

**KETTLE RIVER
RESOURCES LTD.**

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063,062

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A N N U A L
G E N E R A L
M E E T I N G

Directors' Report to the Shareholders
Notice of Annual General Meeting of Members
Information Circular
Audited Financial Statements for the
fiscal year ended April 30, 1992

25th Floor Boardroom
1055 West Georgia Street
Vancouver, B.C.
Friday, September 25, 1992
11:00 a.m.

OTHER PROPERTIES

082ESE020

PHOENIX:

Battle Mountain (Canada) Inc. is dropping the option on the Phoenix claims located at Greenwood, B.C. Battle Mountain tested the Phoenix gold copper camp for bulk tonnage deposits of the skarn type. This very specific program did not address the possibility of structurally controlled bulk tonnage gold deposits in rocks other than skarn. The property will become available for option in September 1992 and emphasis will be given to structure as the key to ore deposits in the Greenwood Camp. Claims and data are being returned to Kettle River Resources Ltd.

BLUEBELL:

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The claims remain in good standing on this property 100% owned by Kettle River Resources Ltd. As the price of copper rises, this property may become more attractive to a major company.

RAINBOW - TAM O'SHANTER JV:

082ESE130

Minnova Inc. latest report ending June 30, 1992 states that "gold mineralization has been drilled over an area approximately 500 meters in length and 250 meters in width remaining open to the northwest. A fall diamond drilling program is under consideration."

Minnova dropped the Moore option property October 31, 1991 and the claims have been returned in good standing to 1998.

Kettle River Resources Ltd. and Dentonia Resources Ltd., the optionors of the Tam O'Shanter property have given Minnova the right to earn a 60% interest by expending \$1,000,000 prior to December 31, 1994 and making \$20,000 annual payments to that date. All commitments to date have been met.

SHICKSHOCK/SAILOR BOY:

082ESE077

The option agreement commitments have been met by Pan Orvana Resources Inc. and the agreement remains in good standing.

A report on work done in late 1991 (Laird & Thomson) recommends that "a grid should be established across the zone of interest, together with the trend of silicification northeast from the Shickshock showing. Detailed geological mapping and prospecting soil geochemical sampling (not over the drift covered portion of the Rathmullen drainage), ground magnetic and IP surveys should be considered for this area.

The next round of work should aim to confirm the nature of the skarn alteration system and define the extent of potentially mineralized ground. Targets developed by this work should be trenced to expose bedrock for examination and sampling and where justified, tested by diamond drilling."

Other Greenwood Area properties are available and being considered for option.

In summary, testing the potential of the N.W.T. Diamond property over the next three to five years will take precedence and the copper gold properties are on hold. Our president, George Stewart, being a gemologist as well as a geologist gives us a good team. His studying the occurrences of diamonds and other gemstones for the past four years has given us an "edge." We have determined that the potential gross value production of a gold mine is significantly lower than that of a diamond mine. The presence of gem quality rough stones in 1 - 3 carats from a bulk sample of only 160 tons on DiaMet's Point Lake discovery leads one to consider the rarity of "the big ones" as well as the possibility. Generally the largest pipes are the richest. So.. THINK DIAMONDS!

On Behalf of the Board,

KETTLE RIVER RESOURCES LTD.


Ellen Clements
Director