported from shear veins and values of 1.2 ounces per ton have been reported in one of McIntyre Porcupine's drill holes. Gold values of up to 0.045 have also been reported from shear veins.

CONCLUSION

The Erie Creek property is a zoned porphyry-type deposit with a central molybdenum-copper-tungsten zone surrounded by base and precious metal mineralization.

Geochemical sampling to date has only partly defined the peripheral lead-zinc-silver zone, and analyses for gold, except for spot checks and limited sampling in 1986, were not undertaken. An exploration program comprising further geochemical surveys, to fully define the lead-zinc-silver zone, followed by diamond drilling on any targets generated are warranted.

The property may have potential for gold mineralization considering (1) the proximity to a number of important gold prospects, two of which lie within the Erie Creek dike swarm and (2) the recent discovery of a significant gold deposit associated with copper-molybdenum mineralization by Selco and Rio Algom in the Mt. Aylwin area sixty-five kilometres to the north.

In addition, other lower priority targets remain, as suggested by Canamax. Should molybdenum tungsten and copper prices improve, then a possible target would be a buried high grade (0.04% MoS₂ equivalent) at depths greater than 200 metres below the Erie Creek valley floor. Other targets are low-grade tungsten in calc-silicate hornfels on the west side of Erie Creek and silver-bearing hydrothermal breccias beneath Erie Creek.

RECOMMENDATION

A two-stage exploration program is recommended to evaluate the base and precious metal potential of the Erie Creek property. Stage I will comprise expanding the survey area to fully delineate the anomalies previously partly outlined. The existing survey grids, should be extended and soil sampled at intervals of 25 metres on lines 100 metres apart. Soils should be analyzed for Mo, Cu, Pb, Zn, Ag, As, and Au. In

addition, the AMAX pulps especially those from the lead-zinc-silver zone should be reanalyzed for gold. The numerous pits and underground workings should be mapped and sampled. Should results be favorable then a Stage II program including diamond drilling of any targets generated will be warranted.

Estimated costs for Stage I and Stage II are \$37,000 and \$102,000 respectively for a grand total of \$139,000.

ESTIMATED COSTS OF RECOMMENDATION**STAGE I**

Salaries

Geologist	1 man month @ \$6000	\$ 6,000
2 Assistant samplers	2 man months @ \$3,000	6,000
Room and Board	90 man days @ \$40/day	3,600
Geochemical analyses	1000 samples @ \$12 each	12,000
Vehicle rental, transportation		2,000
Material and supplies		2,000
Report		<u>2,000</u>
	Sub Total	\$33,600
	Contingencies	<u>3,400</u>
	TOTAL	\$37,000

STAGE II Diamond Drilling

Drilling	2000 feet @ \$35/foot	\$70,000
Bulldozer:	trenching, road construction, drillsite preparation, land reclamation	
	100 hours @ \$100/hour	10,000
Engineering, supervision, consulting		7,000
Assays		<u>5,000</u>
	Sub Total	\$92,000
	Contingencies	<u>10,000</u>
	TOTAL	\$102,000
	<u>GRAND TOTAL</u>	<u>\$139,000</u>

INTRODUCTION

Kootenay King Resources Inc. holds by staking and by option from Canamax Resources Inc., 107 claim units in the Erie Creek area near Salmo, in southwestern, British Columbia. The claims cover a concentrically zoned molybdenum-tungsten-copper-lead-zinc-silver stockwork and vein system centered on a swarm of acid to basic dikes.

Recent work by Canamax Resources Inc. (formerly AMAX Exploration Inc.) has defined low-grade molybdenum-copper-tungsten mineralization in the central part of the property. The property was acquired by Kootenay King Resources for its precious metal potential. This report was prepared at the request of Mr. Larry Sostad and is based on exploration work carried out by AMAX; a property visit made by the writer on October 12, 1985; on information supplied by Canamax Resources Inc.; and on information listed under References. Canamax kindly gave the author permission to use results of their work in preparation of this report. Also summarized are results of prospecting and sampling carried out in 1986 by Newcastle Explorations Ltd.

The Erie Creek property is one of a large number of important mineral deposits comprising a variety of commodity types in the Nelson-Salmo-Ymir area. Nine of the twenty-five largest gold mines in B.C. (in terms of past production), lie within 25 kilometres of the property. These include the deposits of the Sheep Creek and Ymir gold camps, the Granite-Poorman, Second Relief and Arlington Mines. Significant molybdenum and copper deposits have been recently discovered by Shell Canada Resources on the Stewart property seven kilometres to the east.

LOCATION AND ACCESS

The Erie Creek property is situated eleven kilometres northwest of Salmo and 25 kilometres southwest of Nelson (see Figures 1 and 2). The claims lie on both sides of Erie Creek near its confluence with Grassy and Craigtown Creeks.

ERIE CREEK PROPERTY LOCATION MAP

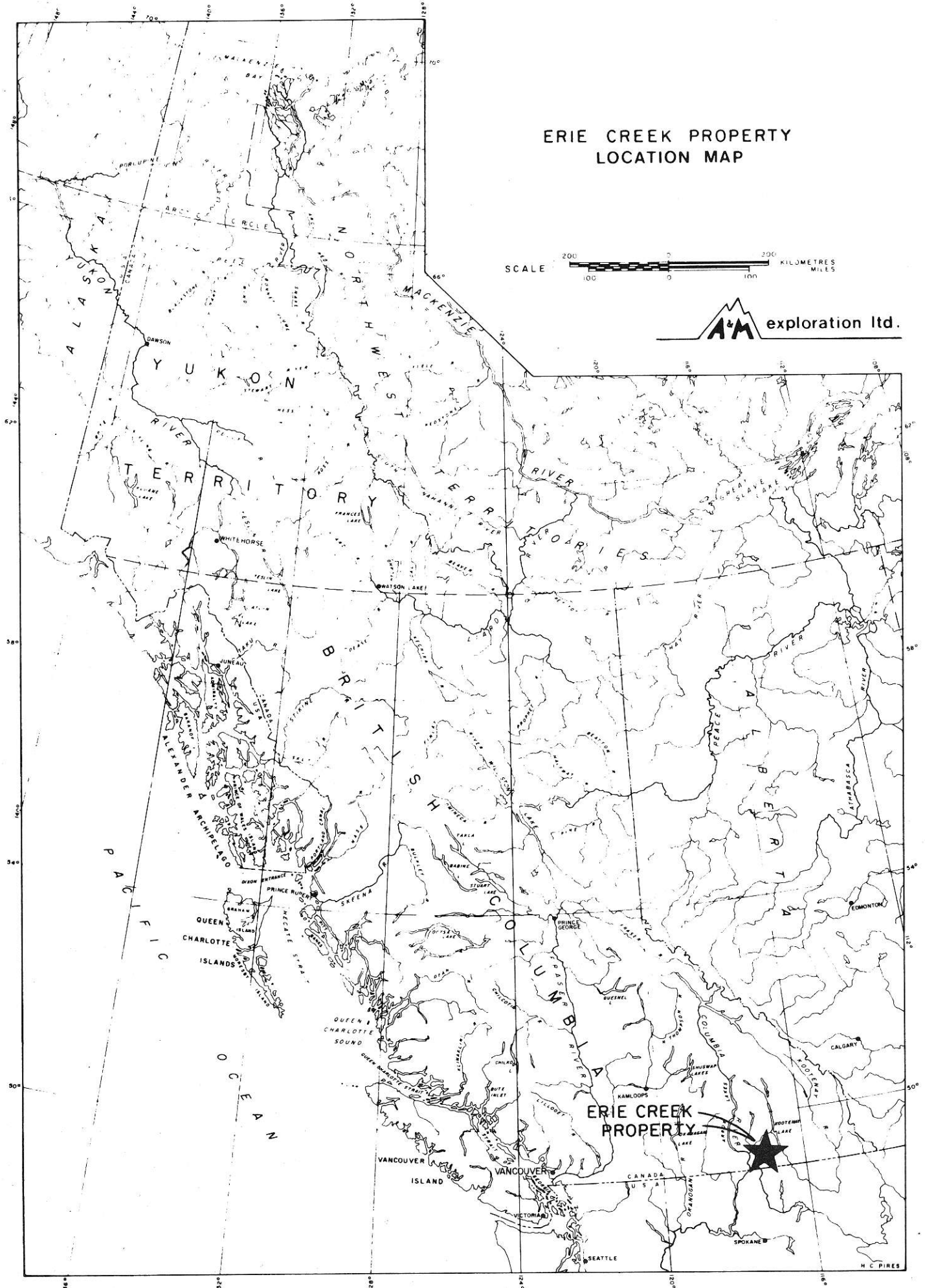
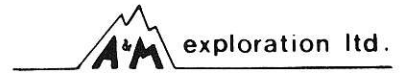


FIGURE - I

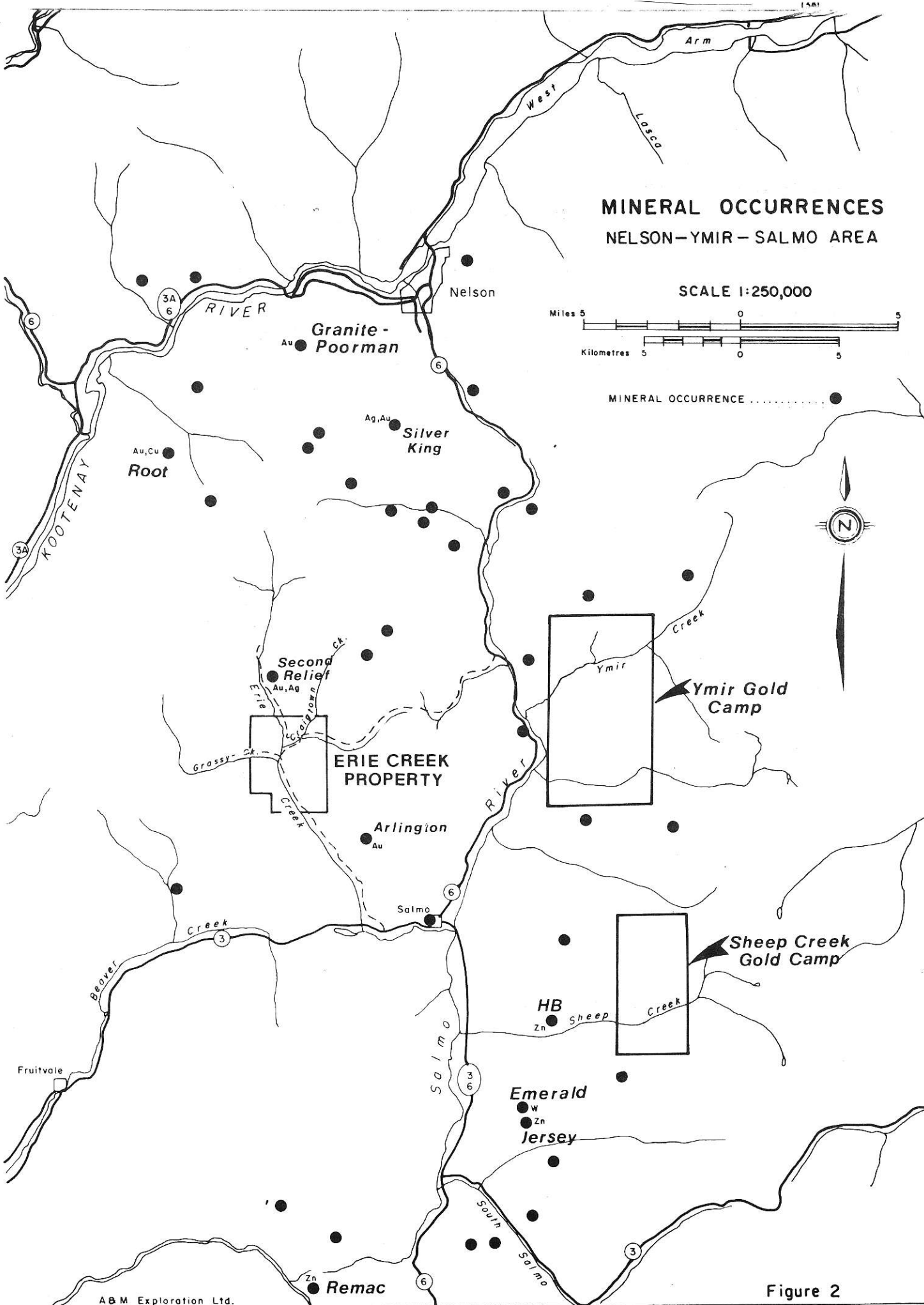


Figure 2

and Craigtown Creeks.

The area is in the Bonnington Range of the Selkirk Mountains. Topography in the claim area is moderately steep but not rugged. Elevations range from 3000 to 5500 feet. Slopes are covered with a light growth of cedar, balsam fir, Douglas fir, larch, hemlock, poplar and birch with an undergrowth of alder, willow, and false azalea.

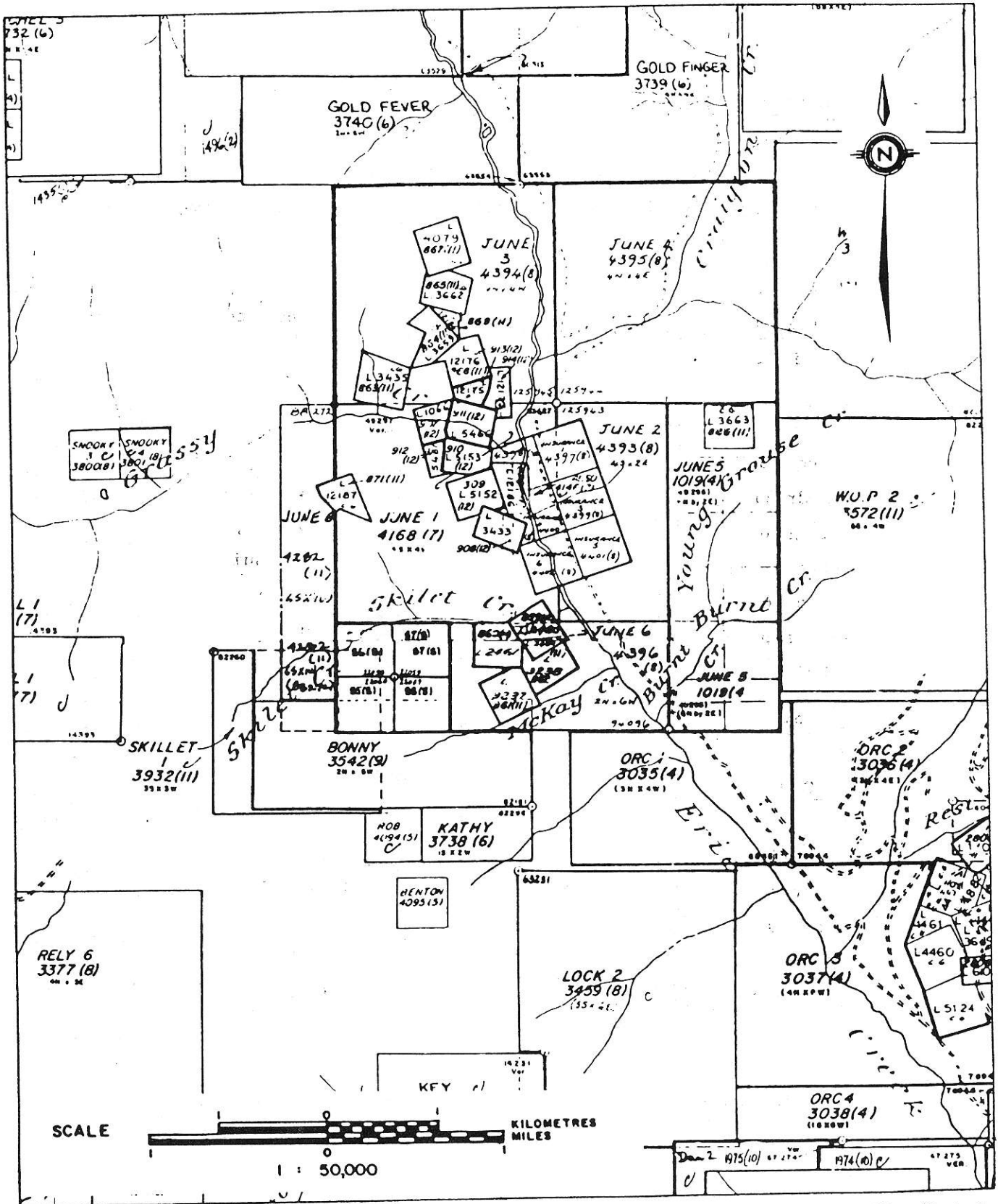
Access is by a well maintained logging road from Highway 3, about fifteen minutes drive from Salmo.

CLAIM DATA

The Erie Creek property comprises 107 claim units (Figure 3) and are registered in the name of Kootenay King Resources Inc. Claim data area as follows:

<u>CLAIM NAME</u>	<u>RECORD NO.</u>	<u>TYPE</u>	<u>LOT NO.</u>	<u>NO. OF UNITS</u>	<u>EXPIRY DATE*</u>
Arnold	867	Rev. Crown Grant	-	1	Nov. 23, 1987
Belle	860	" " "	2461	1	Nov. 23, 1987
Ben Hassen	866	" " "	3663	1	Nov. 23, 1987
Bully Boy	862	" " "	3238	1	Nov. 23, 1987
Rosa	859	" " "	2460	1	Nov. 23, 1987
Copper King	910	" " "	5153	1	Dec. 15, 1987
Dora	909	" " "	5152	1	Dec. 15, 1987
Drum Lummon	912	" " "	5481	1	Dec. 15, 1987
Eddie	870	" " "	12186	1	Nov. 23, 1987
Florence	861	" " "	3227	1	Nov. 23, 1987
Good Enough	911	" " "	5466	1	Dec. 15, 1987
Gordon	913	" " "	12175	1	Dec. 15, 1987
Homestake	908	" " "	3662	1	Dec. 15, 1987
Louise	871	" " "	12187	1	Nov. 23, 1987
Maude S	865	" " "	3662	1	Nov. 23, 1987
Monte Carlo	907	" " "	1066	1	Dec. 15, 1987
Nelson	914	" " "	12177	1	Dec. 15, 1987
Ontario	864	" " "	3659	1	Nov. 23, 1987
Rockford	863	" " "	3435	1	Nov. 23, 1987
St. Louis	868	" " "	13176	1	Nov. 23, 1987
Westminster					
Fraction	869	" " "	12184	1	Nov. 23, 1988
June 1	4168	Mod. Grid.	-	16	July 2, 1988
June 2	4393	" "	-	8	Aug. 11, 1987
June 3	4394	" "	-	16	Aug. 11, 1987
June 4	4395	" "	-	16	Aug. 11, 1987
June 5	1019	" "	-	12	Apr. 18, 1988
June 6	4396	" "	-	12	Aug. 11, 1987
Insurance 1-6	4397-4402	2-post	-	6	Aug. 11, 1987

* Assuming current exploration work is accepted for assessment purposes.



ERIE CREEK PROPERTY
CLAIM MAP
 Nelson Mining Division - British Columbia

HISTORY

Mineralization on the property was first explored in the 1890's. Little information is available on the work carried out at that time. In the 1896 B.C. Minister of Mines Annual Report, (Carlyle, 1896) brief mention is made of discoveries on the Ben Hassan and Arnold (Reverted Crown Grant) claims.

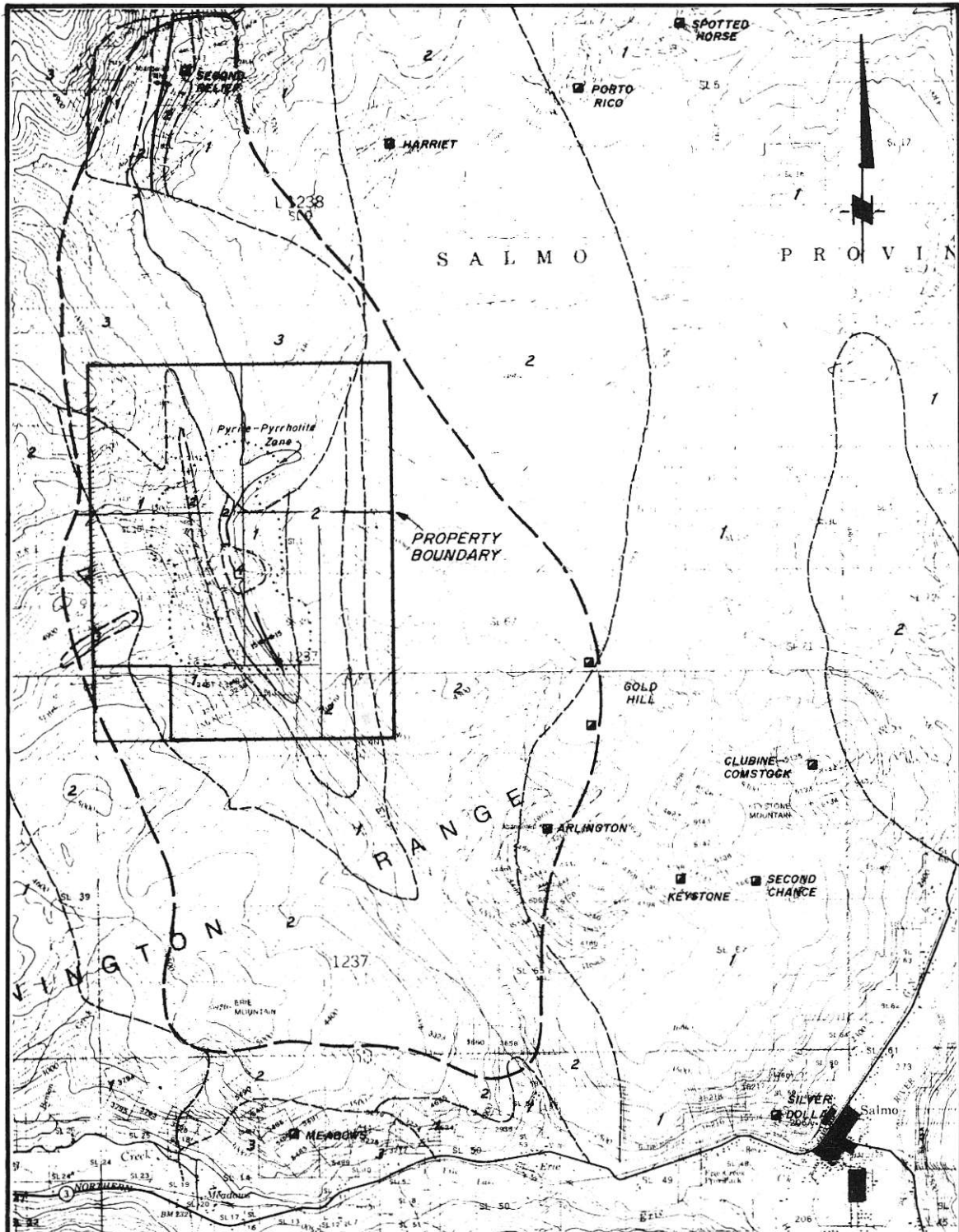
In 1926 to 1928 Consolidated Mining and Smelting Ltd. conducted diamond drilling on "copper-gold" deposits (O'Grady, 1928) on the Arnold, St. Louis and Drum Lummon claims.

In 1968, the property was held by Canzac Mines Ltd. and optioned to McIntyre Porcupine Mines Ltd. who in 1969 and 1970 conducted 1712 metres of drilling in 12 holes. The best mineralization encountered was 85 metres grading 0.115% MoS_2 and 0.05% copper including a 30 metre section grading 1.2 oz/ton silver. The property was acquired by AMAX, who in 1976 to 1979, conducted detailed geological mapping, geochemical sampling, geophysical surveys and diamond drilling totalling 1066 metres in four holes. Best grades encountered were 17 metres grading 0.06% WO_3 in drill hole 80-4, and 36 metres grading 0.07% MoS_2 in drill hole 79-1.

REGIONAL GEOLOGY

The Erie Creek property is in the Nelson Map-Area of Little (1960) and the Bonnington Map-Area of Walker (1934). Geology of the immediate claim area is summarized on Figure 4.

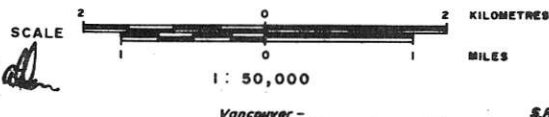
The property lies near one of the lobes of the 160 m.y. old Nelson batholith. In this area, it is composed of coarse grained porphyritic granodiorite-granite containing numerous white orthoclase phenocrysts in a groundmass of orthoclase, plagioclase and quartz with minor amounts of hornblende and biotite. The granite has intruded sedimentary rocks of the "Sinemurian beds" (Little, 1960) and volcanic rocks of the Rossland Formation, both of Lower Jurassic age.



- 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 Eriecreek Dyke Complex.
 - Approximate geological contact.
 - Mine or prospect
 - Major fold axis (anticline).

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

REGIONAL GEOLOGY



A complex array of dikes and sills of porphyritic rhyolite, quartz latite, dacite, and basalt (Erie Creek dike swarm) occur in the Erie Creek basin for a distance of at least seventeen kilometres, between the Arlington and Second Relief Mines. The swarm is about one kilometre wide. An age determination of 47 million years has been reported by Hodgson et al (1979). Dikes trend north-south and parallel Erie Creek. Abundance ranges from about three per 100 metres to as many as thirty per 100 metres in the centre of the property where one or more of the dikes assume stock-like dimensions.

A number of former producers of base and precious metals occur in the immediate vicinity of Erie Creek, notably the Second Relief Mine (past production 99,000 ounces of gold from 228,000 tons of ore) to the north and the Arlington (past production 56,000 ounces of gold and 100,000 ounces of silver from 85,000 tons of ore). Both deposits and a number of other prospects are associated with the Erie Creek dike swarm although a direct genetic relation has not been established.

PROPERTY GEOLOGY

The property geology has been described by the writer (Allen, 1977) and Hodgson, Parry and Lebel (1980). The following is a brief summary. For details, see assessment reports in file with the B.C. Ministry of Energy, Mines and Petroleum Resources.

The main geological features of the property are a quartz monzonite stock containing a well developed quartz vein stockwork about 400 metres in diameter, and swarms of quartz-feldspar porphyry dikes. Host rocks are hornfelsic siltstone of the "Sinemurian Beds" and/or Hall Formation, and augite basalt and volcanic breccia of the Rosslund Formation.

Erie Creek Stock

The Erie Creek stock is a light grey quartz monzonite with an aplitic texture. Four sub-types with complex cross-cutting relationships between types and molybdenum mineralization have been noted.

Dikes

Dikes of quartz-feldspar porphyry of various textures are abundant on the property, much more so than indicated on the accompanying maps. They range in width from several centimetres to about twenty metres. In general, they trend north-south ($+30^{\circ}$) and have steep dips. Numerous phases have been recognized. Age relationships with each other and with mineralization are complex. Most dikes appear to be intramineral and postmineral in age.

The most prevalent dike type is a biotite quartz-feldspar porphyry which in itself has variable proportions of phenocrysts of biotite, quartz and feldspar. Other common readily identifiable dike phases include white quartz porphyry and black basalt dikes.

Alteration

Four main alteration types have been mapped.

- 1) Biotite hornfels is apparently a contact metamorphic effect related to both the Nelson batholith and the Erie Creek dike swarm. It is developed mainly in argillite and siltstone.

- 2) Weak quartz-sericite-pyrite alteration occurs in envelopes along and adjacent to fractures and molybdenite-quartz veins.
- 3) Chlorite occurs mainly on fractures and in shear veins in augite andesite and hornfels.

Mineralization

Mineralization on the Erie Creek property occurs roughly in four concentric zones.

- 1) An inner quartz-molybdenite + scheelite zone is approximately 600 metres in diameter and is centered on the east side of Erie Creek. Host rocks are quartz monzonite dikes and stock, and white rhyolite. Grades in the zone range from 96 to 590 parts per million molybdenum, 166 to 1960 parts per million copper and 50 to 1400 parts per million tungsten. Best results reported by McIntyre Porcupine Mines were 85 metres of 0.115% MoS_2 and 0.05% Cu (including 30 metres 1.2 ounces per ton silver).
- 2) Chalcopyrite occurs over an area of 1.5 to 2 kilometres, both in and around the molybdenite zone. Chalcopyrite occurs in quartz and sulphide veinlets, as fracture coatings, and in shear veins with pyrite, pyrrhotite and minor amounts of scheelite. Best copper values were obtained up to 1.3% from vein and dump samples mainly on the west side of Erie Creek.
- 3) Pyrite and pyrrhotite occur finely disseminated and as fracture coatings in and around the molybdenite-chalcopyrite zone, over an area of about 1.5 by 2.5 kilometres.
- 4) Sphalerite and galena along with some gold occur in shear veins beyond the molybdenite zone. They are found on the Arnold, St. Louis, Ben Hassen and Rosa reverted crown grant claims.

The distribution of gold and silver appears to be erratic. McIntyre Porcupine Mines reported a thirty metre composite in drill hole 69-5 that assays 1.2 ounces per ton silver. Elsewhere, silver values up to 90 parts per million (2.6 ounces per ton) are reported by AMAX from the shear veins mentioned above. Gold values of up to 620 parts per

billion (0.017 ounces per ton) are also reported.

GEOCHEMISTRY

Previous Work

Results of soil and rock geochemical sampling by AMAX are summarized on Figures 5a to 5f. Data reinforces the zoning pattern already described above, i.e.:

- 1) A molybdenum soil anomaly 700 metres in diameter centered east of Erie Creek.
- 2) A tungsten anomaly about 1.2 kilometres in diameter which overlaps the molybdenum anomaly.
- 3) A copper soil anomaly which is two kilometres in diameter.
- 4) Lead and zinc soil anomaly patterns occur beyond the copper anomalies. Of significance are highly anomalous lead (>200 parts per million) and zinc (>600 parts per million) on the western part of the claims and immediately to the north of Grassy Creek. Soil sampling grids have not been extended sufficiently to fully delineate the anomalous area.
- 5) Silver values are anomalous (0.8 - 2.4 ppm) mainly in the extreme northwest part of the sampled area. Elsewhere, reconnaissance sampling has revealed several clusters of silver anomalies in soil (0.8 to 2.8 ppm with one anomalous value of 10.6 ppm obtained in the southwestern corner of the claim group) that warrant follow-up.

1985 Work

In 1985, most of the available drill core pulps on storage at Rossbacher Laboratory Ltd. were selected and analyzed for gold. Samples were analyzed to investigate whether or not gold values are present in the molybdenum-tungsten zone. Except for a few scattered anomalous values of 20 to 30 parts per billion only two significant values of 180 and 350 parts per billion (0.005 and 0.01 ounces per ton) were obtained

from the interval 162 to 170 feet (2.4 metres). In this interval Parry (1980) reports the presence of chlorite-actinolite veins up to 15 centimetres wide containing up to 10% pyrrhotite and locally 1% chalcopyrite. Several samples taken by the writer (Figure 6) from the copper-tungsten zone were analyzed for gold and found to be slightly anomalous (up to 70 parts per billion).

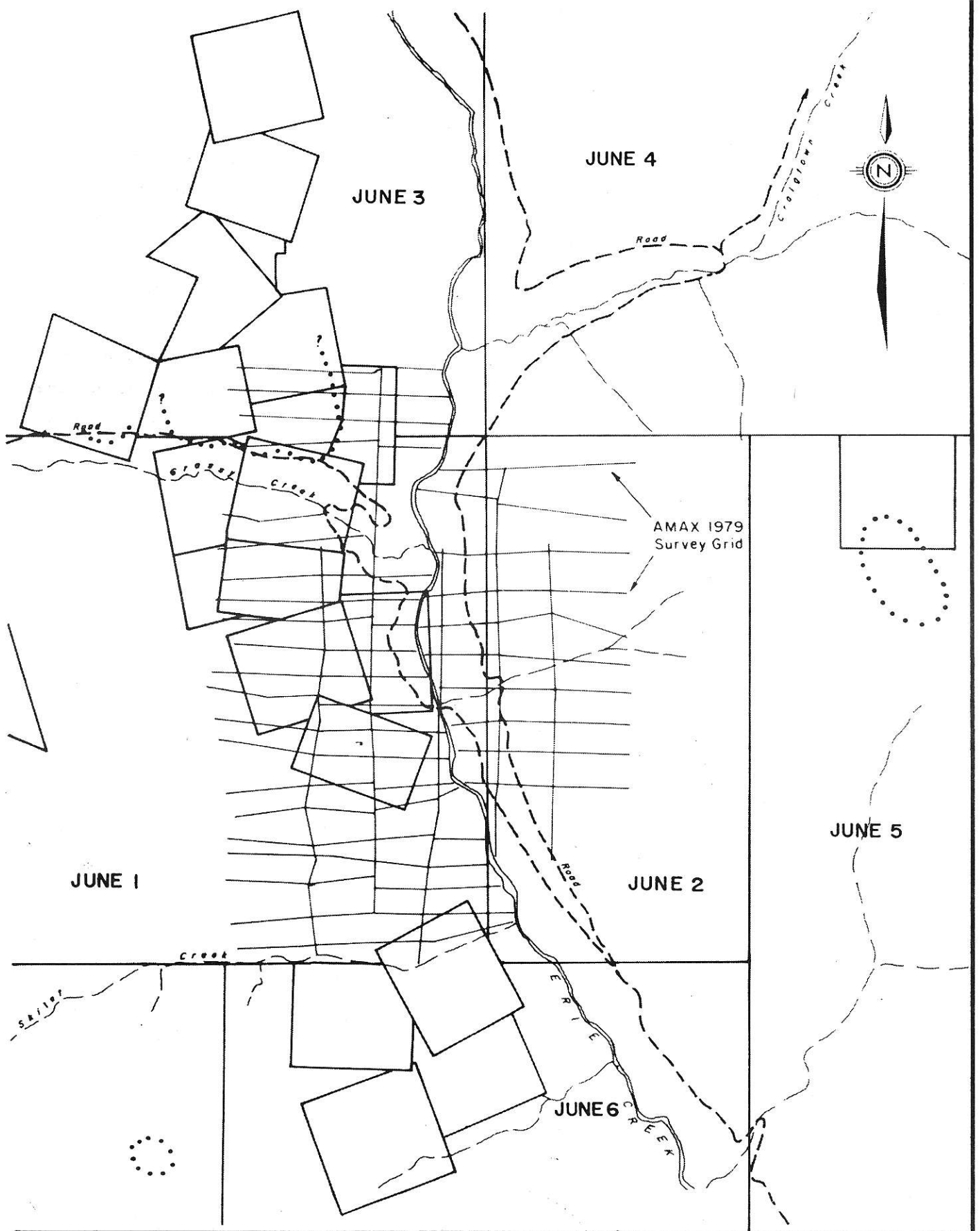
In view of the association of copper and gold with other important gold deposits in the Nelson-Salmo area, such as the Granite-Poorman Mine (Allen, 1984, Figure 2) and the Root property (Santos, 1983), further mapping and sampling is warranted.

1986 FIELDWORK

In 1986, a prospecting program was carried out on the Erie Creek property. An attempt was made to locate and sample as many of the old prospect pits, trenches and adits as possible. A total of 58 rock samples were collected. Most were a series of grab samples or rock chip samples collected from float, dumps and outcrop. Samples were shipped to Acme Analytical Laboratories and analyzed for gold and silver by standard atomic absorption techniques. Selected samples were fire assayed for gold and silver. Sample sites are plotted on Figure 7 and analytical results presented in Appendix II.

Results of sampling reveal a low but significant range of gold and silver values. Approximately one third of the samples contain anomalous gold (greater than 10 parts per billion) and silver (greater than 1.5 parts per million). Of particular interest are gold values of 0.01 to 0.045 ounces obtained from quartz veins on the Ben Hassen claim in the eastern part of the claim group, and silver values of up to 7.8 ounces per ton.

Arnold J. Allen



LEGEND
 p.p.m. Ag \geq 0.8 

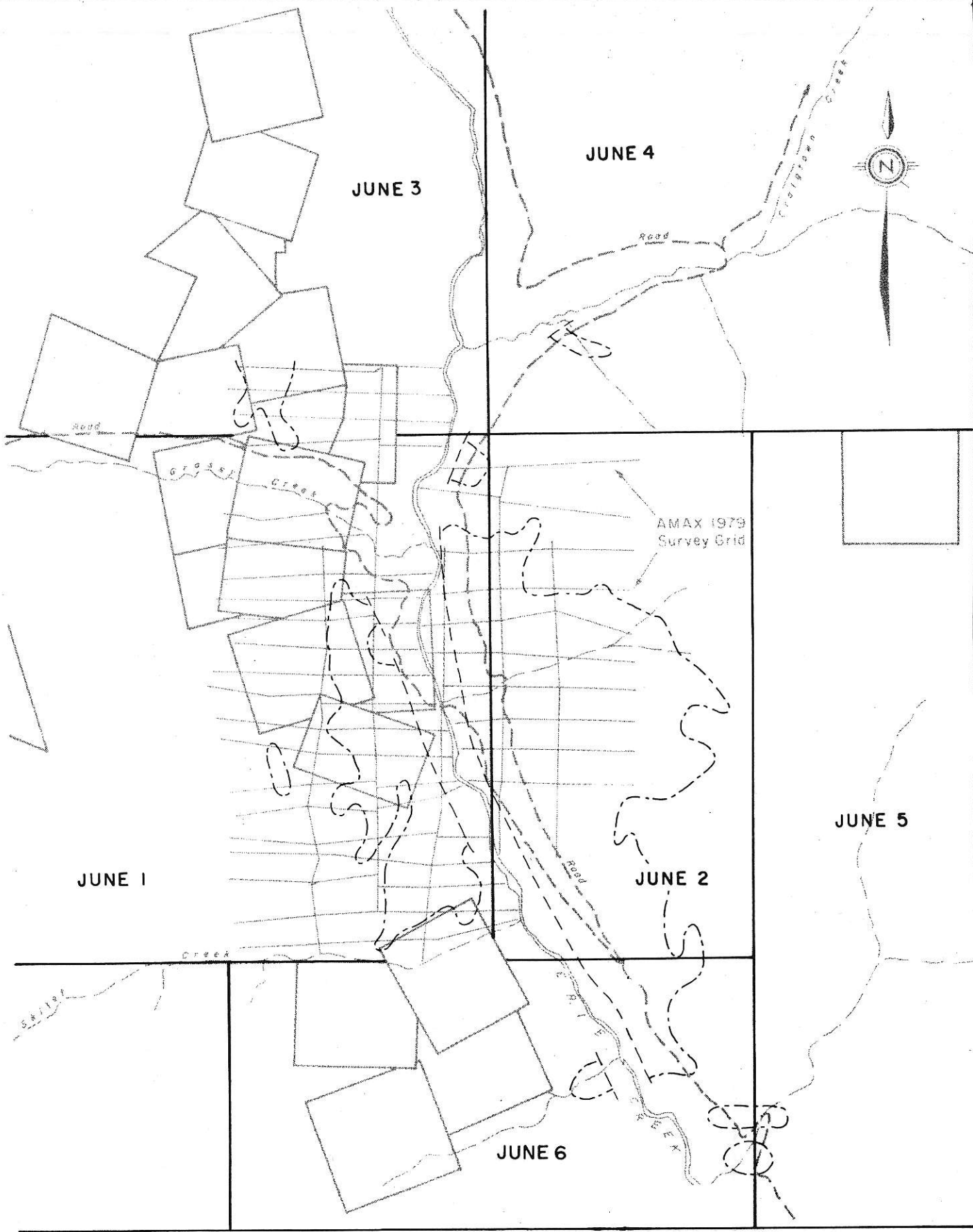
p.p.m. Ag DISTRIBUTION MAP
 ERIE CREEK PROPERTY
 NELSON MINING DIVISION

Donald P. Allen



After Hodgson, Parry, LeBel (Amax), 1980.

Figure 5a



JUNE 1

JUNE 3

JUNE 4

JUNE 5

JUNE 2

JUNE 6

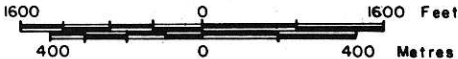
AMAX 1979
Survey Grid

LEGEND

p.p.m. W \geq 15

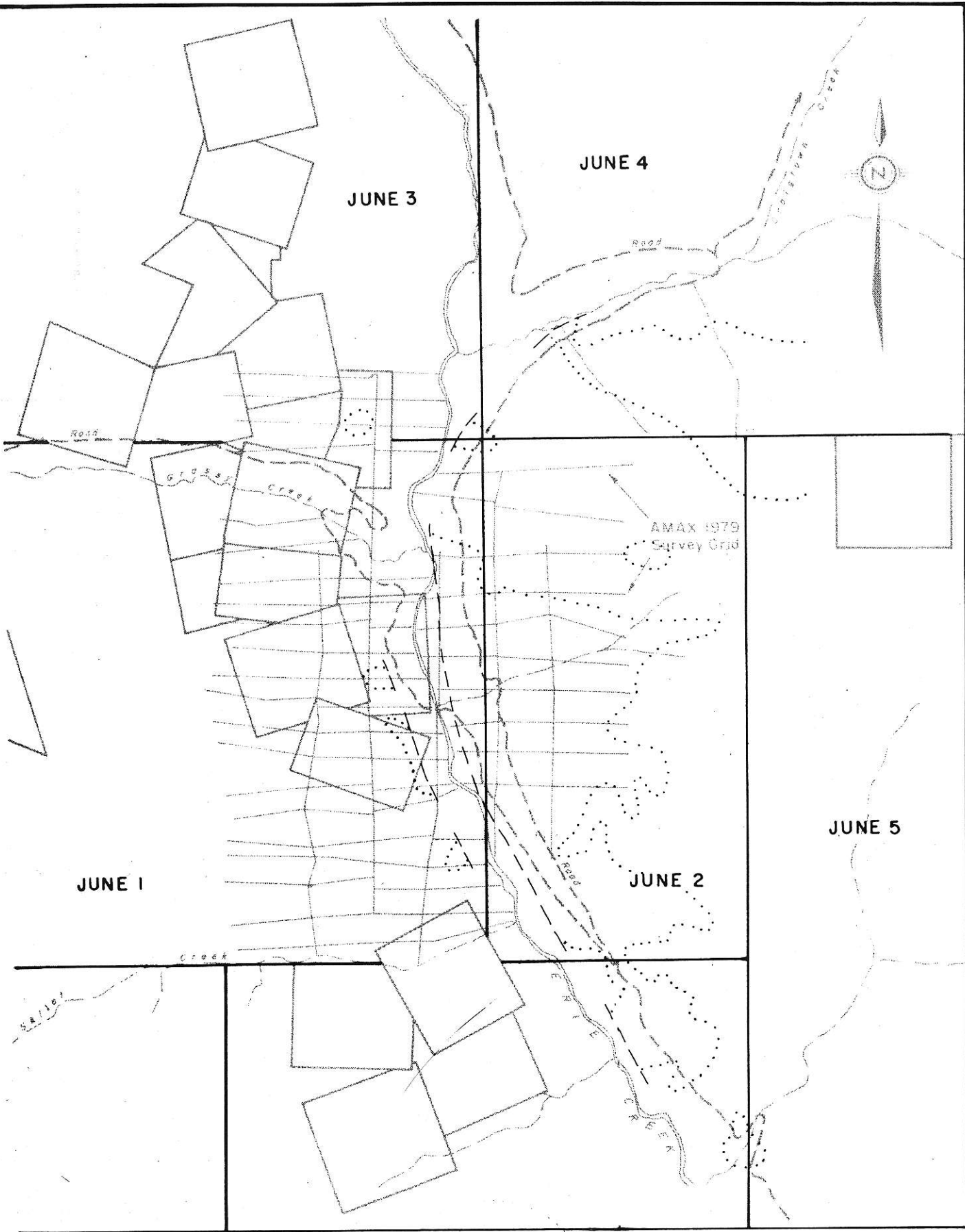
Donald G. Allen

**p.p.m. W DISTRIBUTION MAP
ERIE CREEK PROPERTY
NELSON MINING DIVISION**



After Hodgson, Parry, LeBel (Amax), 1980.

Figure 5b



JUNE 1

JUNE 3

JUNE 4

JUNE 2

JUNE 5

AMAX 1979
Survey Grid

LEGEND

p.p.m. Mo \geq 4



p.p.m. Mo DISTRIBUTION MAP

ERIE CREEK PROPERTY
NELSON MINING DIVISION

Donald G. Allen



After Hodgson, Parry, LeBel (Amax), 1980.

A complex array of dikes and sills of porphyritic rhyolite, quartz latite, dacite, and basalt (Erie Creek dike swarm) occur in the Erie Creek basin for a distance of at least seventeen kilometres, between the Arlington and Second Relief Mines. The swarm is about one kilometre wide. An age determination of 47 million years has been reported by Hodgson et al (1979). Dikes trend north-south and parallel Erie Creek. Abundance ranges from about three per 100 metres to as many as thirty per 100 metres in the centre of the property where one or more of the dikes assume stock-like dimensions.

A number of former producers of base and precious metals occur in the immediate vicinity of Erie Creek, notably the Second Relief Mine (past production 99,000 ounces of gold from 228,000 tons of ore) to the north and the Arlington (past production 56,000 ounces of gold and 100,000 ounces of silver from 85,000 tons of ore). Both deposits and a number of other prospects are associated with the Erie Creek dike swarm although a direct genetic relation has not been established.

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Erie Creek Stock

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Dikes

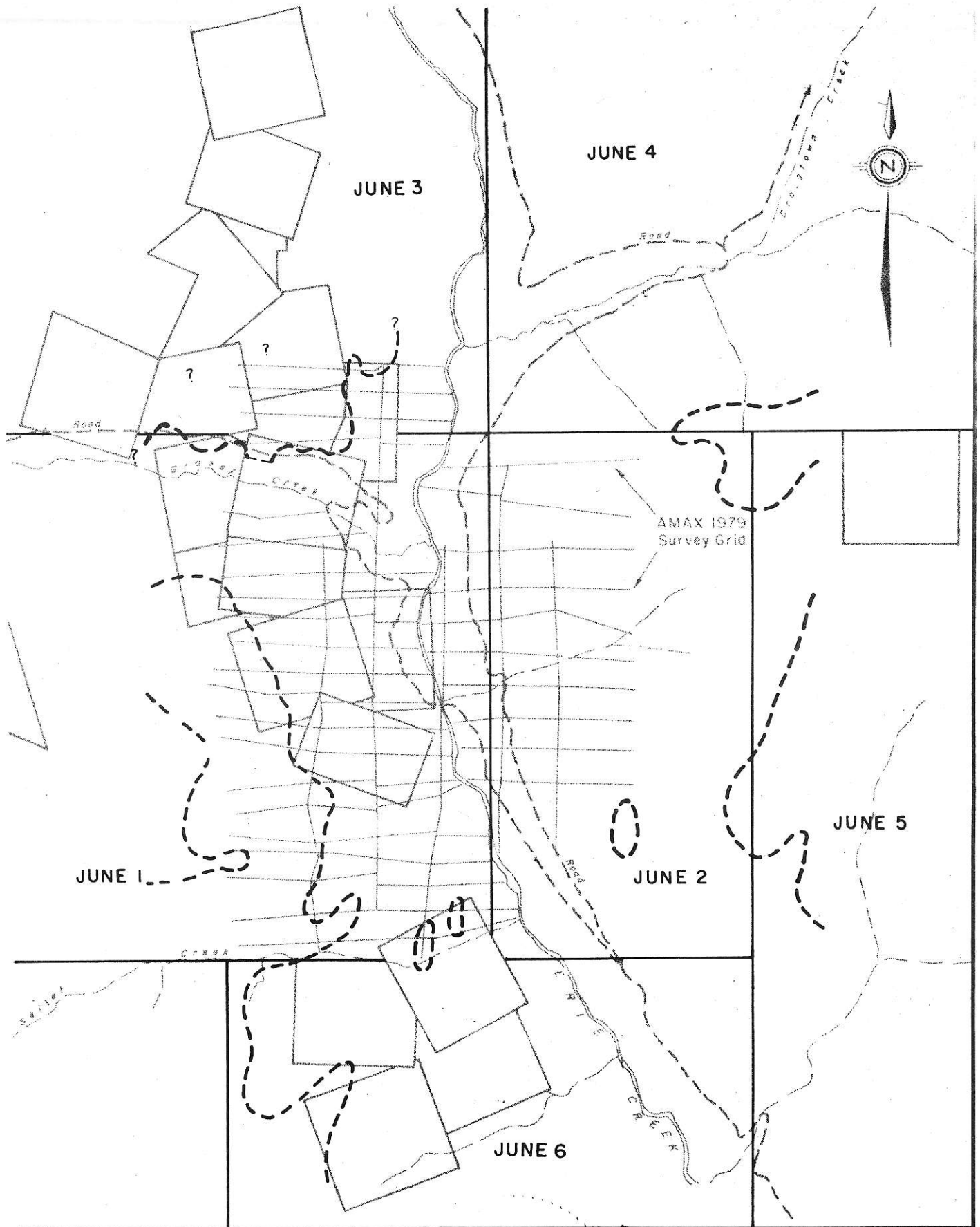
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Alteration

Four main alteration types have been mapped.

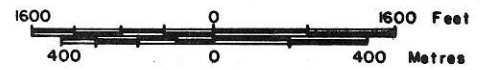
- 1) Biotite hornfels is apparently a contact metamorphic effect related to both the Nelson batholith and the Erie Creek dike swarm. It is developed mainly in argillite and siltstone.



LEGEND
 p.p.m. Zn \cong 200

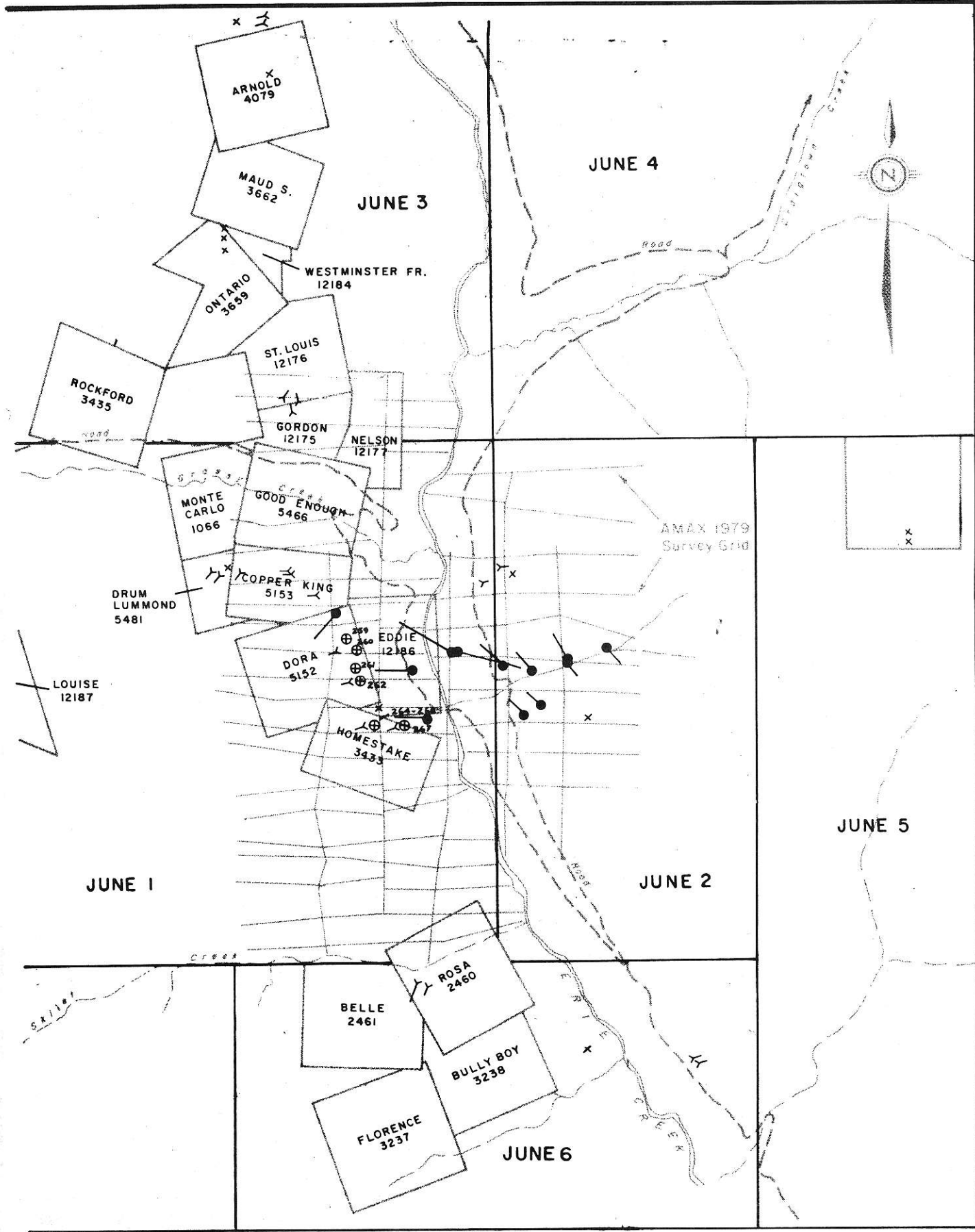
Donald G. Allen

p.p.m. Zn DISTRIBUTION MAP
ERIE CREEK PROPERTY
 NELSON MINING DIVISION



After Hodgson, Parry, LeBel (Amax), 1980.

Figure 5f

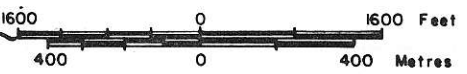


LEGEND

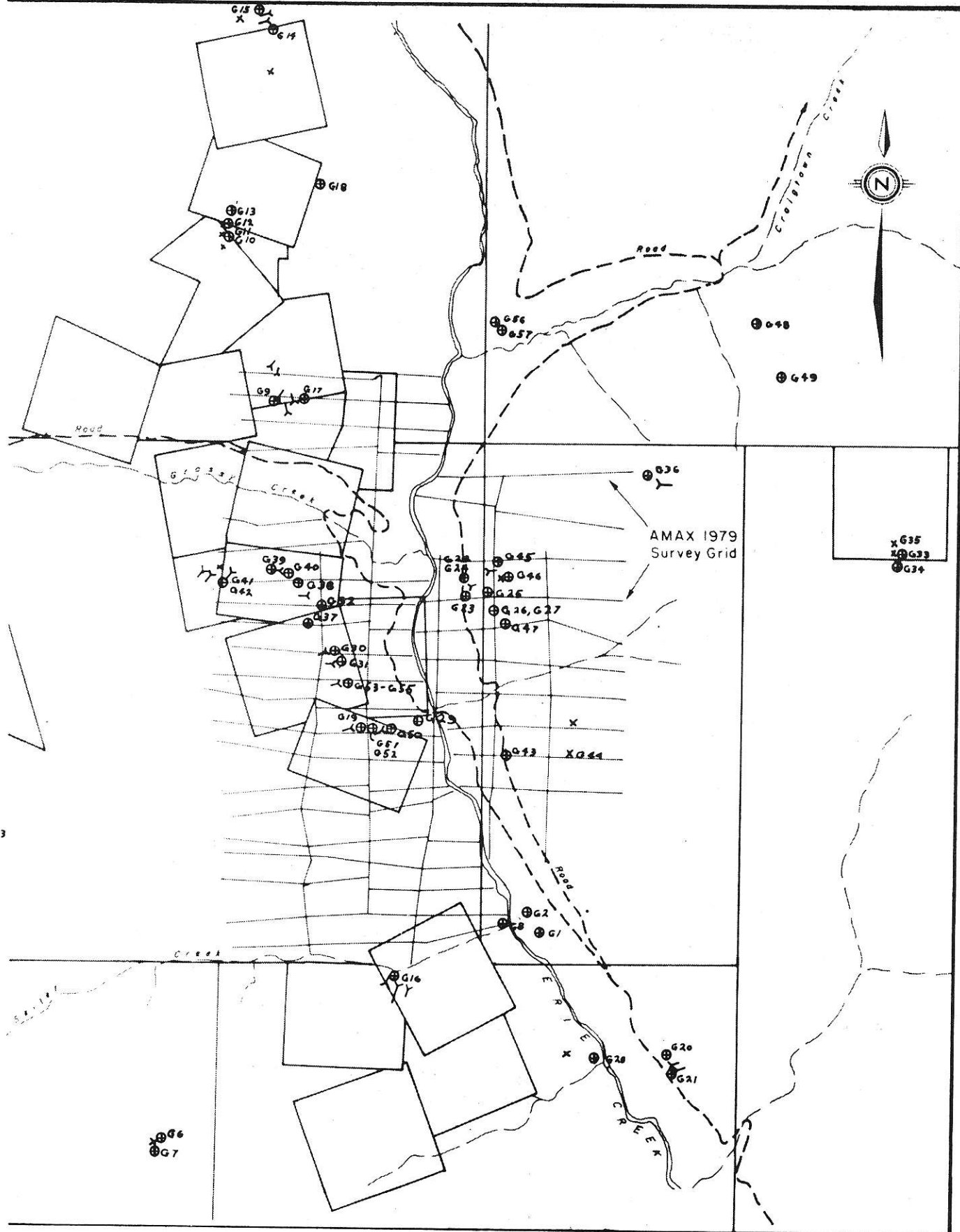
- Adit x
- Shaft, Pit x x
- Drill hole ●
- Rock sample, sample no. ⊕ 267

Claims, Drill Holes, Adits, Sample Sites
ERIE CREEK PROPERTY
 NELSON MINING DIVISION

Donald J. Allen



After Hodgson, Parry, LeBel (Amax), 1980.



LEGEND

- Adit Y
- Shaft, Pit X
- Rock sample, sample no. G#

1986 sample sites
ERIE CREEK PROPERTY
NELSON MINING DIVISION

1600 0 1600 Feet
 400 0 400 Metres

After Hodgson, Parry, LeBel (Amax), 1980. *Donald S. Allen*

Figure 7

REFERENCES

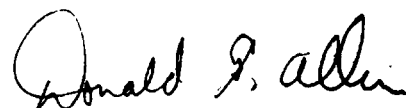
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CERTIFICATE

I, Donald G. Allen, certify that;

1. I am a Consulting Geological Engineer, of A & M Exploration Ltd., with offices at #614 - 850 West Hastings Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia with degrees in Geological Engineering (B.A.Sc., 1964; M.A.Sc., 1966).
3. I have practised my profession of exploration geologist since 1964 to present, in British Columbia, the Yukon, Alaska and various parts of the Western United States.
4. I am a member in good standing of the Association of Professional Engineers of British Columbia.
5. This report is based on the fieldwork carried out personally by the writer from September 28 to October 2, 1976 (for AMAX), on a property visit on October 12, 1985, on information supplied by Canamax Resources Inc. (see References) and on field work carried out by George King, Larry Sostad and Bill Markinson.
6. I hold no interest, nor do I expect to receive any, in the Erie Creek property, or in Kootenay King Resources Inc.
7. I consent to the use of this report in a Statement of Material Facts or in a Prospectus in connection with raising of funds for the project covered by this report.

March 17, 1987
Vancouver, B.C.


Donald G. Allen
P. Eng. (B.C.)

APPENDIX I
SAMPLE DESCRIPTIONS

APPENDIX I

Description of samples collected by G. King (Newcastle Explorations Ltd.)

- G 1. Roadbed sample.
2. Rusty sulfide bearing felsic intermediate rock.
3. Mineralized float. (chalcopyrite, molybdenite)
4. Sample from site of old shaft @ 4900' elevation.
5. as above.
6. as above.
7. "Wallrock".
8. Angular float - quartz-feldspar porphyry.
9. Quartz-feldspar porphyry containing minor pyrite and galena.
10. Quartz vein containing pyrite.
11. Quartz vein containing chalcopyrite and pyrrhotite from shaft at 4650' elevation.
12. As above.
13. From small pit at 600' elevation.
14. From adit at 4300' elevation.
15. Quartz vein from adit immediately to the west of sample 14.
16. Adit dump sample at Skillet Creek.
17. Sample from near adit @ 3750' elevation.
18. Sample from near adit @ 4100' elevation.
19. Mineralized wall rock from trench at 3400' elevation.
20. Float sample.
21. Sample from trench.
22. 50 metres west of upper road.
23. As above.
24. At adit 75 metres east of upper road.
25. From trench 75 metres east of upper road.
26. 100 metres east of upper road.
27. As above.
28. Hornfel volcanic rock with pyrite and pyrrhotite on fractures.
29. 20 metres above trench.
30. Stockwork mineralization in white rhyolite from adit.
31. Hornfels with chalcopyrite on fractures.
32. Float sample 20 metres N of Drill site 69-1.
33. Quartz vein material with galena, pyrite and chalcopyrite from south shaft on Ben Hassan claim.
34. Mineralized wallrock, mainly dump material.
35. Quartz vein 2 cm wide from north shaft.
36. Adit dump material - minor mineralization in volcanic rock.
37. Hornfels with chalcopyrite.
38. Hornfels with chalcopyrite and pyrite.
39. Mineralized hornfels.
40. Quartz feldspar porphyry containing chalcopyrite and pyrite.
41. Adit at 3000' elevation.
42. Trench at 3850' elevation.

43. Float with chalcopyrite and pyrite.
44. Quartz vein up to 1' wide containing abundant pyrite and minor chalcopyrite.
45. Hornfels containing quartz vein stockwork - dump material.
46. Hornfels from trench at 3650' elevation.
47. No description.
48. Calc-silicate hornfels containing galena-quartz veinlets.
49. Oxidized felsite.
50. Adit at 3300' elevation.
51. North part of Homestake claim.
52. Adit in Homestake claim.
53. Adit in Dora claim.
54. Adit and trench at 3400' elevation.
55. Adit in southeast part of Dora claim.
56. Silicified intermediate dike rock containing chalcopyrite and pyrrhotite.
57. As above.
58. Felsic dike.

APPENDIX II

ANALYTICAL RESULTS

ACME ANALYTICAL LABORATORIES LTD.
 852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
 PHONE 253-3158 DATA LINE 251-1011

DATE RECEIVED: MAR 10 1987

DATE REPORT MAILED: *Mar 13/87*

GEOCHEMICAL/ASSAY CERTIFICATE

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN.FE.CA.P.CR.MG.BA.TI.B.AL.NA.K.W.SI.ZR.CE.SN.Y.WB AND TA. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: ROCK CHIPS AU* ANALYSIS BY AA FROM 10 GRAM SAMPLE. AU** BY FIRE ASSAY

ASSAYER: *D. Deane* DEAN TOYE. CERTIFIED B.C. ASSAYER.

KOOTENAY KING

FILE # 87-0643

PAGE 1

SAMPLE#	Ag FFM	Au* PPB	Ag** OZ/T	Au** OZ/T
G 1	.6	16	-	-
G 2	.1	2	-	-
G 3	26.1	2	-	-
G 4	16.4	1	-	-
G 5	9.1	1	-	-
G 6	263.4	205	7.36	.007
G 7	32.3	1	-	-
G 8	.4	2	-	-
G 9	.1	1	-	-
G 10	11.3	2	-	-
G 11	19.1	1	-	-
G 12	18.1	6	-	-
G 13	1.8	1	-	-
G 14	41.4	49	-	-
G 15	67.3	32	1.84	.002
G 16	213.2	15	6.01	.001
G 17	5.6	12	-	-
G 18	8.2	8	-	-
G 19	6.2	65	-	-
G 20	.6	1	-	-
G 21	.1	6	-	-
G 22	.6	29	-	-
G 23	.1	2	-	-
G 24	.4	2	-	-
G 25	.1	1	-	-
G 26	.9	2	-	-
G 27	.5	1	-	-
G 28	.1	11	-	-
G 29	.1	1	-	-
G 30	2.9	15	-	-
G 31	.3	3	-	-
G 32	1.2	14	-	-
G 33	223.9	1680	7.21	.045
G 34	6.1	17	-	-
G 35	259.8	305	7.84	.010
G 36	.7	76	-	-
STD C/AU-R	6.9	510	-	-

SAMPLE#	Ag PFM	Au* FPB	Ag** OZ/T	Au** OZ/T
G 37	20.2	445	-	-
G 38	.1	5	-	-
G 39	.4	1	-	-
G 40	.1	1	-	-
G 41	1.2	1	-	-
G 42	.1	1	-	-
G 43	.1	1	-	-
G 44	3.0	59	-	-
G 45	3.4	7	-	-
G 46	4.9	2	-	-
G 47	2.3	1	-	-
G 48	62.2	1	1.56	.001
G 49	.1	1	-	-
G 50	4.0	32	-	-
G 51	9.2	46	-	-
G 52	.8	3	-	-
G 53	1.3	3	-	-
G 54	2.2	15	-	-
G 55	.5	1	-	-
G 56	.3	1	-	-
G 57	.2	1	-	-
G 58	10.2	91	-	-
STD C/AU-R	6.9	505	-	-

ROSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

TO : WORLD EXPLORATION LTD.
 614 850 W. HASTINGS STREET
 VANCOUVER B.C.
 PROJECT: 292 ERIC OF
 TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 65359
 INVOICE#: 5589
 DATE ENTERED: OCT. 1, 1985
 FILE NAME: 68RB5359
 PAGE #: 1

PRE FIX	SAMPLE NAME	PPB Au
	60901	10
	60902	10
	60903	10
	60904	10
	60905	10
	60906	10
	60907	10
	60908	10
	60909	10
	60910	10
	60911	10
	60912	10
	60913	10
	60914	10
	60915	10
	60916	10
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	60933	10
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	60940	10

CERTIFIED BY :



ROSSBACHER LABORATORY LTD.

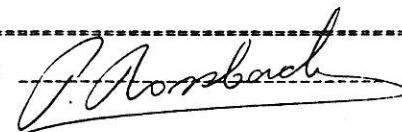
CERTIFICATE OF ANALYSIS

TO : W&M EXPLORATION LTD.
 614 850 W. HASTINGS STREET
 VANCOUVER B.C.
 PROJECT: 292 ERIC OF
 TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 65359
 INVOICE#: 5589
 DATE ENTERED: OCT. 1, 1985
 FILE NAME: 68RB5359
 PAGE #: 2

PRE FIX	SAMPLE NAME	PPB Au
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	60973	10
	60974	10
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	60976	10
	60977	10
	60978	10
	60979	10
	60980	10

CERTIFIED BY :



(OSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

TO : G.M. EXPLORATION LTD.
614-054 W. HASTINGS STREET
VANCOUVER B.C.

PROJECT: 292 ERIC OR
TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 80359
INVOICE#: 5589
DATE ENTERED: OCT. 1, 1985
FILE NAME: AMB5059
PAGE #: 3

2225 S. SPRINGER AVENUE
BURNABY, B.C. V5B 3N1
TEL: (604) 299-6910

PRE FIX	SAMPLE NAME	PPB Au
	60980	10
	60982	10
	60983	10
	60984	10
	60985	10
	60986	10
	60987	10
	60988	10
	60989	10
	60990	10
	60991	10
	60992	10
	60993	10
	60994	10
	60995	10
	60996	10
	60997	10
	60998	10
	60999	10
	61000	10
	61351	10
	61352	10
	61353	10
	61354	10
	61355	10
	61356	10
	61357	10
	61358	10
	65101	10
	65102	10
	65103	10
	65104	10
	65105	10
	65106	10
	65107	10
	65108	10
	65109	10
	65110	10
	65111	10
	65112	10

CERTIFIED BY :

P. Rossbach

(OSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

TO : G.M. EXPLORATION LTD.
614-054 W. HASTINGS STREET
VANCOUVER B.C.

PROJECT: 292 ERIC OR
TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 80359
INVOICE#: 5589
DATE ENTERED: OCT. 1, 1985
FILE NAME: AMB5059
PAGE #: 4

2225 S. SPRINGER AVENUE
BURNABY, B.C. V5B 3N1
TEL: (604) 299-6910

PRE FIX	SAMPLE NAME	PPB Au
	65113	10
	65114	10
	65115	10
	65116	10
	65117	10
	65118	10
	65119	10
	65120	30
	65121	10
	65122	10
	65123	10
	65124	10
	65125	10
	65126	10
	65127	10
	65128	10
	65129	10
	65130	10
	65131	10
	65132	10
	65133	30
	65134	180
	65135	350
	65136	10
	65137	20
	65138	10
	65139	10
	65140	10
	65141	10
	65142	10
	65143	20
	65144	10
	65145	10
	65146	10
	65147	10
	65148	10
	65149	10
	65150	10
	65151	10
	65152	10

CERTIFIED BY :

P. Rossbach

OSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

2225 S. SPRINGER AVENUE
BURNABY, B.C. V5B 3N1
TEL: (604) 299-6910

TO : ASP EXPLORATION LTD.
614-850 W. HASTINGS STREET
VANCOUVER B.C.
PROJECT: 292 ERIE CR
TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 85359
INVOICE#: 5589
DATE ENTERED: OCT. 1, 1985
FILE NAME: 68805509
PAGE #: 5

PRE FIX	SAMPLE NAME	PPB Au
	65170	10
	65174	10
	65175	10
	65176	10
	65177	10
	65178	10
	65179	10
	65180	10
	65181	10
	65182	10
	65183	10
	65184	10
	65185	10
	65186	10
	65187	10
	65188	10
	65189	10
	65190	10
	65191	10
	65192	10

CERTIFIED BY :



OSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

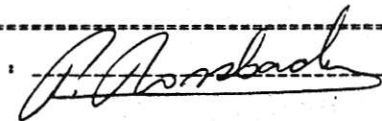
2225 S. SPRINGER AVENUE
BURNABY, B.C. V5B 3N1
TEL: (604) 299-6910

TO : ASP EXPLORATION LTD.
614-850 W. HASTINGS STREET
VANCOUVER B.C.
PROJECT: 292 ERIE CR
TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 85359
INVOICE#: 5589
DATE ENTERED: OCT. 1, 1985
FILE NAME: 68805509
PAGE #: 6

PRE FIX	SAMPLE NAME	PPB Au
	65193	10
	65194	10
	65195	10
	65196	10
	65197	10
	65198	10
	65199	10
	65200	10
	64901	10
	64902	10
	64903	10
	64904	10
	64905	10
	64906	10
	64907	10
	64908	10
	64909	10
	64910	10
	64911	10
	64912	10
	64913	10
	64914	10
	64915	10
	64916	10
	64917	10
	64918	10
	64919	10
	64920	10
	64921	10
	64922	10
	64923	10
	64924	10
	64925	10
	64926	10
	64927	10
	64928	10
	64929	10
	64930	10
	64931	10
	64932	10

CERTIFIED BY :



ROSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS


TO : ASM EXPLORATION LTD.
 614-850 W. HASTINGS STREET
 VANCOUVER B.C.
 PROJECT: 292
 TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 85059
 INVOICE#: 6044
 DATE ENTERED: OCT. 1, 1985
 FILE NAME: 8505359
 PAGE #: 2

2225 S. SPRINGER AVENUE
 BURNABY, B.C. V5B 3N1
 TEL: (604) 299-6910

PRE FIX	SAMPLE NAME	PPB Au
	64933	10
	64934	10
	64935	10
	64936	10
	64937	10
	64938	10
	64939	10
	64940	10
	64941	10
	64942	10
	64943	10
	64944	10
	64945	10
	64946	10
	64947	10
	64948	10
	64949	10
	64950	10

CERTIFIED BY :



ROSSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

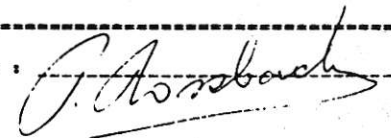
2225 S. SPRINGER AVENUE
 BURNABY, B.C. V5B 3N1
 TEL: (604) 299-6910

TO : ASM EXPLORATION LTD.
 614-850 W. HASTINGS STREET
 VANCOUVER B.C.
 PROJECT: 292
 TYPE OF ANALYSIS: GEOCHEMICAL

CERTIFICATE#: 85059
 INVOICE#: 6044
 DATE ENTERED: 85-10-23
 FILE NAME: 8505359.A
 PAGE #: 1

PRE FIX	SAMPLE NAME	PPM Mo	PPM Cu	PPM Ag	PPM Zn	PPM Pb	PPB Au
A	292AT259	8	940	1.2	14	8	10
A	260	1	510	0.6	42	18	10
A	261	1	2100	2.8	48	4	10
A	262	1	510	0.4	38	2	10
A	263	1	5500	6.6	82	4	20
A	264	1	1220	1.0	48	4	10
A	265	2	13200	16.6	184	8	70
A	266	4	1160	2.4	76	20	10
A	292AT267	1	830	0.8	46	6	10

CERTIFIED BY :

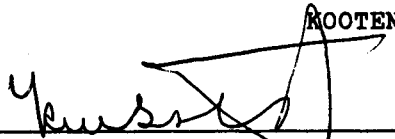


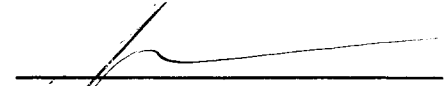
CERTIFICATES

DATED June 5th, 1987.

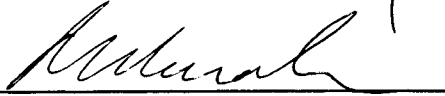
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the Securities Act, and its regulations.

ROOTENAY KING RESOURCES INC.


Larry Ralph Wilson Sostad
Chief Executive Officer


Cheryl Rolston
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS


Russell Murata
Director


Darrell Curtis Johnson
Director

PROMOTER

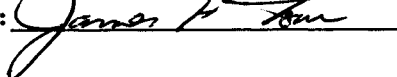

Larry Ralph Wilson Sostad

THE AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the Securities Act and its regulations.

WEST COAST SECURITIES LTD.

BRINK, HUDSON & LEFEVER LTD.

By: 

By: 