THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA

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Form 12

Securities Act

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SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE

47/83

STATEMENT OF MATERIAL FACTS

VANCOUVER STOCK EXCHANGE - Resource Board
Name of Section

AMORE RESOURCES INC.
Name of Issuer

2000-609 Granville Street, Vancouver, B.C.
Address of Head Office of Issuer

7th Floor, 609 Granville Street, Vancouver, B.C.
Address of Registered Office of Issuer

7th Floor, 609 Granville Street, Vancouver, B.C.
Address of Records Office (Section 39 - Company Act)

Guardian Estates & Agencies Ltd., 404-470 Granville Street, Vancouver, B.C.
Name & address of Registrar & Transfer Agent
for Issuer's shares in British Columbia.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. DETAILS OF THE CIRCUMSTANCES RELATING TO THE OFFERING OF SECURITIES

Units Offering

By an agreement ("the Agency Agreement") dated November 8, 1982, amended January 31, 1983, Amore Resources Inc. ("the Issuer"), appointed Canarim Investment Corporation Ltd., 2200-609 Granville Street, Vancouver, B.C. ("the Agent") to offer through the facilities of the Vancouver Stock Exchange ("the Exchange") 550,000 shares of the Issuer with Series "A" share purchase warrants attached (one share and two warrants being herein referred to as a "Unit") to the public at a fixed price on the floor of the Exchange. Such offering will take place not more than 30 business days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers Office. From the close of trading to 5:00 P.M. on the business day preceding the offering day and between the hours of 6:30 A.M. and 6:55 A.M. on the offering day, a book will be maintained on the floor of the Exchange to receive the purchase orders.

Under the applicable By-laws and Rules of the Exchange, the offering price of Units will be 10% higher than the average trading price of the Issuer's shares, as traded on the Exchange, but not less than $1.10 per Unit. Under the terms of the Agency Agreement, the Agent may reserve not more than 80% of the Units for its clients and at least 20% of the Units will be offered to other members of the Exchange.

The Agent has agreed to purchase any Units unsubscribed for within the limit of the offering in consideration for which the Issuer has agreed to issue to the Agent 150,000 non-transferable Series "B" share purchase warrants entitling the Agent to purchase up to 150,000 shares of the Issuer. The Agent may exercise any of the said 150,000 warrants within 180 days from the offering day of the Statement of Material Facts at a price which is 15% higher than the average trading price on the date to be determined by the Exchange. The purchaser of any Units under the offering will be required to pay regular commission rates as specified by the By-laws and Rules of the Exchange.

The Agent will receive an aggregate fee of 7-1/2% of gross sales.

The range of the market price of the shares of the Issuer and the volume of shares for each of the four weeks immediately preceding the acceptance date of this Statement of Material Facts, on the Vancouver Stock Exchange, is as follows:

Week	Market Range Hi-Lo-Close	Volume
Jan. 24 - 28	$1.20-$1.00-$1.10	22,700
Jan. 31 - Feb. 4	$1.20-$1.05-$1.05	57,700
Feb. 7 - 11	$1.16-$1.00-$1.05	62,100
Feb. 14 - 18	$1.10-$0.90-$1.05	33,800

The following beneficially own directly or indirectly, in excess of 5% of each class of the issued shares of the Agent:

Intercan Holdings Ltd. (Intercan) is the only shareholder holding more than 5% of the issued shares of the Underwriter. The following beneficially own directly or indirectly, in excess of 5% of Intercan:

Name and Address	Number & Class	Percentage of Class	Percentage of Voting Rights
A.E. Turton Investments Ltd. 3rd floor Canarim Place 52 Donald Street Winnipeg, Manitoba	17,982 Class "A" Common	100%	40%
The MacLachlan Investments Corporation 2200-609 Granville Street Vancouver, B.C.	17,982 Class "B" Common	100%	40%
Petersham Holdings Ltd. 2200-609 Granville Street Vancouver, B.C.	6,744 Class "C" Common	100%	15%

Channing Investments Corp. 2200-609 Granville Street Vancouver, B.C.	2,248 Class "D" Common	100%	5%

100% of A.E. Turton Investments Ltd. is owned by Alfred E. Turton of 3rd Floor, Canarim Place, 52 Donald Street, Winnipeg, Manitoba.

100% of The MacLachlan Investments Corporation is owned by Peter M. Brown of 2200-609 Granville Street, Vancouver, British Columbia.

100% of Petersham Holdings Ltd. is owned by Brian D. Harwood of 2200-609 Granville Street, Vancouver, British Colmbia.

100% of Channing Investments Corporation is owned by Charles Channing Buckland of 2200-609 Granville Street, Vancouver, British Columbia.

The directors and insiders of the Issuer may purchase Units from this offering.

The Series "A" share purchase warrants to be issued hereby will be in bearer form and two warrants will entitle the holder thereof to purchase one share in the capital of the Issuer at any time up to the closing of business 180 days following the offering day at a price which is 15% higher than the average trading price on a date to be determined by the Exchange and any Series "A" share purchase warrants not exercised on or before 180 days from the offering day will be void. The Series "A" share purchase warrants will contain antidilution provisions, including among other things, provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any sub-division, consolidation or reclassification of the shares of the Issuer, or the payment of stock dividends.

The Issuer cannot estimate with certainty the price at which the Units will sell. However, in the event the Units are sold at $1.10 per Unit, the Issuer will receive $605,000 less commissions of $45,375, a net amount of $559,625.

The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The shares of the Issuer are not listed for trading on any other stock exchange.

The Issuer has granted the Agent the right of first refusal on further financings for a period of 12 months from the acceptance date of this Statement of Material Facts.

There are no sub-underwriting or sub-option agreements. However, the Agent reserves the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers and investment dealers who may or may not be offered part of the commissions or bonuses derived from this offering.

The Agent will be considered the "market maker" of the Issuer during the period of primary distribution and may, subject to the By-laws of the Exchange, make purchases and sales of shares and warrants of the Issuer for the purpose of maintaining an orderly market for the shares and warrants. The Agent has advised the Issuer that it owns no shares of the Issuer.

The number and percentage of the issued and outstanding shares of the Issuer beneficially owned, directly or indirectly, by promoters, directors, senior officers and persons holding 10% or more of the issued shares is 1,101,497 shares and 33.39%.

Secondary Offering

In addition to qualifying for sale to the public the Units as set out in this item, this Statement of Material Facts qualifies for sale to the public by the Agent, for a period of 180 days from the acceptance date of this Statement of Material Facts, any shares of the Issuer acquired by the Agent upon exercise of the Series "B" share purchase warrants.

Particulars of such shares which might be offered for sale are as follows:

Selling Shareholder	Number of Shares to be owned	Number of Shares being Qualified for Sale	Number of Shares to be Owned on Completion of Offering
Canarim Investment Corporation Ltd. 2200-609 Granville St. Vancouver, B.C.	150,000	150,000	nil

None of the proceeds from the sale of shares offered by the selling shareholder will be received by the Issuer. All such proceeds will accrue to the selling shareholder.

2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED

The securities offered hereby are speculative. The Issuer's mineral prospects do not contain any proven ore reserves and a substantial amount of exploratory work will have to be done before a determination can be made as to whether or not the prospects, or any of them, contain commercially mineable ore bodies. No survey has been made of the Issuer's located mineral claims and therefore in accordance with the mining laws of British Columbia their precise location and area may be in doubt.

Although the Issuer anticipates income from its interests in certain oil and gas properties, other interests are in the exploration and development stage. There is no certainty that expenditures to be made by the Issuer on exploration and development drilling will result in discoveries of commercial production.

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE ISSUER

The most recent filing with the Vancouver Stock Exchange was a Statement of Material Facts dated May 15, 1981, effective date May 27, 1981. Since that date the following material changes have taken place in the affairs of the Issuer:

(a) R. Gorden Smith became a director of the Issuer on September 25, 1981.

(b) The following transfers of shares within escrow:

Transferor	Transferee	No. of Shares
George G. Grauer	R. Gorden Smith	281,250
	Samaya Ryon	50,000
	American Crude, Inc.	50,000

(c) The Issuer has entered into an agreement dated August 30, 1982 with Crow Equities Ltd. to explore and develop the Kootenay Belle Property in the Nelson Mining Division, B.C. (See Items 10 and 11).

(d) The Issuer borrowed $125,000 from Jack Ryvers on September 22, 1982 to be repaid out of the proceeds of the offering herein (See Item 9).

(e) The Issuer has terminated an agreement dated October 12, 1982 with Surinam Resources Ltd. to explore and develop a placer gold property in the Dawson Mining District, Yukon Territory (See Item 18).

4. THE ESTIMATED NET PROCEEDS OF THE ISSUER ARE TO BE SPENT

Although it is not possible to determine the actual net proceeds from the units being offered hereby, if all 550,000 units are sold at a price of $1.10 per unit, proceeds would be $605,000 less commissions of $45,375, for a net amount of $559,625 which together with current cash and receivables of $13,855, a total of $573,480 will be used as follows:

(a)	To costs of this issue including legal, audit and printing	$ 15,000
(b)	To accounts payable	$ 261,427*
(c)	To repayment of Ryvers loan (See Item 9)	$ 125,000
(d)	To carry out the Issuer's 51% share of the Phase I program on the Kootenay Belle Property as recommended by N. C. Davidson, P.Eng. in his report dated September, 1982, a copy of which is attached hereto	$ 94,350

(e)	To working capital and general corporate purposes	$ 77,703
		$ 573,480

*The balance of accounts payable is $135,487 owing to Fairchild Oil Corporation which, by agreement with Fairchild, shall be paid from whichever occurs first:

(a) upon collection of accounts receivable;
(b) from proceeds of the exercise of warrants referred to in Item 1 herein;
(c) by sale of all or part of Issuer's interest in the Jumbo Prospect (see Item 10G herein);
(d) by the issuance of common shares of the Issuer 181 days from the effective date of this Statement of Material Facts, at market.

Any monies received by the Issuer from the exercise of the Series "A" Share Purchase Warrants will be added to the Issuer's working capital.

No proceeds from this Offering will be spent on the acquisition of properties other than nominal investigation expenses incurred in the ordinary course of business without submitting engineering reports acceptable to the Vancouver Stock Exchange and the Office of the Superintendent of Brokers, until either an amendment to this Statement of Material Facts is filed and accepted, or, if the shares offered by this Statement of Material Facts are no longer in primary distribution, the approval of the Vancouver Stock Exchange is obtained.

5. **GIVE THE FULL NAME, HOME ADDRESS AND CHIEF OCCUPATION, THE NUMBER OF SHARES OF THE ISSUER BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, BY EACH SENIOR OFFICER OR DIRECTOR OF THE ISSUER AND IF EMPLOYED DURING THE PAST FIVE YEARS, THE NAME OF EACH EMPLOYER**

Name and Address	Chief Occupation	Number of Shares of Issuer Beneficially Owned
DAVID JAMES COPELAND 3626 West 1st Avenue Vancouver, B.C. Director	Self-employed geological consultant	8,500

GEORGE GUSTAV GRAUER 1102-1350 Broughton St. Vancouver, B.C. Director & President	Chartered Accountant, President of Amore Resources Inc. since May 30, 1977	26,000 free*
WALTER JOSEPH MOYLS 201-1337 West 10th Ave. Vancouver, B.C. Director & Secretary	President, Anderson and Miskin Ltd., fish brokers	120,000 free
ROBERT GORDEN SMITH 6676 Adera St. Vancouver, B.C. Director	Self-employed financial consultant, Director of Amore Resources Inc., Black Diamond Resources Ltd., Farrah Resources Ltd.	192,435 escrow 211,940 free

* By agreement dated December 30, 1982 between George G. Grauer and CGS Investments, Mr. Grauer assigned 226,645 escrowed shares and 214,500 "free" shares to CGS which is a corporate partnership. The corporate partners of CGS as to an undivided one-third interest each are:

West Coast Charters Ltd.
2615 Point Grey Road
Vancouver, B.C.

Waterloo Manufacturing Ltd.
c/o P.O. Box 11613
2660-650 West Georgia Street
Vancouver, B.C.

Grauer Enterprises Ltd.
575 Richards Street
Vancouver, B.C.

The principals of West Coast, Waterloo and Grauer are S. Patrick Claridge, R. Gorden Smith, a director of the Issuer and George G. Grauer, a director of the Issuer, respectively.

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER

The Issuer was incorporated by Memorandum and Articles in British Columbia on May 2, 1977 under the name of Amore Minerals Inc. The Issuer converted from a private to a public company on September 23, 1977 and by Registrar of Companies Certificate dated October 3, 1980 changed its name to Amore Resources Inc.

The last Annual Report filed with the Registrar of Companies of British Columbia contained information as at May 2, 1982. All filings required to be made by the Issuer under the Securities Act and the Company Act of British Columbia are up-to-date.

The last audited Financial Statements as at April 30, 1982 were presented to members of the Issuer at the Annual General Meeting held September 24, 1982.

The Issuer is engaged in the business of exploring and developing natural resource properties.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER

The Issuer is authorized to issue 10,000,000 shares without par value of which 3,298,502 shares are issued and outstanding.

8. THE PRICES AT WHICH SECURITIES OF THE ISSUER HAVE BEEN ISSUED DURING THE PAST YEAR

No securities of the Issuer have been issued during the past year.

9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES, CHARGES, LIENS OR HYPOTHECATIONS OF THE ISSUER

There are no bonds, debentures, mortgages, charges, liens or hypothecations of the Issuer issued or outstanding except for the Issuer's promise to repay the sum of $125,000 with interest at 2% over prime and issue 5,000 shares to Jack Ryvers, 92 Juniper Gate, Richmond, B.C. by letter agreement dated September 22, 1982. Although the terms of loan call for repayment by December 23, 1982 it is satisfactory to Mr. Ryvers that the loan be repaid from the proceeds of the offering herein. Repayment has been guaranteed by directors George G. Grauer and R. Gorden Smith.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER, OR ANY SUBSIDIARY THEREOF, OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER, OR ANY SUBSIDIARY THEREOF

A. Province of British Columbia

Vernon Mining Division

The Issuer holds a full interest in the Geo 1-3 located mineral claims.

During 1981 three holes were drilled at a cost of $33,713. One hole contained a trace of mineralization. The Issuer has no plans for further work in 1983.

Slocan Mining Division

The Issuer holds a full interest in the Ruth 1-5 located mineral claims.

Only assessment work consisting of a geochemical survey and grid extension was carried out during the past year at a cost of $1,450. No work is contemplated by the Issuer in 1983.

Nicola Mining Division

The Issuer holds a full interest in the Argus 3-7 and Cap 6 and 7 located mineral claims.

During the past year the Issuer carried out prospecting on the claims at a cost of $300. The Issuer has no plans for work on the claims in 1983.

B. Pierce Junction Prospect
Harris County, Texas

Effective June 30, 1980 the Issuer acquired the following interests in 212 gross acres (Lease Block A) from American Crude, Inc. 2221 West Loop South, Houston, Texas:

Working Interest Before Payout	Working Interest After Payout	Net Revenue Interest Before Payout	Net Revenue Interest After Payout	Cost Participation
20.4375%	14.7666%	12.26%	8.86%	27.46975%

The Lease Block A lands are burdened by a total royalty of 40%.

To date six wells have been reworked, five of which were completed as modest oil producers, and one was converted to a salt water disposal well. The Issuer has also participated in four of eleven new wells. It has joint-ventured its interest in a fifth well pursuant to an agreement dated June 2, 1981 with Herbert Oil & Gas Inc., 1455 West Georgia Street, Vancouver, B.C. by transfer of 7.999% of its net revenue interest before payout (4.2027% after payout) for $150,000 U.S. Herbert Oil & Gas Inc. is a private Washington corporation whose principal is Robert Drury, 1450 West Georgia Street, Vancouver, B.C.

Effective June 1, 1981 the Issuer acquired the following interests in Lease Block B consisting of an additional 1,200 gross acres:

Working Interest Before Payout	Working Interest After Payout	Net Revenue Interest Before Payout	Net Revenue Interest After Payout	Cost Participation
9.6875%	8.0%	5.8125%	4.8%	13.02084%

The Lease Block B lands are burdened by a total royalty of 40%.

To date two wells have been reworked; one has been completed in the Frio Sands as a modest oil producer and one has been completed in the Yegua Sands as a gas and condensate well. The latter well is shut-in awaiting pipeline hook-up.

Report on Production

		Total Cost to Oct 31/82 (U.S.$)	Recent Gross Production Aug.	Sept.	Oct	Status
			Barrels of Oil/Month			
Lease Block A						
Gladys Dissen #1	NW	$433,932	---	---	---	Undergoing completion procedures
Gladys Dissen #2		$ 2,521		Location		
Gladys Dissen #3		$ 20,926		Location		
L.J. Settegast #5	RW	$ 18,206	---	---	---	awaiting remedial work
J.J. Settegast B-23	RW	$ 22,421	---	---	---	requires reworking
J.J. Settegast A-35	RW	$ 30,835	---	---	---	requires reworking
Julia Frost #1	RW	$ 28,320	91.26	20.09	31.72	modest production*
Julia Frost #2	NW	$200,033	700.10	762.52	531.7	producing*
L.J. Settegast #1 "Pat"	NW	$247,173	747.01	1080.47	NA	producing*
L.J. Settegast A-1 SWD	RW	$ 60,714	---	---	---	salt water disposal well
M. Settegast #2	NW	$161,206	249.02	219,76	61.82	producing*

M. Settegast #3	NW	$142,875	---	---	57.76	producing*
M. Settegast #4	RW	$ 59,124	203.92	184.70	163.95	producing*
<u>Lease Block B</u>						
Jennie J. Settegast Et Al #1	RW	$77,622		Shut-in		awaiting hook-up
Rio Bravo	RW	$ 787	29	43	NA	producing*
		$1,506,695				

NW = new well
RW = rework
NA = not available

* Producing at uneconomical rates

The Jennie J. Settegast Et Al #1 is to be hooked up on or about March 1, 1983 with a sustained yield estimated by American Crude, Inc. of 600 MCF per day. The Issuer's share of costs in connection with hook-up equipment is estimated at $6,510 U.S.

Reserves estimated by Donald A. Duguid & Associates Ltd., 1144 Duchess Avenue, West Vancouver, B.C. as at December 15, 1982:

Proven Producing and undeveloped	$ 510,000 U.S.
Probable (Yegua, Jackson)	$ 674,400 U.S.
	$1,184,600 U.S.

D. A. Duguid states in his report of December 15, 1982:

"The erratic production history of the producing wells makes it extremely difficult to predict recoverable reserves accurately. However, on the basis of the production rates and correlating with the Keplinger analysis, the value of the remaining recoverable reserves to Amore's working interests are estimated as above (discounted at 20%). Thus the indicated reserves do not justify the cost of obtaining them based on the present information available."

The Issuer's net revenue to and including November, 1982 production from lease blocks A and B has been $339,943 and $1,674 respectively. Its costs have been $2,011,692 of which $83,388 was owing as of December 31, 1982. As at December 31, 1982 a credit of $13,096 to the Issuer's account is being held in suspense against payment of current operating expenses.

The Issuer has no future participation obligations in respect of this prospect and plans no further participation therein other than ongoing operating expenses. Failure on the part of the Issuer to participate in any drilling (Gladys Dissen #2 and #3), completion (Gladys Dissen #1 NW) or rework expenses will subject the Issuer to a penalty which will permit the party who has provided the Issuer's share to receive 400% of the amount contributed before the Issuer can enjoy its pro rata revenue participation.

C. Yates Lease
Dawson County, Texas

The Issuer has earned a 6.5625% working interest, 4.921375% net revenue interest, in 160 acres by paying 7.5% of leasehold acquisition and drilling and completion costs which to October 31, 1982 have totalled $37,309.

No reserve evaluations have been made as production has declined to the point where the prospect is not economic. The Issuer has elected to write down its costs to $1.

The Issuer has no further obligations or plans in respect of this prospect.

D. Lacy Prospect
Reagan County, Texas

The Issuer holds a 5% working interest, 4.025% revenue participation before gross overriding royalties and a 2.81% net revenue interest after overriding royalties in 2,240 acres.

The Issuer has participated in the drilling of five wells and completion of four at a cost to the Issuer to October 31, 1982 of $234,915. The Issuer owes $35,257.

Production is in the order of 15-20 BOPD, total production from the four producing wells. Revenue payments have been suspended due to the bankruptcy of one of the participants. American Crude, Inc., the operator, has advised as of September 16, 1982 that no conclusion can be drawn as of yet on when payment can be expected, nor can they determine the percentage, if any, of the monies owed that will be paid. There has been no significant change in this situation to the date hereof.

No reserve evaluations have been made. It is doubtful whether the Issuer will recoup its investment within a reasonable period of time. The sum of $10,268 is presently owing to the Issuer.

The Issuer has elected to write down its costs to $1. It has no further obligations or plans in respect of this prospect. Failure on the part of the Issuer to participate in rework expenses will subject the Issuer to a penalty which will permit the party who has provided the Issuer's share to receive 400% of the amount contributed before the Issuer can enjoy its pro rata revenue participation.

E. LaCaff Prospect
<u>Martin County, Texas</u>

The Issuer holds a 6.25% working interest, 4.375% net revenue interest before payout, in 7,200 acres.

The lands are burdened with royalties of 30%. American Crude, Inc. has a 20% reversionary interest reducing the Issuer's interest by one-fifth. The Issuer's interest may be summarized as follows:

	Working Interest	Net Revenue Interest
Before payout	6.25%	4.375%
After payout	5.00%	3.5%

Of five wells drilled, three were plugged and abandoned and two, the Scotty #1 and Stanley #1, have declined to negligible production. The Issuer has elected to write down its lease costs ($136,973) and exploration and development costs ($264,435) to $1. Nothing is owed on this prospect by the Issuer. The Issuer has no obligations or plans for further drilling participation.

F. Grosse Isle Field Prospect
<u>Vermilion Parish, Louisiana</u>

The Issuer holds a 3.125% working interest in approximately 1,560 acres.

Oil Country Management Inc. of Lafayette, Louisiana, who assembled the acreage, has reserved a reversionary working interest equal to 28% to become effective at payout. American Crude, Inc. has reserved a reversionary working interest equal to 3.125% to become effective at payout. The reversionary interests will reduce the Issuer's working interest and net revenue interest after payout so that the Issuer's interest may be summarized as follows:

	Before Payout	After Payout
Working Interest	3.125%	2.15234375%
Net Revenue Interest	2.1875%	1.506640625%

Two test wells have been drilled, a 12,500 foot Mulvey Test (Betty Lou Faulk #1) and a 14,500 foot Planulina Test (Sam Russo Estate #1) which has been plugged and abandoned. In a review of the Issuer's participation in the prospect as at December 15, 1982 by Donald A. Duguid & Associates Ltd. it is stated:

> "As of August, 1981 proved producing reserves were assigned a value of $195,000 U.S. undiscounted. To date the well (Betty Lou Faulk #1) has produced net revenues in excess of $300,000 U.S. At current producing rates, Amore Resources will not recover its investment. The estimated net recoverable reserves to Amore's interest discounted at 20% are approximately $12,000 U.S. Due to the present production rates which are uneconomic to working interest participants such as Amore, it is recommended that further participation in this prospect is unjustified."

The Issuer's costs to October 31, 1982 have been $143,377. The Issuer has elected to write down its costs to $1.

The Issuer has no obligations or plans for further drilling participation.

G. Jumbo Prospect
Pushmataha County, Oklahoma

Effective January 31, 1980 the Issuer acquired a series of interests in 65,640 acres from Fairchild Oil Corporation, 2050-200 Granville Street, Vancouver, B.C. Subsequently leases on 34,131 acres have expired leaving 31,509 acres.

On the 31,509 acres wells have been drilled as follows:

Perrin Estates 1-9

This well, which has earned surrounding 640 acres, was drilled to the Arkansas Novaculite and Big Fork Cert formations at approximately 9,200 feet. The well is currently shut-in but has been tested at a production rate of 950 MCF per day. The Issuer is required to pay 6.448% of development costs (drilling and completion costs) for a 5.1876% working interest (3.97% net revenue interest) before payout and 3.8906% working interest (3.2% net revenue interest) after payout. The well is burdened by a 23.48% royalty before payout and a 17.23% royalty after payout.

Brame 1-16

The well was drilled to the Arkansas Novaculite to a depth of approximately 9,500 feet. It is currently shut-in awaiting pipeline hook up but has been tested at a rate of 4,200 MCF per day. The Issuer is required to pay 5.0% of the development costs (drilling and completion) for a 4.0% working interest (3.35% net revenue interest). There is no difference in the before or after payout interest. This well is burdened by royalties of 16.23435%.

Brame 1-10, 2-15, & 1-22

The three wells were drilled on the Brame Block consisting of 12,680 acres. These three wells have been tested and range between 100 to 540 MCF per day. They are presently shut-in.

Under the terms of the participation agreement the Issuer is required to pay 7.55% of the development costs for a working interest of 6.0% (5.03% net revenue interest). The lands are burdened by a royalty of 16.23%.

Smith 1-27, Urfer 1-10

Two wells have been drilled on the Jones & Pellow Farmout comprising 11,520 acres (18 sections) in two parcels. Each well has earned one section. As this is a farmout block the Issuer is not required to pay costs before payout. Its net revenue interest before payout is .20083%. After payout the Issuer is required to pay 1.25% of costs to earn 1.0% working interest, 0.84766% net revenue interest after payout.

On the remaining 16 sections the Issuer's interest is 2.56% of costs to earn 2.0% working interest, 1.66753% net revenue interest. There is no difference between the before or after payout interests.

The Issuer's costs of all lease acquisition and drilling to October 31, 1982 have been $667,652. It owes $235,487 on its interest.

As the Jumbo area is remote and conventional gas distribution companies require certain reserves per mile of line before installation of a pipeline, it became apparent that it would be some time before a products line would be available. Therefore, the participants in the prospect purchased an existing pipeline which they will operate in partnership. The right-of-way traverses the Jumbo area. The eight inch diameter line is approximately 31 miles in length. There is no arrangement as of the date hereof for lateral hook-ups. At such time as hook-ups are made the participants will endeavour to have the costs incurred paid by the gas purchaser. To date no gas purchaser has been found. The partnership is managed by U.S. Mineral & Royalty Corporation, Oklahoma City, Oklahoma.

The cost of the pipeline was $982,080. The Issuer's 2.66931% interest in the pipeline cost $33,726 of which $195 is owing.

No reserve evaluations have been made. The Issuer has no obligations or plans for further participation in this prospect.

H. Kootenay Belle Property
Nelson Mining Division, British Columbia

By an agreement dated August 30, 1982, amended by letter agreement dated January 10, 1983 between the Issuer and Crow Equities Ltd., 524, 550-6th Avenue S.W., Calgary, Alberta, the Issuer acquired an option to acquire Crow's interest in ten reverted Crown granted mineral claims:

Name	Number	Expiry Date
Argyle	L 10155	November, 1991
Wolfe	L 3856	November, 1991
Yosemite	L 3654	November, 1991
Sultana	L 9186	November, 1991
Hide Away	L 5625	November, 1991
Vancouver	L 10006	November, 1991
Rio Tinto	L 4640	November, 1991
Yosemite Fraction	L 10254	November, 1991
Batt Fraction	L 9187	November, 1991
Helena	L 9344	November, 1991

The Issuer has acquired the Mat Fraction, L3857, for $1,500.

The Issuer's terms of acquisition call for the expenditure of $650,000 on the property by May 15, 1984. Failing expenditure of the full $650,000 by May 15, 1984, the Issuer would, to maintain its interest in the property, pay $1,500 per month to Amain Developments Ltd., 301-1855 Balsam Street, Vancouver, B.C., until the $650,000 expenditure has been made.

In the event of production from the property Amain Developments Ltd. will be entitled to 15% of net profits after the Issuer has recovered all preproduction, exploration and development expenditures.

From Salmo, B.C. access is south via paved road on old Highway 3 about four miles to the Sheep Creek road thence about six miles east.

During 1980 extensive geochemical sampling surveys were undertaken. The 1981 field season saw the following completed: additional geochemical, access roads cleared and repaired, Kootenay Belle portals at 6 and 3 levels were restored to afford underground access; the Vancouver vein adits were mapped and sampled where possible; a road constructed to the Hide Away adit and portal was restored.

The 1981 work was carried out by Crow Equities Ltd. at a cost of approximately $150,000.

By an agreement dated January 26, 1983 between the Issuer and Abaterra Energy Ltd., 605-800 6th Avenue S.W., Calgary, Alberta, the parties have agreed to joint venture exploration and development of the Kootenay Belle property on a 51% (Issuer) 49% (Abaterra) basis. (See Item 11G herein).

The Issuer intends to participate with Abaterra Energy Ltd. in the carrying out of the Phase I program of work recommended by N. C. Davidson, P.Eng. in his September, 1982 report at an estimated cost of $185,000 of which the Issuer shall pay $94,350 and Abaterra shall pay $90,650. Contingent upon successful results of the Phase I program, a Phase II program has been recommended at an estimated cost of $330,000. A Phase III program, estimated to cost $975,000, has been recommended contingent upon successful results of the Phase II program.

11. PARTICULARS OF THE COST OF PROPERTIES ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF WITHIN THE PAST THREE YEARS OR PROPOSED TO BE ACQUIRED BY THE ISSUER OR ANY SUBSIDIARY THEREOF

A. Pierce Junction Prospect
<u>Harris County, Texas</u>

By an agreement dated June 30, 1980 between KLM Oil & Gas Inc. and the Issuer, the Issuer acquired a 29.66% working interest to casing point, converting to a 14.83% working interest after casing and to completion by paying to KLM:

(a) the sum of $44,999 U.S. representing 29.66% of the lease acquisition costs;

(b) 29.66% of the drilling of each well in the obligation well program to casing point;

(c) 14.83% of the cost of completing each well in the obligation well program.

The above percentages were subsequently altered by agreement of June 1, 1981 between the Issuer and American Crude, Inc. so that the Issuer's interests in Lease Block A lands and Lease Block B lands are as follows:

Lease Block A

Working Interest Before Payout	Working Interest After Payout	Net Revenue Interest Before Payout	Net Revenue Interest After Payout	Cost Participation
20.4375%	14.7666%	12.26%	8.86%	27.46975%

The Lease Block A lands are burdened by a total royalty of 40%.

Lease Block B

Working Interest Before Payout	Working Interest After Payout	Net Revenue Interest Before Payout	Net Revenue Interest After Payout	Cost Participation
9.6875%	8.0%	5.8125%	4.8%	13.02084%

The Lease Block B lands are burdened by a total royalty of 40%.

KLM acquired a 50% working interest in the Pierce Junction Prospect by an agreement dated April 14, 1980 with American Crude, Inc.

KLM is a Delaware corporation whose greater than 10% shareholders are:

Waterloo Manufacturing Ltd. 32%
c/o P.O. Box 11613
2660-650 West Georgia St
Vancouver, B.C.

Gotham Holdings Ltd. c/o P.O. Box 11613 2660-650 West Georgia St. Vancouver, B.C.	15%
DCM Holdings Inc. c/o P.O. Box 11613 2660-650 West Georgia St. Vancouver, B.C.	15%
Herbert Machinery Corp. c/o P.O. Box 11613 2660-650 West Georgia St. Vancouver, B.C.	15%
Cantex Enterprises Ltd. 7726 Ash St. Vancouver, B.C.	10%

The greater than 10% shareholders of the above companies are:

Waterloo	R. Gorden Smith	(100%)
Gotham	John G. Cassils	(100%)
DCM	John D. L. Mackay	(100%)
Herbert	David Boyd	(100%)

all c/o 2660-650 West Georgia Street, Vancouver, B.C.

Cantex	Verna Hunter 7726 Ash St. Vancouver, B.C.	(100%)

R. Gorden Smith (Waterloo) is a Director of the Issuer.

By Agreement dated June 2, 1981 with Herbert Oil & Gas Inc. the Issuer transferred 7.99% of its net revenue interest before payout (4.2027% after payout) in one well to Herbert for $150,000 U.S. (paid). As of the date hereof Herbert owes an additional $41,345 for its share of workover and lease operating expenses.

B. Yates Lease
<u>Dawson County, Texas</u>

By letter dated December 11, 1979 from American Crude, Inc., accepted by the Issuer on January 15, 1980, American Crude assigned to the Issuer a 6.5625% working interest, 4.921375% of net revenue interest, for which the Issuer has paid $37,319 representing 7.5% of expenses including leasehold acquisition costs and costs of drilling and completing a test well.

American Crude, Inc., is a Texas corporation whose issued shares are owned by Stanley T. Weiner and W. Scott Thompson, both of Houston, Texas, as to 50% each.

C. Lacy Prospect
<u>Reagan County, Texas</u>

By an agreement dated July 2, 1980 between KLM Oil & Gas Inc., 701-744 West Hastings Street, Vancouver, B.C. and the Issuer, the Issuer acquired a 5% working interest, 4.025% revenue participation before gross overriding royalties of 30% by agreeing to pay to KLM:

(a) the sum of $16,800 U.S. representing 1/5 of KLM's payment towards lease acquisition costs;

(b) the sum of $8,605 U.S. representing 5% of the estimated cost of drilling to casing point;

(c) 5% of all costs incurred in the drilling of seven wells to casing point or completion on the Lacy Prospect of which five have been drilled (4 completed). The Issuer has no plans to participate in the drilling of any further wells on this prospect.

D. LaCaff Prospect
<u>Martin County, Texas</u>

By an agreement dated August 2, 1980 between Eskimo Resources Ltd., 202 Western Crescent, Prince George, B.C. and the Issuer, Eskimo assigned to the Issuer one-half of its 12.5% working interest in the LaCaff Prospect in consideration of the Issuer assuming one-half of Eskimo's participation costs and issuing 10,000 shares in its capital stock to Eskimo for each of the first three successful wells. The Issuer issued 30,000 shares to Eskimo Resources Ltd. on the basis of the intitial reports on the Scotty #1, Scotty #2 and Stanley #1 wells which indicated their completion as successful producing wells.

Eskimo's interest is derived from an agreement dated as of April 14, 1980 with American Crude, Inc., 2221 West Loop South, Houston, Texas.

Eskimo Resources Ltd. is a British Columbia reporting corporation whose shares are listed (presently suspended) on the Vancouver Stock Exchange. The principals of Eskimo are:

Lawrence Hedman P.O. Box 2157 202 Western Crescent Prince George, B.C.	Director & President
Frederick R. Jones P.O. Box 450 Hudson's Hope, B.C.	Director & Secretary
David A. Roguski 13223-109 Street Edmonton, Alberta	Director

E. Grosse Isle Field Prospect
<u>Vermilion Parish, Louisiana</u>

By agreement agreed to and accepted by the Issuer on November 12, 1980 with American Crude, Inc., the Issuer acquired the right to earn a 3.125% working interest, 2.1875% net revenue interest, in the prospect consisting of oil and gas leases and farmins comprising approximately 1,560 acres.

F. Jumbo Prospect
<u>Pushmataha County, Oklahoma</u>

By an agreement dated January 31, 1980 between Fairchild Oil Corporation, 2050-200 Granville Street, Vancouver, B.C. and the Issuer, the Issuer acquired rights to earn interests in 31,509 acres by participating in the following wells:

Perrie Estates 1-9

The Issuer is required to pay 6.448% of drilling and completion costs for a 5.1876% working interest (3.97% net revenue interest) before payout and 3.8906% working interest (3.2% net revenue interest) after payout. The well is burdened by a 23.48% royalty before payout and a 17.23% royalty after payout.

Brame 1 - 16

The Issuer is required to pay 5.0% of the development costs (drilling and completion) for a 4.0% working interest (3.35% net revenue interest). There is no difference in the before or after payout interest. This well is burdened by royalties of 16.23435%.

Brame 1-10, 2-15, 1-22

The Issuer is required to pay 7.55% of the development costs for a working interest of 6.0% (5.03% net revenue interest). The lands are burdened by a royalty of 16.23%.

Smith 1-27, Urfer 1-10

Two wells have earned two of 18 sections. As this is a farmout block the Issuer is note required to pay costs before payout. Its net revneue interest before payout is .20083%. After payout the Issuer is required to pay 1.25% of costs to earn 1.0% working interest, 0.84766% net revenue interest after payout.

On the remaining 16 sections the Issuer's interest is 2.56% of costs to earn 2.0% working interest, 1.66753% net revenue interest. There is no difference between the before or after payout interests.

Fairchild Oil Corporation is a non-reporting British Columbia corporation and is the wholly owned subsidiary of Consolidated Ascot Petroleum Corporation whose shares are listed on the Vancouver Stock Exchange.

The cost of acquisition to the Issuer of acquiring a 2.66931% share of the Quachita Pipeline System to transport Jumbo gas was $33,726 of which $33,531 has been paid.

G. Kootenay Belle Property
<u>Nelson Mining Division, British Columbia</u>

By an agreement dated August 30, 1982, amended by letter agreement dated January 10, 1983 between Crow Equities Ltd. and the Issuer, the Issuer was granted an option to acquire Crow's interest in the Kootenay Belle property consisting of ten reverted Crown granted mineral claims for 400,000 shares of the Issuer to be issued as follows:

(a) 100,000 shares upon acceptance of the agreement for filing by regulatory authorities;

(b) 100,000 shares upon completion of the Phase I program recommended by N. C. Davidson, P. Eng. and acceptance by regulatory authorities of a satisfactory progress report thereon;

(c) the balance of 200,000 shares by way of 50,000 shares for each $60,000 expended on the property by the Issuer, each block of 50,000 shares to be issued upon acceptance by regulatory authorities of a satisfactory progress report.

<u>Note</u>: Note 9 to the financial statements as at October 31, 1982, attached hereto, refers to a share issuance schedule which was amended January 10, 1983.

Crow was the optionee under an agreement of May 15, 1981 with Amain Developments Ltd. wherein Crow was granted the right to acquire Amain's interest in the Kootenay Belle property by paying $50,000 and expending $150,000 on the property by May 15, 1982. Both requirements have been met. The Amain agreement calls for the expenditure of $650,000 on the property by May 15, 1984. Failing expenditure of the full $650,000 Crow, to maintain its interest in the property, would pay $1,500 per month to Amain Developments Ltd. until the $650,000 expenditure was made. The Issuer has assumed Crow's obligations under the Amain agreement.

In the event of production from the property Amain Developments Ltd. will be entitled to 15% of net profits after the Issuer has recovered all pre-production, exploration and development expenditures.

By an agreement dated May 5, 1981 between Crow and Arctex Engineering Services, Crow agreed, in anticipation of carrying out work programs on the Kootenay Belle property, to engage the services of Arctex to carry out such work. the agreement provides that if Crow wrongfully terminates the agreement Crow shall pay Arctex as liquidated damages a sum equivalent to the profit, defined as 20% of all costs incurred on the property from the date of termination, until an additional $2,000,000 has been spent on the property from the date of termination. In this context liquidated damages means a specific sum of money which has been agreed upon by parties to an agreement as the amount of damages to be recovered by one party as a result of breach of the agreement by the other party.

The only greater than 10% shareholders of Crow, an Alberta corporation, are:

Victor Redekop	21.8%
Richard Ursel	15.0%
Joan Simmons	21.8%
Kennth Crowshaw	21.8%
Jena Resources Ltd.	15.0%

all c/o 524, 550-6th Avenue Southwest, Calgary, Alberta.

The only shareholder of Amain Developments Ltd., a British Columbia corporation, is Locke B. Goldsmith, 301-1855 Balsam Street, Vancouver, B.C. Locke B. Goldsmith is also the principal of Arctex Engineering Services which by the agreement of May 5, 1981 with Crow is the contractor for work done and to be done on the property.

By an agreement dated January 26, 1983 between the Issuer and Abaterra Energy Ltd., 605-800 6th Avenue S.W., Calgary, Alberta the parties agreed to joint venture the exploration and development of the Kootenay Belle property. The agreement provides that Abaterra may earn a 49% interest in the property for $50,000 and 150,000 shares of Abaterra payable as follows:

(a) $25,000 upon the execution of the agreement (paid);
(b) 75,000 shares upon acceptance of the agreement for filing by regulatory authorities;
(c) $5,000 on each of the following dates:

April 30, 1983
October 31, 1983
April 30, 1984
October 31, 1984
April 30, 1985

(d) 15,000 shares for every $60,000 spent by both parties on the property subject to receipt by regulatory authorities of satisfactory progress reports (to a maximum of 75,000 shares).

The proposed exploration and development program will be supervised by a management committee consisting of three persons, one appointed by the contractor (see reference to Arctex Engineering Services above) and one appointed by each of the Issuer and Abaterra.

The Issuer and Abaterra will bear exploration and development expenses as to 51% and 49% respectively. Abaterra may withdraw from the joint venture after the completion of Phase I or Phase II of the work programs recommended by N. C. Davidson, P.Eng. in his September, 1982 report attached hereto provided that it has paid its full share of costs at the time of withdrawal.

If either of the Issuer or Abaterra fails to contribute its share of the costs of work recommended by the management committee within sixty days of request and provided that the other party contributes the full amount for such work, the non-contributing party shall forfeit 2% of its interest for each $24,500 it has not contributed. Neither party's interest shall be reduced to less than a 5% carried interest. If either party's interest is reduced to a 5% carried interest, that party shall no longer be permitted to have a member on the management committee and the other party shall be permitted to have two members on the management committee.

Neither the Issuer nor Abaterra may assign or transfer or otherwise dispose of its interest in the joint venture without granting the other party a first right of refusal to acquire the interest. A selling party shall first submit to the other party a written offer specifying the interest proposed to be sold by it, the offering price and other terms and conditions of such sale. The other party shall have thirty days after the receipt of such notice in which to elect in writing to acquire the interest of the offering party upon the terms and conditions specified in the written offer. If the other party fails to elect within thirty days to acquire the interest being offered, the selling party shall be entitled to sell the interest at a price and on terms and conditions not less favourable than those specified in the notice.

If the Issuer loses its right to acquire the Kootenay Belle property as a result of not issuing a total of 400,000 shares to Crow Equities Ltd., the Issuer shall reimburse any payments made by Abaterra pursuant to sub-paragraphs (c) and (d) above, i.e. which payments of $5,000 as have been made pursuant to sub-paragraphs (c) and such number of shares as have been issued pursuant to sub-paragraph (d).

Abaterra Energy Ltd. is a public company whose shares are listed for trading on the Vancouver Stock Exchange.

12. THE NAME AND ADDRESS OF ANY PERSON OR COMPANY WHO OR THAT IS OR HAS BEEN A PROMOTER OF THE ISSUER WITHIN THE PRECEDING TWO YEARS AND THE NATURE OF AND AMOUNT OF ANYTHING OF VALUE RECEIVED OR TO BE RECEIVED FROM THE ISSUER

George G. Grauer, 1102-1350 Broughton Street, Vancouver, B.C., director and president of the Issuer and Walter J. Moyls, 201-1337 West 10th Avenue, Vancouver, B.C., director and secretary of the Issuer, David J. Copeland, 3626 West 1st Avenue, Vancouver, B.C., director of the Issuer and R. Gorden Smith, 6676 Adera Street, Vancouver, B.C., director of the Issuer, are promoters of the Issuer in accordance with Section 1(1) of the British Columbia Securities Act.

Pursuant to a management agreement dated June 30, 1980 between the Issuer and Grauer Enterprises Ltd., whose principal is George G. Grauer, Grauer Enterprises received $750 per month management fees. As of July 1, 1981 the management fee was increased to $2,000 per month and commencing July 1, 1982 the management fee was increased to $2,500 per month. In addition to the management fees Grauer Enterprises Ltd. received rent from the Issuer for the period August 1, 1981 to June 30, 1982 in the amount of $3,150.

The Issuer has engaged the consulting services of Coastal Mountain Engineering Ltd. since May 1, 1981 for a fee of $500 per month. David J. Copeland is the principal of Coastal Mountain Engineering Ltd.

Pursuant to agreements dated June 10, 1982 George G. Grauer, R. Gorden Smith, David J. Copeland and Walter J. Moyls were granted incentive stock options to purchase 145,000, 145,000, 20,000 and 20,000 shares of the Issuer respectively exercisable to June 10, 1987 at 50¢ per share.

13. THE NUMBER OF SHARES OF THE ISSUER HELD IN ESCROW OR IN POOL AND A BRIEF STATEMENT OF THE TERMS OF THE ESCROW OR POOLING AGREEMENT

As of the date hereof 487,500 shares are held in escrow by Guardian Estates & Agencies Ltd., 404-470 Granville Street, Vancouver, B.C., subject to the direction or determination of the Vancouver Stock Exchange. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or escrow holder make any transfer or record any tradings of the shares without the prior consent of the Vancouver Stock Exchange.

In the event that the Issuer loses or alienates the property or asset for which it issued all or part of the escrow shares the Issuer or any shareholder thereof shall have the express obligation to declare such event or circumstance and the particulars thereof to the Vancouver Stock Exchange who may, at its discretion, make such order or direction for the cancellation of all or any portion of the shares as it deem advisable. The fact that the property or asset has been lost or alienated shall not, in itself, be cause for cancellation of all or part of the shares. The complete text of the Escrow Agreement is available for inspection at the Company's registered office, 7th Floor, 609 Granville Street, Vancouver, British Columbia.

The escrow shareholders are as follows:

CGS Investments* 2000-609 Granville Street Vancouver, B.C.	226,645

R. Gorden Smith 6676 Adera Street Vancouver, B.C.	192,435
American Crude Inc. 2221 West Loop South Houston, Texas	34,210
Samaya Ryon #6-1924 Capistrano Street Vancouver, B.C.	34,210

*CGS Investments is a corporate partnership whose three equal partners are West Coast Charters Ltd., Waterloo Manufacturing Ltd. and Grauer Enterprises Ltd. (See Item 5 for details of these companies).

There are no shares of the Issuer held in pool.

14. **THE NUMBER OF EQUITY SHARES OF THE ISSUER OWNED BENEFICIALLY, DIRECTLY OR INDIRECTLY, BY EACH PERSON OR COMPANY WHO OWNS, OR IS KNOWN BY THE SIGNATORIES HERETO TO OWN BENEFICIALLY, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF THE EQUITY SHARES OF THE ISSUER**

CGS Investments* 2000-6709 Granville Street Vancouver, B.C.	226,645 escrow 315,977 free
R. Gorden Smith 6676 Adera Street Vancouver, B.C.	192,435 escrow 211,940 free

*See Items 5 and 13 for details of CGS

15. A BRIEF STATEMENT OF ANY MATERIAL LEGAL PROCEEDINGS TO WHICH THE ISSUER OR ANY OF ITS SUBSIDIARIES IS A PARTY OR WHOSE PROPERTY IS THE SUBJECT OF SUCH PROCEEDINGS

Revenue payments from the Lacy prospect, Reagan County, Texas, in which the Issuer is a participant, have been suspended due to the bankruptcy of one of the participants. The Issuer was advised by American Crude, Inc., the operator, as of September 16, 1982 that no conclusion can be drawn as of yet as to when payment can be expected, nor can they determine the percentage, if any, of the monies owed that will be paid. There has been no significant change in this situation to the date hereof.

The Issuer's interest in the LaCaff prospect, Martin County, Texas derives from an agreement of August 2, 1980 with Eskimo Resources Ltd. Eskimo is in default in paying its share of costs so that any revenue which might accrue to the Issuer's interest has been set off by the operator against Eskimo's shortfall. The Issuer intends to take no steps in the matter at this time as Eskimo is inactive and without funds and the wells on the prospect have declined in negligible production.

There are no other legal proceedings to which the Issuer or any of its subsidiaries is a party or whose property is the subject of such proceedings.

16. THE AGGREGATE DIRECT OR INDIRECT REMUNERATION PAID OR PAYABLE BY THE ISSUER AND ITS SUBSIDIARIES DURING THE PAST YEAR TO INSIDERS OF THE ISSUER

During the past year, no direct or indirect remuneration has been paid or is payable by the Issuer to directors or senior officers as such. However, pursuant to a management agreement dated June 30, 1980 between the Issuer and Grauer Enterprises Ltd., Grauer Enterprises received $2,000 per month from July 1, 1981 to June 30, 1982, $2,500 per month commencing July 1, 1982. George G. Grauer, director and president of the Issuer, is the principal of Grauer Enterprises Ltd.

The Issuer has engaged the consulting services of Coastal Mountain Engineering Ltd. since May 1, 1981 for a fee of $500 per month. David J. Copeland, a director of the Issuer, is the principal of Coastal Mountain Engineering Ltd.

17. BRIEF PARTICULARS OF ALL OPTIONS TO PURCHASE SECURITIES OF THE ISSUER UNLESS OTHERWISE DISCLOSED HEREIN

By agreements dated June 10, 1982 the Issuer granted George G. Grauer, R. Gorden Smith, David J. Copeland and Walter J. Moyls incentive stock options to purchase 145,000, 145,000, 20,000 and 20,000 shares of the Issuer respectively exercisable to June 10, 1987 at 50¢ per share.

18. THE DATES OF AND PARTIES TO AND THE GENERAL NATURE OF EVERY MATERIAL CONTRACT ENTERED INTO BY THE ISSUER OR ANY SUBSIDIARY WITHIN THE PRECEDING TWO YEARS WHICH IS STILL IN EFFECT AND NOT PREVIOUSLY DISCLOSED HEREIN

By an agreement dated October 12, 1982 between the Issuer and Surinam Resources Ltd., 2000-609 Granville Street, Vancouver, B.C., the Issuer agreed to loan up to $600,000 to Surinam, the $600,000 representing one half of the estimated cost of $1,200,000 necessary to place into commercial production a placer gold property in the Dawson Mining District, Yukon Territory, held by Surinam.

The Issuer loaned Surinam $112,500 which is secured by Surinam's note dated October 19, 1982 agreeing to repay the $112,500 with interest at prime plus 3% from its soonest financing but not later than June 30, 1983.

The agreement of October 12, 1982 has been terminated by mutual consent of the Issuer and Surinam.

David J. Copeland and George G. Grauer, directors of the Issuer, are directors of Surinam.

There are no other material contracts entered into by the Issuer within the preceding two years which are still in effect and not previously disclosed herein;

Material contracts disclosed in this Statement of Material Facts may be inspected during normal business hours at the offices of Sobolewski Anfield, Barristers and Solicitors, 7th Floor, 609 Granville Street, Vancouver, B.C., during the period of primary distribution of the securities offered by this Statement of Material Facts and for thirty (30) days after completion of primary distribution.

19. PARTICULARS OF ANY OTHER MATERIAL FACTS RELATING TO THE SECURITIES BEING OFFERED HEREUNDER AND NOT DISCLOSED UNDER ANY OTHER ITEM

There are no other material facts relating to the securities being offered and not disclosed under any other item.

AMORE RESOURCES INC.

VANCOUVER, BRITISH COLUMBIA

CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1982

CONTENTS

AMORE RESOURCES INC.

CONSOLIDATED BALANCE SHEET

OCTOBER 31, 1982

ASSETS

	1982	1981
Current		
Cash and term deposits	$ 22,834	$ 65,661
Receivables (note 2)	305,099	359,070
	327,933	424,731
Mineral, oil, and gas properties (Schedules I and note 3)	2,014,049	3,170,345
	$2,341,982	$3,595,076

LIABILITIES

	1982	1981
Current		
Payables and accruals	$ 448,972	$ 277,471
Loan payable (note 7)	125,000	-
	573,972	277,471

SHAREHOLDERS' EQUITY

	1982	1981
Capital stock (note 4)	3,436,377	3,403,877
Deficit	(1,668,367)	(86,272)
	1,768,010	3,317,605
	$2,341,982	$3,595,076

ON BEHALF OF THE BOARD

Director

Director

Prepared by management, without audit

AMORE RESOURCES INC.

CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

SIX MONTHS ENDED OCTOBER 31, 1982

	1982	1981
Income		
Oil and gas sales	$ 58,290	$ 173,322
Direct expenses		
Depletion, depreciation, and amortization	15,600	156,344
Lease operating expenses	35,573	-
	51,173	156,344
	7,117	16,978
Administrative expenses		
Audit and legal	5,243	12,279
Bank charges and interest	2,267	495
Engineering consultants	5,400	-
Filing and listing fees	450	1,343
Management fees	14,000	9,500
Office rent, supplies and sundry	2,023	1,888
Printing	2,956	3,826
Public relations	4,544	29,584
Subscriptions, licences, and dues	546	302
Telephone	654	239
Transfer agent	-	1,990
Travel	4,624	-
	42,707	61,446
	(35,590)	(44,468)
Other income		
Foreign exchange gain	197	1,997
Interest	1,242	42,471
	1,439	44,468
Net loss	(34,151)	-
Deficit, beginning of period	(49,713)	(86,272)
Write down of properties (note 8)	(1,584,503)	-
Deficit, end of period	$(1,668,367)	$ (86,272)

Prepared by management, without audit

AMORE RESOURCES INC.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

SIX MONTHS ENDED OCTOBER 31, 1982

	1982	1981
Working capital derived from		
Operations		
Net income (loss)	$ -	$ -
Depletion, depreciation, and amortization	-	156,344
	-	156,344
Issue of capital stock for cash	-	1,350,000
	-	1,506,344
Working capital applied to		
Operations		
Net loss	34,151	-
Depletion, depreciation, and amortization	15,600	-
	18,551	-
Purchase of		
Oil and gas properties		
Lease and pipeline costs	10,179	50,002
Exploration and development costs	89,535	1,429,042
Mineral properties		
Acquisition costs	1,500	-
Exploration and development	7,490	35,985
	127,255	1,515,029
(Decrease) in working capital	(127,255)	(8,685)
Working capital (deficiency), beginning of period	(118,784)	155,945
Working capital (deficiency), end of period	$ (246,039)	$ 147,260

Prepared by management, without audit

AMORE RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1982

1. Accounting policies

a. Principles of consolidation

The consolidated financial statements include the accounts of Amore Petroleum Incorporated, a wholly-owned subsidiary, incorporated under the laws of the state of Nevada, U.S.A.

b. Mineral properties

The company is in the development stage and capitalizes all costs relating to mineral properties.

When these properties are put into commercial production these costs will be depleted and depreciated.

Accumulated costs on abandoned projects are written off to deficit.

The amounts shown for mineral properties represent cost to date and do not necessarily reflect present or future values.

c. Oil and gas properties

The company follows the full cost method of accounting for oil and gas operations whereby acquisition and lease costs and exploration and development costs are capitalized on a project-by-project basis. The costs pertaining to productive projects are depleted on the unit of production method based on estimated reserves, by project. If the undepleted costs exceed the estimated market value of the reserves, the costs will be written down to the estimated market value. Accumulated costs on abandoned projects are written off to deficit. The amounts shown for oil and gas properties represent net cost to date and do not necessarily reflect present or future values.

d. Depreciation

The company depreciates its oil and gas well equipment on the unit of production method based on estimated reserves, by project.

e. Foreign currency translation

Current assets and current liabilities in foreign currencies (United States Dollars) have been translated at exchange rates prevailing at October 31, 1982. All other amounts have been translated at exchange rates prevailing at the relevent transaction date. Net exchange gains for the year are separately disclosed.

AMORE RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1982

2. Receivables

	1982	1981
Trade	$ 305,099	$ 358,621
Interest	-	449
	$ 305,099	$ 359,070

3. Oil and gas properties

The company owns varying working interests and net revenue interests in the properties listed in schedule I.

The company's title to all interests except La Caff and Lacy (note 6) are registered directly with the operators of the projects.

4. Capital stock

	1982	1981
Authorized		
10,000,000 common shares without par value		
Issued		
3,298,502 shares (3,288,502 in 1981)	$3,436,377	$3,403,877

Since incorporation the company has issued capital stock as follows:

	Number	Amount
For cash	2,292,502	$3,166,427
In settlement of debt	201,000	61,200
For rights to mineral claims	775,000	86,250
For interests in oil leases	30,000	122,500
Balance, beginning of period, unchanged	3,298,502	$3,436,377

Of the 3,298,502 shares issued, 600,000 are held in escrow subject to the order of the British Columbia Securities Commissions (712,500 in 1981).

.... Cont'd

AMORE RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1982

5. Related party transactions

a. The company pays management fees and rent to a related party, Grauer Enterprises Ltd. During the period management fees amounted to $14,000 ($9,500 in 1981) of which $8,000 was payable at October 31, 1982. Rent paid amounted to $600 (NIL in 1981).

b. The company pays engineering consulting fees to a related party, Coastal Mountain Engineering Ltd. During the period an expense of $4,500 was incurred all of which is payable at October 31, 1982.

Both companies are controlled by directors of Amore Resources Inc.

6. Contingencies

Lacy Lease and LaCaff Lease

The company's interests in the Lacy Lease and LaCaff Lease are participations in Joint Ventures which have contracted directly with the operators. Some participants in the Joint Venture have not contributed their full share of the costs so that the Joint Ventures are in default with the operator. The company has paid its share of the participation and it is presently attempting to secure title to its portion of the leases.

7. Loan payable

The loan is due and payable on December 23, 1982 together with interest at bank prime plus 2%. The President and Vice President of the company have guaranteed the loan.

8. Write down of properties

In accord with the Company's accounting policies [note 1 (c)] oil and gas properties have been reduced to estimated market value. Reserve evaluations,discounted at 20%, were used for the Pierce Junction and Grosse Isle write down. Managements best estimate based on production and other available data formed the basis for write down of the other projects.

.... Cont'd

9. Kootenay Belle Acquisition

By an agreement dated August 30, 1982 between Crow Equities Ltd., Calgary, Alberta, and the Company, the Company was granted an option to acquire Crow's interest in the Kootenay Belle Property consisting of ten reverted Crown granted mineral claims for 400,000 shares of the Company to be issued as follows:

(a) 200,000 shares upon acceptance of the agreement for filing by regulatory authorities;

(b) The balance of 200,000 shares by way of 50,000 shares for each $60,000 expended on the property by the Company, each block of 50,000 shares to be issued upon acceptance by regulatory authorities of a satisfactory progress report.

The Company's terms of acquisition call for the expenditure of $650,000 on the property by May 15, 1984. Failing expenditure of the full $650,000 by May 15, 1984, the Company would, to maintain its interest in the property, pay $1,500 per month to Amain Developments Ltd., Vancouver, B.C., until the $650,000 expenditure has been made.

In the event of production from the property Amain Developments Ltd. will be entitled to 15% of net profits after the Company has recovered all pre-production, exploration and development expenditures.

10. Option to participate in Yukon placer gold property

By an agreement dated October 12, 1982 between the Company and Surinam Resources Ltd., 2000-609 Granville Street, Vancouver, B.C., the Company agreed subject to regulatory authorities approval, to loan up to $600,000 to Surinam, the $600,000 representing one half of the estimated cost of $1,200,000 necessary to place into commercial production a placer gold property in the Dawson Mining District, Yukon Territory, held by Surinam. As funds are loaned by the Company it will earn shares in Surinam as follows:

1st advance	$100,000	300,000 shares
2nd advance	$100,000	250,000 shares
3rd advance	$100,000	200,000 shares
4th advance	$100,000	150,000 shares
5th advance	$100,000	100,000 shares
6th advance	$100,000	50,000 shares
	$600,000	1,050,000 shares

To October 31, 1982 the Company has loaned Surinam $105,214.

The Company has the right to participate with Surinam to the extent of a 50% interest if all $600,000, or such lesser sum as may be required to reach production, has been loaned. Such participation will not affect the Company's right to receive shares of Surinam and repayment of the amount loaned.

AMORE RESOURCES INC.

CONSOLIDATED STATEMENT OF MINERAL, OIL, AND GAS PROPERTIES

OCTOBER 31, 1982

	Balances April 30 1982	Additions (Disposals)	Write Down	Balances October 31, 1982
Oil and gas properties				
Acquisition and lease costs				
Pierce Junction	$ 129,164	$ 9,973	$ -	$ 139,137
La Caff	136,974	-	(136,973)	1
Grosse Isle	30,096	75	(15,471)	14,700
Lacy	19,488	-	(19,487)	1
Jumbo - leases	114,984	(64)	-	114,920
- pipelines	33,531	195	-	33,726
Smith Yates	2,327	-	(2,326)	1
	466,564	10,179	(174,257)	302,486
Exploration and development				
Pierce Junction	1,765,966	49,442	(504,545)	1,310,863
La Caff	264,435	-	(264,435)	-
Gross Isle	115,821	(2,615)	(113,206)	-
Lacy	180,170	35,257	(215,427)	-
Jumbo	555,267	7,465	(277,652)	285,080
Smith Yates	34,995	(14)	(34,981)	-
	2,916,654	89,535	(1,410,246)	1,595,943
	3,383,218	99,714	(1,584,503)	1,898,429
Less: accumulated depletion and depreciation	(26,821)	(15,600)	-	(42,421)
	3,356,397	84,114	(1,584,503)	1,856,008
Mineral properties				
Acquisition costs				
Geo 1-3, Vernon Mining Division, B.C.	41,395	-	-	41,395
Ruth 1-5, Slocan Mining Division, B.C.	43,000	-	-	43,000
Argus 3-7, Nicola Mining Division, B.C.	-	-	-	-
Cap 6-7, Nicola Mining Division, B.C.	-	-	-	-
Kootenay Belle, Nelson Mining Division, B.C. (note 9)	-	1,500	-	1,500
	84,395	1,500	-	85,895
Exploration and development				
Geo	52,273	-	-	52,273
Ruth	11,817	1,450	-	13,267
Argus	566	300	-	866
Kootenay Belle	-	5,740	-	5,740
	64,656	7,490	-	72,146
Total mineral properties	149,051	8,990	-	158,041
	$3,505,448	$ 93,104	$(1,584,503)	$2,014,049

AMORE RESOURCES INC.

VANCOUVER, BRITISH COLUMBIA

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 1982

CONTENTS

AUDITORS' REPORT

To the Shareholders of Amore Resources Inc.

We have examined the consolidated balance sheet of Amore Resources Inc. as at April 30, 1982 and the consolidated statements of income and deficit and changes in financial position for the year 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 consolidated financial statements present fairly the financial position of the company as at April 30, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia
August 31, 1982

Doane Raymond
Chartered Accountants

AMORE RESOURCES INC.

CONSOLIDATED BALANCE SHEET

APRIL 30, 1982

ASSETS	1982	1981
Current		
Cash and term deposits	$ 30,466	$ 221,003
Receivables (Note 2)	190,417	81,151
	220,883	302,154
Mineral, oil and gas properties (Schedules I and Note 3)	3,505,448	1,811,660
	$3,726,331	$2,113,814
LIABILITIES		
Current		
Payables and accruals	$ 339,667	$ 146,208
SHAREHOLDERS' EQUITY		
Capital stock (Note 4)	3,436,377	2,053,877
Deficit	(49,713)	(86,271)
	3,386,664	1,967,606
	$3,726,331	$2,113,814

ON BEHALF OF THE BOARD

_______________ Director

_______________ Director

AMORE RESOURCES INC.

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

YEAR ENDED APRIL 30, 1982

	1982	1981
Income		
Oil and gas sales	$228,051	$ 82,914
Direct expenses		
Depletion and depreciation	26,821	-
Lease operating expenses	101,392	33,010
	128,213	33,010
	99,838	49,904
Administrative expenses		
Audit and legal	20,631	14,411
Bank charges and interest	1,237	748
Engineering consultants	6,000	-
Filing and listing fees	2,293	4,116
Management fees	21,500	7,500
Office rent, supplies and sundry	5,339	975
Printing	4,311	4,298
Public relations	36,698	17,380
Stenographic services	2,300	-
Subscriptions, licences and dues	1,002	2,119
Telephone	659	356
Transfer agent	3,691	3,101
Travel	6,608	1,825
	112,269	56,829
	(12,431)	(6,925)
Other income		
Foreign exchange gain	4,015	-
Interest	44,974	28,945
	48,989	28,945
	36,558	22,020
Administrative expenses of prior years written off	-	22,552
Net income (loss) before income taxes and extraordinary item	36,558	(532)
Income taxes (Note 5)	19,668	-
Net income (loss) before extraordinary item	16,890	(532)
Extraordinary item (Note 5)	19,668	-
Net income	36,558	(532)
Deficit, beginning of year	(86,271)	(85,739)
Deficit, end of year	$(49,713)	$(86,271)
Earnings per share		
Net income before extraordinary item	$.005	-
Net income	$.011	-

AMORE RESOURCES INC.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED APRIL 30, 1982

		1982	1981
Working capital derived from			
Operations			
Net income (loss)		$ 36,558	$ (532)
Depletion and depreciation		26,821	22,552
		63,379	22,020
Refund of Tumaco project			
Lease costs	$ 15,319		
Exploration and development costs	101,546	116,865	-
Issue of capital stock			
For cash		1,350,000	1,652,900
For property		32,500	90,000
Incorporation costs written off		-	532
		1,562,744	1,765,452
Working capital applied to			
Purchase of			
Oil and gas properties			
Lease costs		117,654	260,120
Interest in pipeline		445	33,086
Exploration and development costs		1,683,408	1,265,390
Mineral properties			
Acquisition costs		-	1,395
Exploration and development		35,967	11,974
		1,837,474	1,571,965
Increase (decrease) in working capital		(274,730)	193,487
Working capital (deficiency), beginning of year		155,946	(37,541)
Working capital (deficiency), end of year		$ (118,784)	$ 155,946

AMORE RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 1982

1. Accounting policies

a) Principles of consolidation

The consolidated financial statements include the accounts of Amore Petroleum Incorporated, a wholly-owned subsidiary, incorporated under the laws of the state of Nevada, U.S.A.

b) Mineral properties

The company is in the development stage and capitalizes all costs relating to mineral properties.
When these properties are put into commercial production these costs will be depleted and depreciated.
Accumulated costs on abandoned projects are written off to deficit.
The amounts shown for mineral properties represent cost to date and do not necessarily reflect present or future values.

c) Oil and gas properties

The company follows the full cost method of accounting for oil and gas operations whereby acquisition and lease costs and exploration and development costs are capitalized on a project-by-project basis.
The costs pertaining to productive projects are depleted on the unit of production method based on estimated reserves, by project. If the undepleted costs exceed the estimated market value of the reserves, the costs will be written down to the estimated market value.
Accumulated costs on abandoned projects are written off to deficit.
The amounts shown for oil and gas properties represent cost to date and do not necessarily reflect present or future values.

d) Depreciation

The company depreciates its oil and gas well equipment on the unit of production method based on estimated reserves, by project.

e) Foreign currenty translation

Current assets and current liabilities in foreign currencies (United States Dollars) have been translated at exchange rates prevailing at April 30, 1982. All other amounts have been translated at exchange rates prevailing at the relevent transaction date.
Net exchange gains for the year are separately disclosed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 1982

2. Receivables

	1982	1981
Trade	$ 135,435	$ 80,807
Insurance claim	54,882	-
Interest	100	344
	$ 190,417	$ 81,151

3. Oil and gas properties

a) The company owns varying working interests and net revenue interests in the properties listed in schedule I.

The company's title to all interests except La Caff and Lacy (Note 7) are registered directly with the operators of the projects.

b) The company received a full refund of all costs incurred in respect of the Tumaco and East Cameron projects as reflected in schedule I.

4. Capital stock

	1982	1981
Authorized		
10,000,000 common shares without par value		
Issued		
3,298,502 shares (2,988,502 in 1981)	$3,436,377	$2,053,877

Since incorporation the company has issued capital stock as follows:

	Number	Amount
For cash	1,992,502	$1,816,427
In settlement of debt	201,000	61,200
For rights to mineral claims	775,000	86,250
For interests in oil leases	20,000	90,000
Balance, beginning of year	2,988,502	2,053,877
For cash	300,000	1,350,000
For interests in oil leases	10,000	32,500
Balance, end of year	3,298,502	$3,436,377

Of the 3,298,502 shares issued, 600,000 are held in escrow subject to the order of the British Columbia Securities Commission (712,500 in 1981).

AMORE RESOURCES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 1982

5. Income taxes and extraordinary item

The company has utilized its accumulated income tax losses of prior years to reduce income taxes otherwise payable of $19,668 to NIL. This has increased net income by $19,668.

6. Related party transactions

a) The company pays management fees and rent to a related party, Grauer Enterprises Ltd. During the year management fees paid amounted to $21,500 ($7,500 in 1981). Rent amounted to $2,550 (NIL in 1981) all of which is payable at April 30, 1982.

b) The company pays engineering consulting fees to a related party, Coastal Mountain Engineering Ltd. During the year an expense of $6,000 was incurred all of which is payable at April 30, 1982.

Both companies are controlled by directors of Amore Resources Inc.

7. Contingencies

Lacy Lease and LaCaff Lease

The company's interests in the Lacy Lease and LaCaff Lease are participations in Joint Ventures which have contracted directly with the operators. Some participants in the Joint Venture have not contributed their full share of the costs so that the Joint Ventures are in default with the operator. The company has paid its share of the participation and it is presently attempting to secure title to its portion of the leases.

8. Audit of 1981 Financial Statements

The 1981 Financial Statements were reported on by other auditors. We have reviewed their work and have accepted the statements as presented.

The presentation of the 1981 financial statements has been adjusted to be comparable with the 1982 presentation. These adjustments have not affected year end balances.

AMORE RESOURCES INC.

Schedule I

CONSOLIDATED STATEMENT OF MINERAL, OIL AND GAS PROPERTIES

APRIL 30, 1982

	Balances April 30, 1981	Additions (Disposals)	Balances April 30, 1982
Oil and gas properties			
Acquisition and lease costs			
Pierce Junction	$ 52,258	$ 76,906	$ 129,164
La Caff	104,474	32,500	136,974
Grosse Isle	30,038	58	30,096
Lacy	19,488	-	19,488
Tumaco (Note 3b)	15,319	(15,319)	-
Jumbo - leases	107,026	7,958	114,984
- pipelines	33,086	445	33,531
Smith Yates	2,095	232	2,327
East Cameron	-	2,037	-
East Cameron - refund	-	(2,037)	-
	363,784	102,780	466,564
Exploration and development			
Pierce Junction	584,169	1,181,797	1,765,966
La Caff	264,435	-	264,435
Grosse Isle	116,983	(1,162)	115,821
Lacy	103,417	76,753	180,170
Tumaco (Note 3b)	101,546	(101,546)	-
Jumbo	127,682	427,585	555,267
Smith Yates	36,560	(1,565)	34,995
East Cameron	-	22,258	-
East Cameron - refund	-	(22,258)	-
	1,334,792	1,581,862	2,916,654
	1,698,576	1,684,642	3,383,218
Less: accumulated depletion and depreciation	-	(26,821)	(26,821)
Total oil and gas properties	1,698,576	1,657,821	3,356,397
Mineral properties			
Acquisition costs			
Geo 1-3, Vernon Mining Division, B.C.	41,395	-	41,395
Ruth 1-5, Slocan Mining Division, B.C.	43,000	-	43,000
Argus 3-7, Nicola Mining Division, B.C.	-	-	-
Cap 6-7, Nicola Mining Division, B.C.	-	-	-
	84,395	-	84,395
Exploration and development			
Geo	18,560	33,713	52,273
Ruth	10,129	1,688	11,817
Argus	-	566	566
	28,689	35,967	64,656
Total mineral properties	113,084	35,967	149,051
	$1,811,660	$1,693,788	$3,505,448

Doane Raymond

REPORT ON THE

KOOTENAY BELLE PROPERTY

SHEEP CREEK CAMP

NELSON MINING DIVISION

SALMO B.C.

NTS	Lat. 49° 08'
82F/3E	Long. 117° 08'

FOR

AMORE RESOURCES INC.

PROFESSIONAL
PROVINCE OF
N.C. DAVIDSON
BRITISH COLUMBIA
ENGINEER
EXPIRY DATE JULY 15, 1983

N.C. DAVIDSON, P. Eng.
St. ANDREWS
NOVA SCOTIA

SEPTEMBER, 1982.

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FIGURES

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SUMMARY

The improved price for gold has stimulated interest in the Sheep Creek camp, B.C. where several gold mines were once active. The Kootenay Belle property covers two such old operations. The Kootenay Belle mine produced 292,893 tons at 0.375 oz. Au/ton and the Vancouver vein had recorded production of about 350 tons at 2.74 oz. Au/ton. In both situations the values are found in typical geological settings for the camp and in the case of the Vancouver there appears to be an immediate opportunity to test the vein below old workings. The favourable geological formations have not been fully explored near the workings and distant from them. Veins that were productive on adjacent claims should be explored on the property.

An agressive exploration program is recommended in three phases. Priority should be placed on the development of possible ore reserves for early mining of direct shipping ore to secure a return on investment and guide the longer term exploration effort. The veins mined in the Kootenay Belle offer good targets below, in and adjacent to old workings.

INTRODUCTION

Former gold producers in the Sheep Creek camp, the Kootenay Belle Mine and the Vancouver adits, were brought under one ownership in 1979. The Kootenay Belle Mine was closed in 1943 after more or less continuous operation beginning in 1932. The Vancouver adits were worked most seriously during 1932 - 1934 although they may have been prepared for full production in 1938 by Sheep Creek Mines. Elevated gold prices have renewed interest in areas of favourable geology in proximity to old workings which may possess immediate potential. The history of the camp provides extensive information on the geological settings of the deposits and guides to ore are well known. These provide opportunities for a re-evaluation of the veins that may have been abandoned prematurely on account of war time conditions, or prevailing unfavourable economics. In order to follow a logical sequence for exploration and development, the present operators intend to pursue the goal of developing immediately accessible direct shipping ore first.

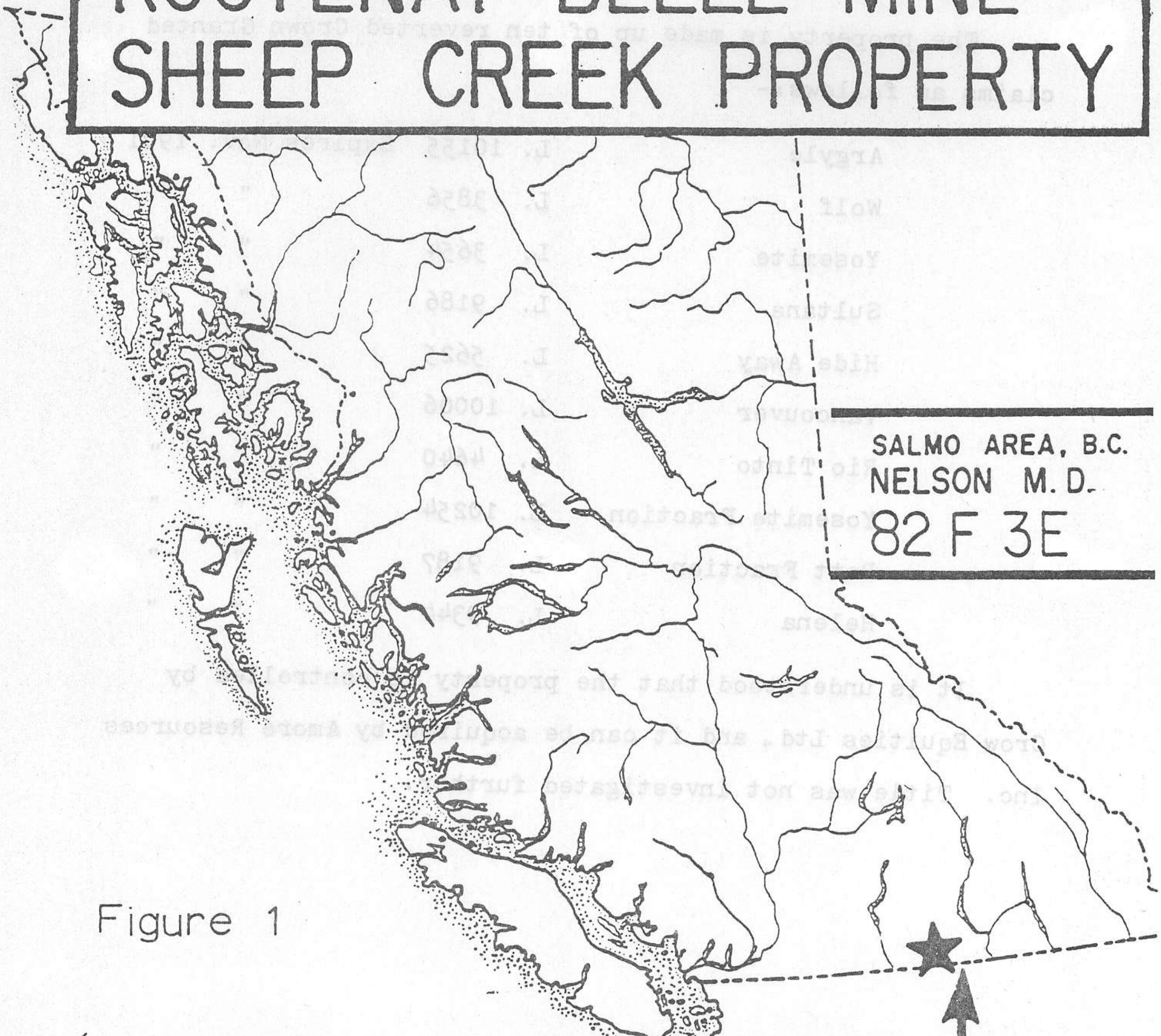
LOCATION AND ACCESS

The property is located in the Sheep Creek camp, Nelson Mining Division, southeastern British Columbia; 49° 08' North Latitude; 117° 08' West Longitude. From Salmo access is south via paved road on Old Highway 3 about four miles to the Sheep Creek Road (gravel) thence about six miles east. Tractor trailer loads can be landed within 1,000' of 6 level portal. Kootenay Belle portals at 6, 3 and 2 (nearly) as well as the Hide Away adit can be reached easily with 4 wheel drive. A rough trail (footpath) leads from the portal at 2 level to the lower Vancouver adit.

Slopes on the mountainous terrain average about 40° ranging from heavy timber cover to outcrop on higher elevations. Sheep and Wolf (Waldie) creeks are potentially reliable sources of fresh water. Although climate is moderate, heavy winter snowfalls can be expected.

Salmo, the nearest commercial centre has about 2,000 population. With a tradition of mining activity, experienced mining labour and contractors are readily available. Main highway distances are twenty-five miles to Nelson, twenty-four miles to the Cominco smelter at Trail, and about twenty miles to a regional airport at Castlegar. In addition to the Great Northern Railway, the town has the normal complement of services; banking, accommodation, communications, etc.

KOOTENAY BELLE MINE
SHEEP CREEK PROPERTY



SALMO AREA, B.C.
NELSON M.D.
82 F 3E

Figure 1

n

Location map

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
N.C. DAVIDSON
EXPIRY DATE JULY 15, 198

ARCTEX ENGINEERING SERVICES

Sept. 1982

PROPERTY

The property is made up of ten reverted Crown Granted claims as follows:-

Argyle	L. 10155	Expires Nov. 1991
Wolf	L. 3856	" "
Yosemite	L. 3654	" "
Sultana	L. 9186	" "
Hide Away	L. 5625	" "
Vancouver	L. 10006	" "
Rio Tinto	L. 4640	" "
Yosemite Fraction	L. 10254	" "
Batt Fraction	L. 9187	" "
Helena	L. 9344	" "

It is understood that the property is controlled by Crow Equities Ltd., and it can be acquired by Amore Resources Inc. Title was not investigated further.

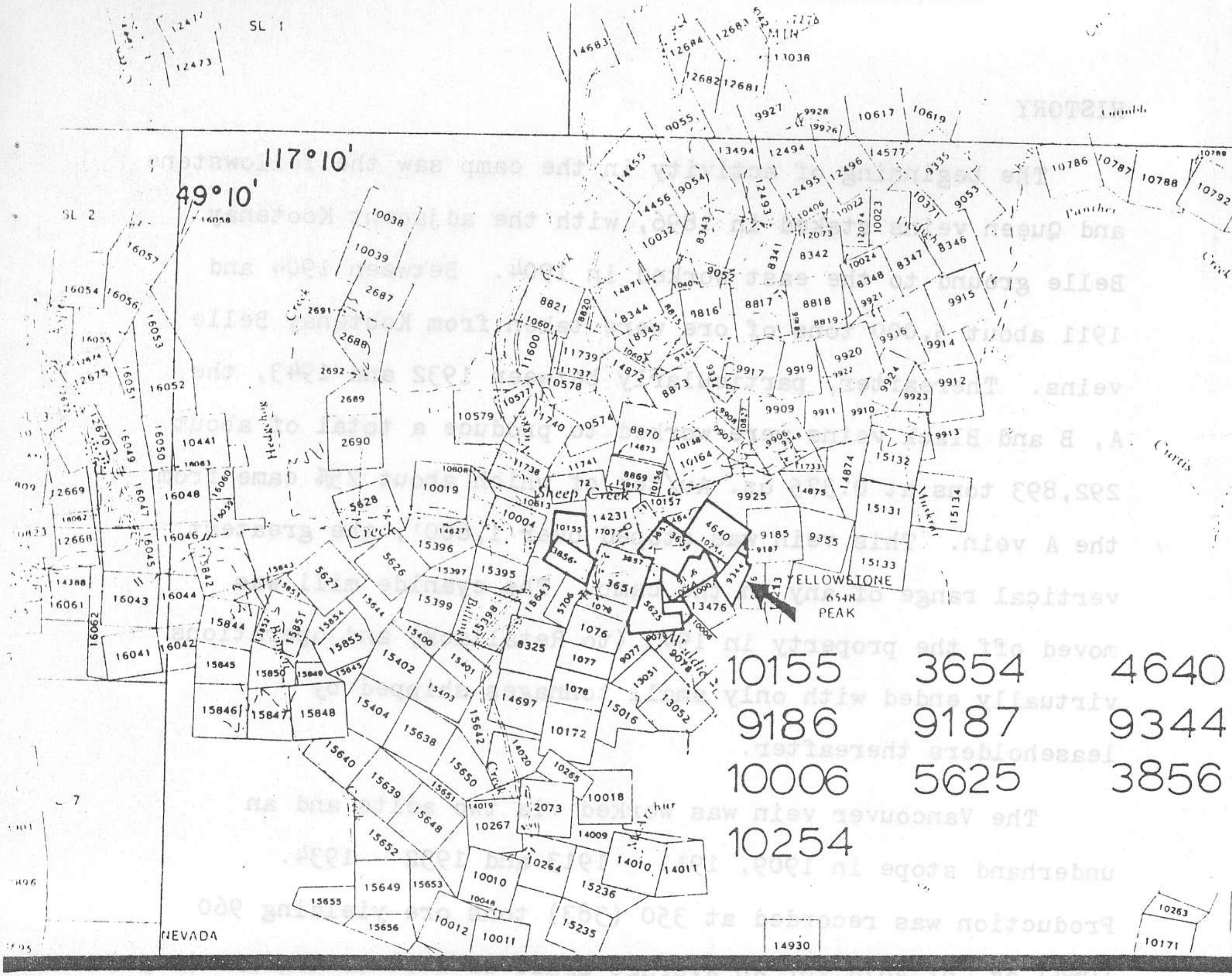


Figure 2

PROFESSION
PROVINCE OF
N.C. DAVID
BRITISH COLUMBIA
EXPIRY DATE JULY 15, 1983

0 500 1000 m

CLAIM MAP

KOOTENAY BELLE MINE

SHEEP CREEK, B.C. NELSON MINING DIVISION 82F 3E

ARCTEX ENGINEERING SERVICES Sept. 1982

HISTORY

The beginning of activity in the camp saw the Yellowstone and Queen veins staked in 1896, with the adjacent Kootenay Belle ground to the east worked in 1904. Between 1904 and 1911 about 5,000 tons of ore were taken from Kootenay Belle veins. Thereafter, particularly between 1932 and 1943, the A, B and Black veins were worked to produce a total of about 292,893 tons at 0.375 oz. Au/ton of which about 75% came from the A vein. This vein was stoped over 1,600', the greatest vertical range of any in the camp. The cyanide mill was moved off the property in 1943 (to Retallack) and operations virtually ended with only small tonnages shipped by leaseholders thereafter.

The Vancouver vein was worked via two adits and an underhand stope in 1909, 1911 - 1913 and 1932 - 1934. Production was recorded at 350 (383) tons ore yielding 960 (964) oz. of gold for an average grade of 2.74 oz. Au/ton (2.51). Both sets of data Mathews Table VI.

The Hide Away adit was apparently driven sometime before 1929 for a distance of 60'. It was extended in 1938 and 1939 to a total length of over 1,200' passing almost directly below the Vancouver vein workings. In 1940 raising (134') and diamond drilling (191') was reported.

During 1980 extensive geochemical sampling surveys were undertaken. The 1981 field season saw the following completed: additional geochem, access roads cleared/repaired, Kootenay

Belle portals at 6 and 3 restored to afford underground access; Vancouver adits mapped and sampled where possible; a road constructed to the Hide Away (Midnight) and portal restored.

GENERAL GEOLOGY

Ore deposits in the Sheep Creek camp are found in quartz veins that cut two tightly folded anticlines which are overturned to the west. These structures and the intervening syncline are made up of a series of Precambrian (?) to Lower Cambrian age sedimentary rocks, predominantly quartzites and argillites. Tables I and II from Mathews work provides a correlation of the nomenclature used by different authors and a table of formations for lithology and thickness. The fold axes trend about 015° and dip about 55°-75° to the east with the eastern anticline plunging about 10°-30° to the south.

Granites were encountered in the lower workings of the Queen mine and quartz porphyry dykes and sills are present within the sediments. Both pre and post-vein basic dykes are known. Metamorphism of sediments is low. Four well defined fault sets have been identified. The group of northeasterly to easterly trending faults with a right hand strike slip movement are the most important as they provided the opening for ore deposition. Specifically those segments of the fissures with an easterly trend and largest displacement are generally more favourable for ore deposition.

Table I.—Correlation of Sedimentary Rocks

Walker (1934)	McGuire (1942)	Mathews (1950)	Park and Cannon (1943)
Pend d'Oreille series: Lower part.	Pend d'Oreille series:	Laib Group (1,000 ft. +).[2]	
Reno formation.	Reno series: Reno argillite.	Reno formation (50 to 900 ft.).[2] Upper Reno. Lower Reno.	Maitlen phyllite.
Quartzite Range formation.[1] (Quartzite 2,600 ft.)	Reno quartzite. Reno argillaceous quartzite.	Quartzite Range formation (2,000 ft. ±).[2] Navada member: Upper Navada. Lower Navada.	
(Argillaceous member 200 ft.)[1]	Nugget series: Nugget quartzite. Nugget argillite.	Nugget member (540 to 900 ft.): Upper Nugget. Middle Nugget. Lower Nugget.	Gypsy quartzite.
(Massive white quartzite 1,600 ft.)[1]	Motherlode series: Motherlode quartzite. "Basal" argillites.	Motherlode member (1,000 to 1,100 ft.): Upper Motherlode. Middle Motherlode. Lower Motherlode.	
Three Sisters formation.		Three Sisters formation (500 ft. +).[2]	

[1] Thickness in the type locality, 3 miles east of the Sheep Creek camp.
[2] Thickness or range of thickness in or adjacent to the Sheep Creek mines.

Table II.—Table of Formations

Age	Formation			Lithology	Thickness in Feet	
Lower Cambrian	Laib Group			Argillite.	200[1]	1,000 +[1]
				Grey limestone.	150[1]	
				Argillaceous in some localities, elsewhere dominantly calcareous.	300–500[1]	
				Limestone and argillite.	150–300[1]	
				Argillaceous beds, biotitic and amphibolitic schists.	100–300[1]	
				Limestone.	0–60[1]	
Precambrian (?)	Reno Formation	Upper Reno		Impure dark bluish or greenish quartzite with some grit beds.	125[2]	50–900[1]
		Lower Reno		Argillite, argillaceous quartzite.	450 ±[2]	
	Quartzite Range Formation	Navada Member	Upper Navada	Massive white quartzite.	20–160	120–300
			Lower Navada	Dark, thin-bedded quartzites and argillaceous quartzites.	100–140	
		Nugget Member	Upper Nugget	Massive white quartzite.	135–375	540–900
			Middle Nugget	White, grey and dark quartzites, dark argillaceous quartzites, and argillite.	175–300	
			Lower Nugget	Argillite and dark argillaceous quartzite.	150–225	
		Motherlode Member	Upper Motherlode	Massive white quartzite.	370–450	1,000–1,100
			Middle Motherlode	Argillite, grey grit and green schist.	50	
			Lower Motherlode	Massive white quartzite.	500–700	
	Three Sisters Formation			Grey grit, white quartzite and grit and green schists.		500 +[1]

[1] Thickness or range in thickness for the northwestern part of the camp, near the Reno mine.
[2] Average thickness from measurements near Reno mine.

After Mathews 1953

Almost all production has been from those veins where one or both walls consist of quartzite of either Nugget or Navada members of the Quartzite Range formation (using Mathew's terminology). Gold deposits consist essentially of quartz veins with minor sulphides. The latter in decreasing order of abundance are pyrite, galena and sphalerite. About 1/3 of the gold occurs within the quartz, generally along boundaries between quartz grains. The remaining 2/3 occurs with sulphides principally along quartz-pyrite contacts. Better gold values tend to occur in areas of higher galena and sphalerite concentration.

Oxidation of sulphides is evident to depths of several hundred feet in the Kootenay Belle A and B veins apparently with no effect on gold values. Whereas veins tend to pinch upward there is a perserverance in width with depth; laterally variations in vein width correspond to changes in strike and fault movement. High grade ore generally diminishes at depth with an attendant reduction in that proportion of the vein that could be mined profitably. Other physical or chemical controls have not been identified.

PROPERTY GEOLOGY

A map of the footwall geology in the A vein (Fig. 5) indicates all ore was hosted by Nugget and Navada quartzites. This vein on the western limb of the eastern anticline was stoped over 1,600' vertically. It was characterized on upper levels as narrow and high grade with oxidation evident as deep as 200' from surface

(4,200') to wider lower grade less continuous veins at 10 level (2,600'). Precise information as to stope widths and assays is lacking; however, Mathews indicates the foregoing in a general sense (Figs. 10 and 11, Bulletin 31). A steep rake to the east is evident in the ore shoot following the dip of the favourable quartzite members. The dip of the vein is to the south at about 70° and strike averages about N60°E. The A vein accounted for about 75% of mine production.

The B vein branches off the A vein and maintains a strike of about N55°E and dips about 60° to the south. It was mined between 3 level and surface. Ore shoots in this vein accounted for about 10% of total mine production again in the quartzites. It was apparently explored by drift on the 7 level although no information is available on this effort (Figs. 3 and 4).

The Black vein located about 500' south of the A vein, strikes about N72°E and dips about 75° to the south. It was mined off 3, 6 and 7 levels for a vertical range of 800' to produce about 15% of total tonnage. It reportedly was narrow (1') but high grade and pinched out toward surface. The host rock was the same Nugget quartzite as A and B veins. Shortly before closure, it provided the bulk of mine production but it was not mined below 7 level as it dipped into the Midnight Fraction claim then owned by Sheep Creek Mines. A deep cross cut from the Queen Mine was apparently driven in 1941 - 1942 to test the Midnight and Black veins at depth, results are not known.

Recorded production from the Vancouver vein (about 350 tons grading 2.7 oz./ton) was apparently won from an underhand stope in the favourable quartzite host rock. The stope void shown on Fig. 7 albeit indefinite suggests a much larger tonnage removed, so that if records are correct, hand cobbing may have reduced tonnage shipped to improve grade. A third adit was reported in 1934, 250' below the lower adit and after drivage of 275' in low grade vein material it had not reached the favourable formation. A search in the vicinity has not located this adit. The limited mapping and sampling in 1981, Figs. 9 and 10 tend to support geology and grade tenor shown on Figs. 6 and 7, 1938. The upper and lower adits positions indicate a 65° dip on the Vancouver vein; much steeper dips; however, were measured in the lower adit. If as air photo interpretation (L.B.G. Arctex Eng.) suggests, the Hide Away and Vancouver adits are on the same structure then the swing to the North in the Hide Away placed the drive in the footwall of the Vancouver vein. However, the Hide Away adit may have merely followed a change in strike of the structure at this depth. Clearly the resolution of such a question has important implications for the correct orientation of any up holes from the Hide Away to test the Vancouver vein.

It was reported from a cursory examination in 1981 (C.W. Donald-Hill, Arctex Eng.) that the Hide Away adit is in good condition with; a solid floor, a chute (raise?) and two drillholes evident at its east end. The fissure appears tight throughout and does not show vein material. This agrees with McGuire 1942, and B.C.D.M. report 1940 when it was referred to as the Midnight adit.

The Yellowstone and Queen veins were productive on the adjacent Sheep Creek Mines operation but they have not shown ore grade values where they cross the Kootenay Belle ground to the north of the A vein. The Yellowstone and Queen veins were both intersected by the McCune tunnels and possibly located on surface on Kootenay Belle ground (Fig. 3). Neither has been adequately explored in the favourable quartzite host.

ECONOMIC POTENTIAL

With improved prices for gold it is apparent that there are several good exploration opportunities on the property. Priority should be placed on exploring and developing the most accessible possible ore in the Vancouver vein to secure the earliest return on investment. If the tons, grade and mining conditions warrant, it may be possible to mine by an open stope perhaps, with sub level development off the Hide Away adit. Since this ore is highly siliceous and lacks contaminants conventional underground methods and truck transport to the smelter at Trail (Cominco) may be profitable. The Hide Away adit is well positioned and apparently in good enough condition for underground diamond drilling up holes to test the Vancouver vein and possibly use for subsequent mining. It also lends itself to the exploration of the Black and B veins at depth. This is dependent on thorough analysis of the geology, survey data and mine records to ensure that holes started from the Hide Away adit are properly oriented to intersect the Vancouver, Black and B veins.

Alternatively, short diamond drill holes could be put down from points below the lower Vancouver adit employing helicopter support and drill water from the flooded stope. These holes coupled with stope sampling might provide the fastest means of testing the vein.

Additional new ore possibilities in the Yellowstone and Queen veins should be explored in the favourable formations. Geochemical anomalies previously identified may aid in this effort and should be followed up.

In the light of changed mining economics, the old Kootenay Belle workings should be re-examined. In the A vein pillars were left between 3 and 6 levels and development below 6 level was apparently limited on the basis of cut off grades. It may be possible to mine as ore that material left previously as uneconomic.

CONCLUSION AND RECOMMENDATIONS

Since extensions of the Vancouver, B and Black veins may lie on the Midnight Fraction, rights to this claim should be acquired immediately. To attempt to develop a quantity of direct shipping ore in proximity to the underhand stope in the Vancouver vein, stope access for mapping/sampling and both underground and surface diamond drilling should be undertaken. The Hide Away adit, apparently driven to mine the Vancouver may be ideal for drilling up holes to probe the Vancouver below the existing stope. If this exercise proves successful then plans should be conceived for mining coincident with ongoing exploration. The latter entails drilling from the Hide Away to test the B and Black veins at depth and to the east. The Yellowstone and Queen veins should be explored. A re-examination of the underground potential in the Kootenay Belle is warranted. The pursuit of these goals is recommended in a three phase program.

COST ESTIMATES

PHASE I

Test Vancouver Vein

a)	Additional ground acquisition should proceed forthwith, particularly the Midnight Fraction and contained fractions (Matt, Victoria and Marie).	$ 10,000
b)	Research: B.C.D.M. files to finalize information on property and collate and compile data recently found at Retallack	5,000
c)	Underground and surface mapping and sampling/ surveying, preparation of u/g or surface for drilling	40,000
d)	4,000 feet (1,219m) of diamond drilling	120,000
e)	Summary engineering report for Phase I	10,000
	TOTAL PHASE I	$185,000

NOTE: a), b) and c) should proceed apace to formulate a decision as to orientation of drillholes from underground and/or surface.

e) a report is vital to evaluate findings and set out plans.

PHASE II

Contingent upon a successful first phase and the recommendations of an engineering report.

Mining in Vancouver Vein

Preproduction Expenditure

a)	Rehabilitation of Hide Away adit (underground track, air/water lines etc.)	$ 50,000
b)	Portal and yard development for load out/ truck access.	10,000
c)	Development raising 500' at $500.^{00}/ft (allows for sub level development if necessary).	250,000
d)	Stope preparation	10,000
e)	Summary engineering report for Phase II	10,000
	TOTAL PHASE II	$330,000

NOTE: mining costs for open stopes by contract should be provided for at $40 - 50.^{00}/ton. (allowance for ore grade control, supervision etc). An engineering report should follow this phase to guide the future exploration in other veins.

PHASE III

Contingent upon report recommendations from Phase II

Exploration

(Vancouver, B, Black, Yellowstone and Queen veins, as well as old workings in the Kootenay Belle Mine).

Drilling from Hide Away adit	5,000' (1524m)	$150,000
from surface	5,000' (1524m)	150,000
* Rehabilitation of Kootenay Belle for mapping/ sampling.		125,000
* Mapping/sampling 6 - 3 levels		50,000
* Dewatering and test deep ore (below 6 level)		500,000
TOTAL PHASE III		$975,000

NOTE: * estimates uncertain.

Respectfully submitted,

PROFESSIONAL
PROVINCE OF
N.C. DAVIDS
BRITIS
COLUM
ENGINE

Norman C. Davidson, P. Eng.

EXPIRY DATE JULY 15, 1983

REFERENCES

Donald-Hill, C.W. and Goldsmith, L.B., 1981: Kootenay Belle Mine Work Summary, 1981; Arctex Engineering Services; Private Report.

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ENGINEER'S CERTIFICATE

NORMAN C. DAVIDSON

1. I, Norman C. Davidson, am a Registered Professional Engineer in the Provinces of British Columbia, Nova Scotia and Ontario. My address is P.O. Box 39, St. Andrews Antigonish County, Nova Scotia, BOH 1XO.

2. I am a graduate of Michigan Technological University, Houghton, Michigan, U.S.A. with a B. Sc. in Mining Engineering. I am a graduate of Haileybury School of Mines as a Certified Mining Technician. I am registered as a Mine Manager under the Coal Mines Regulation Act of Nova Scotia. I am a member of C.I.M., A.I.M.E., and the Mining Society of Nova Scotia.

3. I have been engaged in mining exploration, development and mine production for 20 years.

4. This report is based on my experience on the property at various times during May, June and July of 1981, when I was employed as a consultant. References were used as noted as well as various company maps and data.

5. I have no interest either directly or indirectly in the Kootenay Belle property or Amore Resources Inc. nor do I expect to receive any.

6. I consent to the use of this report in a prospectus or in a statement of material facts related to the raising of funds.

St. Andrews
Antigonish County
Nova Scotia

PROFESSIONAL
PROVINCE OF
N.C. DAVIDSON
BRITISH COLUMBIA
ENGINEER

Norman C. Davidson, P. Eng.
Consulting Mining Engineer.

20. **STATUTORY RIGHTS OF RESCISSION**

Sections 60 and 61 of the Securities Act (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

(a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Statement of Material Facts, together with financial statements and a summary of engineering reports as filed with the Vancouver Stock Exchange, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

(b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Statement of Material Facts or any amended Statement of Material Facts offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Statement of Material Facts or amended Statement of Material Facts is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

21. **CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:**

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

February 21, 1983
(Date)

David J. Copeland, Director & Promoter

George G. Grauer, Director, President & Promoter

Walter J. Moyls, Director, Secretary & Promoter

R. Gorden Smith, Director & Promoter

CERTIFICATE OF THE XXXXXXXXXXXX AGENT:

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 Statement of Material Facts.

February 21, 1983
(Date)

CANARIM INVESTMENT CORPORATION LTD.