

93

822322

TAIGA CONSULTANTS SUBMISSION OF

GOLDEN RULE RESOURCES' PROPERTIES,

B.C.

MAY 1981

GOLDEN

LTD.

This Prospectus constitutes a public offering of those securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representations to the contrary is an offence.

NEW ISSUE

PROSPECTUS

Golden Rule Resources Ltd.

Incorporated under the laws of the Province of Alberta

1,200,000 UNITS at \$1.50 PER UNIT

Each Unit offered consists of One (1) common share and One (1) Series "A" Warrant. The holders of Two (2) Series "A" Warrants will be entitled to purchase One (1) common share at a price of \$1.80 per common share on or before Six (6) months from the date of listing of the shares of the Issuer on the Vancouver Stock Exchange and in any event, no later than two hundred and seventy (270) days from the Effective Date of this Prospectus.

	Price to Public	Underwriting Discount	Net Proceeds to be Received By Issuer
Per Unit	\$1.50	\$0.15	\$1.35
Total	\$1,800,000	\$180,000	\$1,620,000

(1) Before deducting the expenses of the issue estimated to be \$45,000.

(2) The Underwriters will receive 120,000 Series "B" Warrants (see "Share Purchase Warrants" on page 2).

For further information on shares purchased by the Underwriters, refer to "Principal Holders of Securities" on page 31 and "Conflict of Interest" on page 33.

THERE IS NO MARKET FOR THE COMMON SHARES OF THE ISSUER.

The Shares of the Issuer must be considered speculative securities as the Issuer's mining properties are in the exploration and development stage and there is no known body of commercial ore.

There is no land survey of the Issuer's located mineral claims and until such land survey is completed the boundaries of these claims could be in doubt.

Reference is made to the caption "Plan of Distribution" on page 1 and the comparison of the percentage of shares being offered to the public for cash and already issued by the Issuer to promoters, directors, officers and controlling persons on page 32.

We, as Principals, conditionally offer these units, subject to prior sale, if, as, and when issued by the Issuer and accepted by us in accordance with the conditions contained in the Underwriting Agreement referred to under the caption "Plan of Distribution" on page 1 and subject to the approval of all legal matters on behalf of the Issuer by Jarl Aa. B. Whist, on behalf of Canarim Investment Corporation Ltd. by Messrs. Swinton & Company and on behalf of Brink, Hudson & Lefever Ltd., by Messrs. Clark Wilson & Company.

**Canarim Investment Corporation Ltd.
Brink, Hudson & Lefever Ltd.**

DATED: December 30, 1980

<u>Table of Contents</u>	<u>Page</u>
Name and Incorporation	1
Plan of Distribution	1
Share Purchase Warrants	2
Directors and Officers	2
Capital Structure	4
Prior Sales	4
Description of Share Capital	5
Use of Proceeds	5
Description of Business and Property	7
Preliminary Expenses	31
Principal Holders of Securities	31
Promoters	33
Remuneration of Directors and Senior Officers	34
Pooled Shares	34
Material Contracts	34
Interest of Management and Others in Material Transactions	34
Auditors, Transfer Agents and Registrars	35
Purchasers Statutory Right of Recission and Withdrawal	35
Financial Statements	
Engineers Reports	
Certificates	

1. NAME AND INCORPORATION

The full name of the Issuer is Golden Rule Resources Ltd. The Issuer was incorporated by articles and memorandum on the 12th day of October, 1979 under the laws of the Province of Alberta. The Issuer was registered as an Extra-Provincial Company in British Columbia on the 25th day of February 1980 and in Saskatchewan on the 26th day of November, 1979.

The registered, records and head offices of the Issuer are located at 365 Wildwood Drive S.W., Calgary, Alberta. The Issuer will also maintain a records office at the offices of Jarl Aa. B. Whist, Barrister & Solicitor, Suite 1290, 999 West Hastings Street, Vancouver, British Columbia.

The Issuer's wholly owned subsidiary, Golden Rule Resources Inc., was incorporated under the laws of the State of Colorado on March 26, 1980.

2. PLAN OF DISTRIBUTION

By an underwriting agreement dated December 30th, 1980, (the "underwriting agreement"), between the Issuer, Canarim Investment Corporation Ltd., having an office at Suite 1350, 409 Granville Street, Vancouver, B.C. and Brink Hudson & Lefever Ltd., having an office at Suite 717, 837 West Hastings Street, Vancouver, B.C. (hereinafter individually referred to as "Canarim" and "Brink Hudson", and collectively referred to as "the Underwriters"), the Issuer agreed to sell and the Underwriters agreed to purchase within seven (7) business days of the acceptance of this Prospectus by the British Columbia Superintendent of Brokers, (hereinafter referred to as "the Superintendent"), 1,200,000 Units of the Issuer at a net price of \$1.35 per Unit, payable in cash to the Issuer against delivery of such Units. Canarim has agreed to purchase 960,000 Units and Brink Hudson has agreed to purchase 240,000 Units. The Underwriters are obligated to take up and pay for all the Units offered hereby if any such Units are purchased pursuant to the Underwriting Agreement. The obligations of the Underwriters under such agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets, if there should occur an event which seriously affects such financial markets, if a cease trading order is issued against the Issuer or if an investigation is commenced or threatened against the Issuer, its officers or directors. The Underwriters may be said to realize a discount in the amount of \$0.15 per Unit, being the difference between the \$1.35 paid by them to the Issuer for each Unit pursuant to the Underwriting Agreement and the price (\$1.50) at which such Units are being sold to the public by the Underwriters.

In addition to the aforementioned discount the Underwriters will receive a total of 120,000 Series "B" non-transferable Warrants referred to herein.

The Underwriters will not assign this Agreement or any of the rights under this Agreement nor, with respect to any shares of the Company mentioned herein, enter into any Agreement in the nature of a sub-option or sub-underwriting unless and until, for each intended transaction, notice has been given to and accepted for filing by the Superintendent. The Underwriters, notwithstanding anything to the contrary however, reserves the right to offer group selling participation, in the normal course of the brokerage business to selling groups of other licenced broker dealers, brokers and investment dealers, who may or who may not be offered part of the discounts derived from this offering.

SHARE PURCHASE WARRANTS

The 1,200,000 Series "A" Warrants to be issued as part of the Units offered hereby will be in bearer form and each two (2) such Warrants will entitle the holder thereof to purchase one (1) common share as presently constituted in the capital of the Issuer at a price of \$1.80 per share if exercised on or before six (6) months from the date of listing of the Issuer's shares on the Vancouver Stock Exchange and in any event no later than two hundred and seventy (270) days from the Effective Date of this Prospectus.

The 120,000 Series "B" Warrants to be received by the Underwriters will be in bearer form and each such Warrant will entitle the holder to purchase one (1) share as presently constituted in the capital of the Issuer at a price of \$1.80 per share if exercised on or before six (6) months from the date of listing of the Issuer's shares on the Vancouver Stock Exchange and in any event no later than two hundred and seventy (270) days from the Effective Date of this Prospectus. (Canarim shall receive 96,000 Warrants and Brink Hudson 24,000 Warrants).

All Warrants will be evidenced by a receipt until such time as an exact date for the expiry of the Warrants has been determined whereupon certificates in bearer form for the Warrants will be issued in exchange for such receipt.

3A. DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position with Issuer</u>
GLEN HARVEY HARPER Suite 13 828 Coach Bluff Cres.N.W. Calgary, Alberta	Self employed; President, Hardscrabble Resources Ltd. Professional Geologist	President & Director
RONALD K. NETOLITZKY Suite 14 828 Coach Bluff Cres.N.W. Calgary, Alberta	President, Taiga Consultants Ltd., Calgary, Professional Geologist	Secretary/ Treasurer & Director
WILLIAM E. AMBROSE 238 Denver Building Denver, Colorado	President, Universal Fuels Company	Director

LARRY LAHUSEN Suite 219 Complex Building 1715 Horizon Drive Grand Junction, Colorado	President, G.L. Lahusen & Associates; Professional Geologist	Vice-Pres- ident & Director
ARCHIBALD J. NESBITT 365 Wildwood Drive S.W. Calgary, Alberta	Barrister & Solicitor Sole practioner	Director
RICHARD ANGUS BRUCE McDONALD 886 Esquimalt Avenue West Vancouver, B.C.	Director, Calpetro Resources Inc., Chairman of the Board & Director of Pilgrim Petroleum Inc., Treasurer & Director, Eagle Exploration Company Inc., President & Director Conbeau Resources Ltd., President & Director West Trend Resources Ltd., President & Director Controlled Equities Inc.	Director

3B MANAGEMENT BACKGROUND

GLEN HARVEY HARPER, B.A., BSc., P.Geol., the President and a Director of the Issuer, has 15 years experience in petroleum and mining exploration. Mr. Harper is Vice-President and a Director of Universal Fuels Company, a Denver based petroleum and mining exploration company. He is also President and the Director of Hardscrabble Resources Inc., a Calgary based geological consulting company, President and Director of Jodi Energy Resources Ltd., a Calgary based uranium exploration company, and Vice-President and a Director of Exchequer Energy Resources Ltd., a Calgary based oil and gas company.

RONALD K. NETOLITZKY, BSc., MSc., P.Geol., Secretary/Treasurer and a Director of the Issuer, is the founder and President of Taiga Consultants, a Calgary based mining consultant firm which was incorporated in 1970, and which currently has a full-time staff of 13 persons including 8 professionals. Mr. Netolitzky has extensive experience in mining exploration and is Vice-President of Exchequer Energy Resources Ltd., a Calgary based oil and gas company.

G. LAWRENCE LAHUSEN, B.S, P.Geol., is Vice-President and Director of the Issuer, has 12 years experience as a geological consultant and is President of G. L. Lahusen & Associates, a Colorado based mineral consulting firm. Mr. Lahusen is also President of Chase Metals Incorporated, a Colorado based mining company, currently holding interests in an operating uranium mine in Utah. He is also Vice-President and a Director of Exchequer Energy, Inc., a Colorado based oil and gas company which presently has producing wells in Texas and Ohio.

WILLIAM E. AMBROSE, B.Ed., a Director of the Issuer, has 15 years experience in oil, gas and mining exploration and development. He is currently President of Universal Fuels Company, a Denver based petroleum and mining exploration company, and has held this position since 1975. Prior to 1975, Mr. Ambrose was an officer and director of Blue

Sky Oil and Gas, a Calgary based exploration and development company, and prior to that he was director and an officer of Universal Oil and Gas Company of Canada.

ARCHIBALD J. NESBITT, Barrister and Solicitor, a Director of the Issuer, who has for in excess of the last five years, held the position of Vice-President and a Director of Nesbitt Mining Company, a Toronto based mining corporation. Mr. Nesbitt is also the President and a Director of Minexco Resources, a Calgary based oil and gas exploration company. He is the Vice-President of Geomex Minerals Ltd., which is a Calgary based minerals exploration company.

4. CAPITAL STRUCTURE

<u>Designation</u>	<u>Authorized by Memorandum of Association</u>	<u>Number Outstanding as of date of Balance Sheet herein</u>	<u>Number Outstanding as at November 30, 1980</u>	<u>Outstanding on Completion of Offering</u>
Common	10,000,000	1,620,000	1,620,000	2,820,000*

* Prior to the exercise of any Warrants.

5. PRIOR SALES

<u>Number of Shares</u>	<u>Date Sold</u>	<u>Price per Share</u>	<u>Net Cash Received</u>	<u>Commissions Paid</u>
200,000	Nov. '79	10¢	\$ 20,000	Nil
500,000	Dec. '79	10¢	50,000	Nil
100,000	Jan. '80	10¢	10,000	Nil
68,000	Nov. '79	50¢	34,000	Nil
225,000	Dec. '79	50¢	112,500	Nil
335,000	Jan. '80	50¢	167,500	Nil
2,000	Feb. '80	50¢	1,000	Nil
10,000	Mar. '80	50¢	5,000	Nil
5,000	Sep. '80	60¢	3,000	Nil
175,000	Sep. '80	80¢	140,000	Nil
1,620,000			\$ 543,000	

The Issuer incorporated in October, 1979, at which time the intention was to issue shares to the Founders at \$0.10 per share. Subsequently, the Issuer decided to raise further funds by selling shares at a price of \$0.50 to the directors, their friends and associates.

Under agreements with the Issuer dated October 3, 1980, a number of individual shareholders of the Company including directors and officers of the Company agreed to incur, in the aggregate, \$225,000 of Canadian Exploration Expense in connection with the 1980 exploration program of the Company. Twelve months after completion of the program and pursuant to the terms of the agreements the contributors will receive one share of the Issuer for every \$1.00 of Canadian Exploration Expense

incurred in connection with the program. The Company retained all benefits from the program while the contributors may avail themselves of the write-offs available with respect to the Canadian Exploration Expense under the Income Tax Act, Canada. The contributors and contributions are as follows:

<u>Name</u>	<u>Relationship to the Issuer</u>	<u>Amount</u>
Glen H. Harper	President & Director	\$100,000
Archibald J. Nesbitt	Director	10,000
Ronald R. Netolitzky	Secretary/Treasurer	20,000
J. Davis	Shareholder	5,000
R. Ingram	Shareholder	50,000
D. Byers	Shareholder	30,000
Impact Energy Ltd.	a private corporation wholly owned by G. L. Lahusen, Vice-President & Director	10,000
		<u>\$225,000</u>

The 225,000 shares to be received by the participants in the Canadian Exploration Expense program, described above, have all agreed to obtain Section 55 Determinations from the Superintendent prior to dealing with the shares in any manner whatsoever.

All but the 175,000 shares sold at 80¢ per share have been pooled with The Canada Trust Company to be released as described under heading "Pooled Shares", 13, herein.

6. DESCRIPTION OF SHARE CAPITAL

The share capital structure of the Issuer consists of one class of shares only. All shares issued by the Issuer rank equally as to dividends, voting rights and any distribution of assets on winding-up or liquidation. There are no indentures or agreements limiting the payment of dividends, and there are no conversion rights, no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding share capital is not subject to any call or assessment, and the shares offered hereby, when issued and sold as described in this prospectus, will not be subject to any call or assessment.

7. USE OF PROCEEDS

The estimated net proceeds to be derived by the Issuer from the sale of this offering will be \$1,620,000. This sum together with the \$217,859 in the treasury of the Issuer as of September 30, 1980, will be applied as set out in the following summary of expenditures:

(a)	Provision for the Vancouver Stock Exchange Listing Fee	\$	3,500*
(b)	Cost of this issue, including Legal, Audit and printing Costs		45,000

(c)	Capital requirements for programme recommended by Robert S. Adamson, P.Eng., in his report dated September 15, 1980, in the British Columbia Precious Metal Prospects	
	Preliminary	\$ 244,625
	Drilling	<u>345,000</u>
		589,625**
(d)	Capital requirements for programme recommended by Robert S. Adamson, P.Eng., on his report dated September 1, 1980, on the Saskatchewan Precious Metal Prospects	312,000**
(e)	Contingency for excess over recommendations on the Wedge Lake Joint Venture project with SMDC and Giant Yellowknife Mines	23,000
(f)	Capital requirements for programme recommended by Robert S. Adamson, P.Eng., in his report dated August 15, 1980 on the American Mineral Prospects	278,500
(g)	Capital requirements for programme recommended by G.H. Dumont, Consulting Engineer, in his report dated April 10, 1980, on the Northwestern Quebec property	212,175
(h)	Option payments, due May 10, 1981, on the Northwestern Quebec property	5,000
(i)	Option payments, due March 1, 1981 on the Lenado Property	10,000
(j)	Performance Bond due March 5, 1981 on the Neyrinck Lake Prospecting Permit (MPP 11127)	30,000
(k)	To provide general working capital	<u>134,200</u>
	TOTAL	\$ 1,620,000

*To be held in trust by the Registrar and Transfer Agent, The Canada Trust company, until such time as the Issuer initiates a listing application on the Vancouver Stock Exchange.

**The Issuer has commenced preliminary programs recommended by R. S. Adamson, P.Eng., on its properties and as of December 31, 1980 had incurred or expended approximately \$102,434. The above described working capital is consequently increased to \$236,634.

In the event that the Underwriters' option is exercised the proceeds will be used for general working capital purposes.

The Issuer may, pursuant to the recommendations of a qualified engineer or geologist, abandon in whole or in part any of its properties or may alter, as work progresses, the recommended work programmes, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Issuer after the date of this prospectus, although the Issuer has no present plans in this regard. If any such event occurs during the primary distribution of the shares referred to in this prospectus, an amendment to this prospectus will be filed. If any such event occurs subsequent to completion of the primary distribution, shareholders will be notified.

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

8. DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER

The principal business of the Issuer is the acquisition, exploration and development of natural resource properties.

BRITISH COLUMBIA PROPERTIES

A. MANSON CREEK PROPERTIES

The Issuer is the recorded and beneficial owner of two gold and silver prospects, Opec and Flume, in the Manson Creek district, an historical placer mining region in British Columbia.

Placer gold was discovered on the Germansen River in 1870 and on Manson River and its tributaries in the following year. Since then production, which still continues from the Germansen River, had reached 24,138 oz. gold by 1949. From 1929 until 1943 Cominco produced from Slate Creek, a tributary of Manson River, a total recorded production of 4,776 ounces gold. Alluvial deposits along Manson River and other tributaries produced 8,039 oz. of placer gold. Intensive prospecting with a view to discovering the source of gold eventually led to the discovery of several lode gold and/or silver occurrences. Both the undernoted Flume property and Opec property have gold/silver lode occurrences on the property.

On the Flume claims grab samples collected by Lay (1939) and Armstrong (1949) are documented as follows:

Width	2 feet (?)	0.345 oz. Au per ton, 0.66 oz. Ag
	2 feet	0.8 oz. Au per ton, 1.6 oz. Ag
	2 feet (?)	0.32 oz. Au, 15.2 oz. Ag
	2 feet - 5 feet	0.30 oz. Au, 0.1 oz. Ag

On the Opec claims the Fairview vein ranging in width from 1.5 feet to 6 feet along a strike length of 200 feet returned assays as follows:

Selected material	0.28 oz. Au per ton, 22.3 oz. Ag per ton
Grab	0.02 oz. Au, 0.96 oz. Ag
Carbonatized wallrock	Tr Au, 0.03-0.10 oz. Ag.

The Blackhawk prospect also located on the Opec claims contains 9 known veins varying in width from 15 inches to 5 feet. A short 18 foot adit returned 0.02 oz. gold per ton and 43.6 oz. silver per ton.

For further description of the history and geology of the Manson Creek properties reference should be made to the Engineering Report dated September 15, 1980, by Robert S. Adamson, P.Eng., a copy of which is included in this Prospectus.

The subject properties, which the Issuer acquired for staking costs in the approximate amount of \$21,504, are more particularly described as follows:

(i) Flume Claims

The Flume claims contains 80 units, comprising 4,000 acres, in four claims as follows:

<u>Claim</u>	<u>Record No.</u>	<u>Expiry Date</u>
Flume 1	2545	February 25, 1981
Flume 2	2546	February 25, 1981
Flume 3	2547	February 25, 1981
Flume 4	2548	February 25, 1981

(ii) Opec Claims

The Opec property contains 178 units, comprising 8,900 acres, in nine claims as follows:

<u>Claim</u>	<u>Record Nos.</u>	<u>Expiry Date</u>
Opec 1	2549	February 25, 1981
Opec 2	2550	February 25, 1981
Opec 3	2551	February 25, 1981
Opec 4	2552	February 25, 1981
Opec 5	2553	February 25, 1981
Opec 6	2554	February 25, 1981
Opec 7	2556	February 25, 1981
Opec 8	2557	February 25, 1981
Opec 9	2558	February 25, 1981

Both the Flume and Opec properties are accessible by way of the Omineca resource road, which connects Fort St. James with Germansen Landing.

There is no underground or surface plant or equipment on the property. The Issuer has carried out work on the property consisting of preliminary assessment work and the first stage program recommended by Robert S. Adamson, P.Eng., at a cost of \$74,663. The Issuer intends to carry out the recommendations of Mr. Adamson in stage two of his program, which will consist of detailed geo-chemistry surveys and drilling at an estimated cost of \$100,000.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

B. NORTH CHAPPELLE PROPERTIES

The North Chappelle properties comprise six separate claim blocks which are situated within reasonable proximity to the Dupont gold-silver mine in the Toodoggone River district of northern British Columbia. The mine, which is now under active development in preparation for production contains significant ore reserves. An adjoining property, the Lawyers property (not owned by the Issuer), also has significant occurrences of gold-silver deposits and is being actively explored.

The Issuer is the recorded and beneficial owner of the following claims which comprise the North Chappelle properties:

(i) Mets Claims

<u>Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Mets 1	1253	April 3, 1981
Mets 2	1254	April 3, 1981

The Mets claims cover approximately 2,000 acres and are situated 21 km northwest of the Chappelle property owned by Dupont of Canada Inc., The claims are underlain entirely by volcanic rocks of the Toodoggone formation and a number of conspicuous pyritic gossans are reported to be present on the property. The property has no known history of exploration.

(ii) Belle Claims

<u>Claims</u>	<u>Record Number</u>	<u>Expiry Date</u>
Belle 1	2680	April 3, 1981
Belle 2	2681	April 3, 1981

The Belle property comprises approximately 1,800 acres and is situated 15 km due north of the Chappelle Mine. The presence of gold placers has been established and the property is situated in an established gold district. The property has no history of prior exploration.

(iii) Saunders Claims

<u>Claims</u>	<u>Record Numbers</u>	<u>Expiry Date</u>
Saunders 1	2682	April 3, 1981
Saunders 2	2683	April 3, 1981
Saunders 3	2684	April 3, 1981
Saunders 4	2685	April 3, 1981

The Saunders property comprises 3,200 acres in its four claims. It is located 5 km south of the Chappelle mine and 8km west of the Lawyers prospect. Saunders Creek drains the property northward into the Toodoggone River.

A silver-gold-lead occurrence and a gold-silver-copper occurrence has been established on the property as well as the presence of the favourable Toodoggone volcanic unit. Previous owners drilled 1132 metres on the property, but the assays are not available.

(iv) Jock Claims

<u>Claims</u>	<u>Record Number</u>	<u>Expiry Date</u>
Jock 1	2699	April 8, 1981
Jock 2	2700	April 8, 1981
Jock 3	2701	April 8, 1981
Jock 4	2702	April 8, 1981
Jock 5	2703	April 8, 1981

The Jock property covers 3,050 acres and is situated 16 km southeast of the Chappelle mine.

Two copper occurrences are present in a widespread gossan on the property, but there is no known history of exploration.

(v) Rich Claim

<u>Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Rich 1	2709	April 8, 1981

The Rich property covers 800 acres and is underlain by acidic volcanic rocks of the Toodoggone Formation. There are no known metallic mineral occurrences, and the property has no known history of exploration.

(vi) Atty Claim

<u>Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Atty 1	2710	April 8, 1981

The Atty claim covers 600 acres and adjoins a property, held by another company, to cover the Riesteel silver-lead-zinc prospect. No mineralization is presently known to occur on the Atty claim, but several gossans occur on the property. There is no known history of exploration.

The Issuer acquired the North Chappelle properties and the following Omineca properties for staking costs in the approximate amount of \$62,266. Access to each of the properties is by way of helicopter from Germansen Landing.

For further description of the history and geology of the North Chappelle properties reference should be made to the Engineering Report dated September 15, 1980, by Robert S. Adamson, P.Eng., a copy of which is included in the Prospectus. The Report also details the recommended programs on each of the North Chappelle properties. The Issuer intends to carry out the recommendations contained in the Report at an approximate cost of \$59,800, and subject to results will expend some part of the stage II program recommended by Mr. Adamson.

There is no underground or surface plant or equipment on the properties and the Issuer has carried out no work on the properties, except for preliminary assessment work (base maps) in the approximate amount of \$13,500.

The properties are without a known body of commercial ore and the proposed program is an exploratory search for ore only.

C. OMINECA PROPERTIES

The Issuer is the recorded and beneficial owner of a 100% undivided interest in the ten precious metal prospects which comprise the Omineca properties. The prospects lie in five groups at the northern end of the Omineca district in north central British Columbia.

The Omineca resource road services the region and access to each property can be achieved by helicopter from the said road.

(i) MC 1, claim record number 2688 - Expiry Date April 3, 1981

The MC claim comprises approximately 1000 acres and two mineral showings occur on the property. In the King George occurrence, pyrite and chalcopyrite are reported to be disseminated in a network of quartz veinlets that are developed in a shear zone 30 feet in width in pink granite. Precious metal values reported (C.S. Lord, 1948, pp 59) are Tr Au, 0.09 oz. Ag per ton and 0.0025 oz. Au per ton, 0.05 oz. Ag per ton. The DWG is a group of five occurrences consisting of disseminated chalcopyrite and pyrite associated with northeast trending fractures. Reported assays from the five zones are:

1. 10 feet 0.01% copper
10 feet 0.94% copper
5 feet 0.17% copper
5 feet 2.40% copper
2. 15 feet 1.44% copper Tr Au, 0.2 oz. Ag per ton
5 feet 0.70% copper
3 feet 6.60% copper 4.55 oz. Ag
10 feet 7.60% copper 0.082 oz. Au, 2.92 oz. Ag
11 feet 5.60% copper 0.021 oz. Au, 1.69 oz. Ag
3. 5 feet 0.64% copper
Grab 1.15% copper Tr Au, Tr Ag
4. Grab 10.43% copper 0.01 oz. Au, 1.3 oz. Ag
5. Not assayed

(ii) JC 1 - Record No. 2697 - Expiry Date April 8, 1981

The JC claim is situated at the confluence of Jensen and McConnell Creeks and covers 600 acres.

Known mineralization on the property is restricted to placer gold and platinum in McConnell Creek gravels. There is no known history of exploration on the JC claim, but because the source of the gold and platinum may exist on the property the Issuer intends to carry out the recommendations of Robert S. Adamson, P.Eng.

(iii) Nika 1 - Record Number 2698 - Expiry Date April 8, 1981

The Nika Claim, is located one half km northeast of the confluence of McConnell Creek and Ingenika River and covers 800 acres. The Ingenika River cuts across the property. Gold and platinum mineralization has been found to occur in the gravels of the said river. There is no known history of exploration on the Nika claim, but because the source of gold and platinum may exist on the property the Issuer intends to carry out the recommendations of Robert S. Adamson, P.Eng.

(iv) TLC and SUS Claim Group

<u>Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
TLC 1	2696	April 8, 1981
SUS 1	2704	April 8, 1981
SUS 2	2705	April 8, 1981
SUS 3	2706	April 8, 1981
SUS 4	2707	April 8, 1981

The TLC claims cover 800 acres and the SUS claim block 1,750 acres. There is a previously known copper-silver occurrence on the TLC claim but results of previous explorations are not known. On the SUS claims previous owners undertook preliminary exploration on the Day and Roy prospects, but results of the program are not known.

(v) Inge 1 - Record Number 2708 - Expiry Date April 8, 1981

The Inge claim is situated at the headwaters of Wrede Creek in an alpine basin, the claim covers 800 acres. Reported mineralization on the property consists of pyrite and chalcopyrite with quartz in a chloritic and sericitic shear zone developed in massive porphyritic andesite. Quartz lenses reaching widths up to 6 feet occur on the property. Samples over 6 feet returned 0.01 oz. Au and 0.02 oz Ag per ton and 0.01 oz. Au and 0.01 oz. Ag per ton respectively.

(vi) KC, LC and POLARIS CLAIM GROUP

The KC property covers 2,000 acres and is situated on a high divide between Kliyul Creek and Johanssen Creek.

<u>Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
KC 1	2694	April 8, 1981
KC 2	2695	April 8, 1981

Five mineral occurrences exist on the property, however gold and silver values in a 34 inch sample were negative and a nearby vein zone returned negligible values.

The LC property consists of the following four claims and covers 2,200 acres, surrounding six old-style claims held by another company.

<u>Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
LC 1	2675	April 3, 1981
LC 2	2676	April 3, 1981
LC 3	2677	April 3, 1981
LC 4	2678	April 3, 1981

These four claims, known as the Granite Basin group, cover a gold-bearing zone that was explored from 1935 - 1938, 1972-1974 and in

1975. Indications are that the LC property covers the projected strike of mineralized shear zones occurring on the six old-style claims the LC property surrounds. A geochemical survey undertaken by Susie Gold Mines in 1975 indicated that these zones may continue southeastwards into the property owned by the Issuer.

The Polaris property covers 4,200 acres in six claims as follows:

<u>Claim</u>		<u>Record Number</u>	<u>Expiry Date</u>
Polaris	1	2679	April 3, 1981
Polaris	2	2689	April 3, 1981
Polaris	3	2690	April 3, 1981
Polaris	4	2691	April 3, 1981
Polaris	5	2692	April 3, 1981
Polaris	6	2693	April 3, 1981

The Omineca resource road that parallels Lay Creek crosses this property. Historically, Cominco drove 1708 feet of underground workings into the Jupiter prospect near the confluence of Berry and Lay Creeks. Susie Gold carried out geological, geochemical and geophysical surveys in 1975 and 1976.

There are two mineral occurrences on the Polaris prospect:

Vein No. 1	Grab sample	Assay 0.02 oz. Au, 76.3 oz. Ag
	Grab	Assay 0.01 oz. Au, 91.3 oz. Ag
Vein No. 2	Width 2 to 12 inches	Assay 0.31 to 7.18 oz Au per ton
	Grab	Assay 0.135 oz. Au, 4.75 oz. Ag
Vein No. 3	Grab sample	Assay 0.02 oz.Au, 152.0 oz. Ag
	Grab	Assay 0.025 oz.Au, 153.8 oz. Ag

The Thane property covers 2,000 acres, record numbers are as follows:

<u>Claim</u>		<u>Record Numbers</u>	<u>Expiry Date</u>
Thane	1	2686	April 3, 1981
Thane	2	2687	April 3, 1981

Two documented mineral occurrences (Thane and Pluto) are known to be present. The Thane showing is a four foot wide silicified shear zone in andesite at a quartz monzonite contact. Mineralization consists of pyrite, chalcopyrite, magnetite, specularite, and reportedly low gold values. The Pluto showing contains six sulphide lenses in a north trending fault zone. Widths of the lenses range from 3 to 12 feet; lengths from 25 to 53 feet. Assays up to 0.4 oz. Au per ton have been reported.

The Issuer acquired both the Omenica and the North Chappelle properties for the costs of staking in the amount of \$62,266.

For further description of the history and geology of the Omenica properties reference should be made to the Engineering Report dated September 15, 1980, by Robert S. Adamson, P. Eng., a copy of which is included in this Prospectus, which Report also details the recommended programmes on each of the Omenica properties.

There is no underground or surface plant or equipment on the property and the Issuer has carried out no work on the property, except for preliminary assessment work consisting of prospecting and the collection of geochemical samples in the approximate amount of \$40,418.

The Issuer intends to carry out the Stage I program as recommended by Mr. Adamson.

The properties are without known bodies of commercial ore and the proposed programmes are an exploratory search for ore only.

D. HIKON CREEK PROPERTY

By an agreement dated the 1st day of April, 1980, the Issuer, as Assignee, acquired from Esperanza Explorations Ltd., ("Esperanza"), as Assignor, of Vancouver,, B.C. all of the Assignor's optioned interest in an agreement dated the 21st day of March, 1979 between Victor Guinet and Andrew Harman, ("the Joint Owners"). The Issuer has paid to Esperanza the sum of \$10,000 and is required to make the following payments:

- (a) \$ 5,000 by January 1, 1981 (now paid)
- (b) \$10,000 by January 1, 1982
- (c) \$10,000 by January 1 of every subsequent year until a total of \$70,000 has been paid; and
- (d) a retained net smelter interest of 2.5% until the obligation to the Joint Owners has been fulfilled and thereafter 5% of net smelter returns.

The Hixon Creek property, situated 54 km south of Prince George near Hixon on Highway 97 and can be reached by four wheel drive vehicle, contains 50 units in four new style claims and six old style claims for a total of approximately 2,600 acres. The Issuer acquired all of the following claims, with the exception of HQ 4, pursuant to the foregoing agreement. The HQ 4 claim was acquired for the staking costs in the approximate amount of \$500. The Issuer is the recorded and beneficial owner as follows:

<u>Claim</u>		<u>Record Numbers</u>	<u>Expiry Date</u>
Hixon Quartz	No.1	61413	December 16, 1980*
Hixon Quartz	No.11	61414	December 16, 1980*
Hixon Quartz	No. 3	821	September 1, 1980*
Hixon Quartz	No. 4	822	September 1, 1980*
Hixon Quartz	No. 5	823	September 1, 1980*
Hixon Quartz	No. 6	824	September 1, 1980*
HQ		856	September 25, 1980*
HQ	2	969	April 9, 1981*
HQ	3	970	April 9, 1981*
HQ	4	1846	July 29, 1981

* With surveys pending

Some placer and lode gold deposits have been known on the property since the 1860's. A stamp mill was erected in the 1870's and approximately 239 tons of ore averaging slightly more than 1 oz gold per ton were milled. In the 1970's Bethlehem Copper carried out surface geochemical surveys and drilled four holes.

The property is indicated to be underlain by Upper Triassic volcanic and sedimentary rocks of the Nicola Group. On Hixon Creek, a northwesterly striking, steeply northeasterly dipping sheared contact between greenstone and schist hosts a gold-bearing network of quartz veins.

The Issuer has carried out assessment work in the amount of \$13,446 (approximately) on the Hixon Creek property during the 1980 exploration season.

For further description of the history and geology of the Hixon Creek property reference should be made to the Engineering Report dated September 15, 1980, by Robert S. Adamson, P.Eng., a copy of which is included in the Prospectus. The Issuer intends to carry out the recommendations contained in the Report at an approximate cost of \$35,650.

There is no underground or surface plant or equipment on the property and the Issuer has carried out no work on the property, with the exception of the assessment work referred to herein.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

E. TYAUGHTON CREEK PROPERTY

The Issuer is the recorded and beneficial owner of two claim groups in the Tyaughton Creek region, more particularly described as follows:

<u>Claim</u>	<u>Record Numbers</u>	<u>Expiry Date</u>
Graveyard	334	May 9, 1981
Ural 1	1280	March 13, 1981
Ural 2	1281	March 13, 1981
Ural 3	1282	March 13, 1981
Ural 4	1283	March 13, 1981
Ural 5	1284	March 13, 1981
Ural 6	1285	March 13, 1981
Ural 7	1309	March 31, 1981

The Graveyard Claims are situated on Graveyard Creek approximately 40 km southeast of Goldbridge and covers 600 acres. Access is possible by helicopter from the forest resource road from Goldbridge. The prospect was originally staked in 1975 by Chevron Standard Ltd. who subsequently allowed the property to lapse. The Issuer acquired the property from Taiga Consultants Ltd., in return for the reimbursement of Taiga's staking costs in the approximate amount of \$4,252.

The property is underlain by Jurassic age calcareous sandstone and conglomerate of the Relay Mountain Group and Cretaceous age siltstone, grey wacke and conglomerate of the Taylor Creek Group. A geochemical survey, carried out by Chevron, established the presence of a broad gold and arsenic weakly anomalous zone.

The Ural property covers approximately 5,550 acres and surrounds the Northern Lights and Lucky Jem properties held by Silver Standard Mines Ltd. The property is situated near Eldorado Mountain 15 km north of the town of Goldbridge. Access is possible by helicopter from a nearby forestry road leading to Goldbridge.

The Ural Claims were obtained for the costs of staking, in the amount of \$18,941, for the purpose of covering promising gossans in a favourably located geological setting.

Mineralization in the area consists of arsenopyrite, stibnite, pyrite, jamsonite, chalcopyrite and sphalerite with gold and silver occurrences on fractures, faults and shear zones. For further information on the Tyaughton Creek property reference should be made to the Report of Robert S. Adamson, P.Eng., dated September 15, 1980, which forms part of this Prospectus.

During the 1980 season the Issuer expended approximately \$56,109 on the Ural claims consisting of reconnaissance mapping, and collection of geochemical samples and assessment work as recommended by Mr. Adamson.

Depending on the results of the geochemical sampling, the Issuer intends to allocate approximately \$100,000 for a drilling programme as recommended by Mr. Adamson.

There is no underground or surface plant or equipment on the property and the Issuer has carried out no work on the property, except for the assessment work referred to herein.

The property is without a known body of commercial ore and the proposed programme is an exploratory search for ore only.

WITH RESPECT TO ALL OF THE BRITISH COLUMBIA PROPERTIES THE ISSUER FURTHER INTENDS TO CARRY OUT THE DRILL PROGRAM AS RECOMMENDED IN THE REPORT OF ROBERT S. ADAMSON, P. ENG., IN THE ESTIMATED AMOUNT OF \$345,000, \$200,000 of which has been allocated as follows:

TYAUGHTON CREEK PROPERTY	\$100,000
MANSON CREEK PROPERTY	\$100,000

SASKATCHEWAN PROPERTIES

A. Goldfields Bay Property

The Issuer owns a gold prospect comprising eleven mineral claims (containing approximately 40 acres each for a total of 440 acres), known as the "Goldfields Bay Property" and more particularly described as follows:

<u>Name of Property</u>	<u>Map Number</u>	<u>Expiry Date</u>
S-97239	74-N-8	October 12, 1981
S-97240	74-N-8	October 12, 1981
S-97241	74-N-8	October 12, 1981
S-97242	74-N-7 & 8	October 12, 1981
S-97243	74-N-8	October 12, 1981
S-97245	74-N-8	October 12, 1981
S-97246	74-N-8	October 12, 1981
S-97247	74-N-8	October 12, 1981
S-97248	74-N-8	October 12, 1981
S-97249	74-N-8	October 12, 1981
S-97053	74-N-8	October 12, 1981

The Goldfields Bay property is situated in the Athabasca Mining Division, on Lake Athabasca approximately 16 km southeast of Uranium City. Access to the property is obtained by boat and vehicle or aircraft from Uranium City. The property once fell within the confines of Cominco's old Box Mine property. It was staked separately in 1966 and sold in 1968 to Dejour Mines who carried out airborne and ground geophysical surveys, searching primarily for uranium deposits. The property was then dropped without undertaking any drilling.

The Issuer acquired the property for staking costs in the approximate amount of \$1,315 and proposes to carry out the programme recommended by Robert S. Adamson, P.Eng., in his Report, of September 1, 1980, which forms part of this Prospectus. Mr. Adamson estimates that the said programme will cost \$10,350.

There is no underground or surface plant or equipment on the property and the Issuer has carried out no work on the property, except for minor assessment work in the approximate amount of \$500.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

B. Pine Channel Properties

The Issuer is the recorded and beneficial owner of the two claim blocks and single mineral claim known as the "Pine Channel Properties", and more particularly described as follows:

<u>Name of Property</u>	<u>Acreage</u>	<u>Map Number</u>	<u>Expiry Date</u>
CBS 6421	12,760	74-0-7-SE & 74-0-8-SW	Sept. 14, 1980 (Assessment work Pending)
CBS 6422	2,860	74-0-8-SE	Sept. 14, 1980 (to appear on future Lapse List)
S-94808	40	74-0-7-SE	Nov. 2, 1981

The properties may be reached by float aircraft from Uranium City or by boat from Stoney Rapids.

Claim block CBS 6421 contains within its boundary claim S.94808 and covers approximately 12,800 acres. The property is situated on the north shore of Lake Athabasca approximately 120 km east of

Uranium City. The area was staked in 1915 for nickel and copper mineralization and in 1930 for gold occurrences. Since then sporadic work has been carried out by various groups on the most notable gold occurrences, namely, Ela, Mel and Cec. Three short holes were drilled in 1951 on the Ela vein and values from 11 samples taken from a 97 m strike length are reported to have averaged 0.51 oz per ton gold over an average width of 1 metre. Five holes were drilled on the Mel and Cec occurrence which intersected a vein that was traceable for approximately 300 m. Drill results are unavailable but it has been reported that gold values (with considerable variation in values) are present along the entire length of the vein. During the 1980 season the Issuer expended approximately \$46,870 on the property. The funds were spent mainly on geophysics, geochemical, reconnaissance sampling, linecutting and preliminary mapping.

Claim block CBS 6422 was staked mainly for the presence of 2 cobalt occurrences, and was subsequently allowed to lapse.

The Pine Channel properties were acquired for the cost of staking in the approximate amount of \$5,131. The Issuer proposes to carry out the program recommended by Robert S. Adamson, P.Eng., for an estimated amount of \$27,025 including contingencies.

For further description of the history and geology of the Pine Channel properties reference should be made to the Engineering Report dated September 15, 1980, by Robert S. Adamson, P.Eng., a copy of which is included in the Prospectus.

There is no underground or surface plant or equipment on the properties.

The properties are without a known body of commercial ore and the proposed program is an exploratory search for ore only.

C. Waddy Lake Properties

The Issuer is the recorded and beneficial owner of several properties in the district essentially surrounding the Waddy Lake Resources property, known as the "Waddy Lake Properties", comprising 33,400 acres, and more particularly described as follows:

<u>Property Name</u>	<u>Acreage</u>	<u>Map Number</u>	<u>Expiry Date</u>
CBS 4824	10,280	64-D-4-NW & 64-D-5-SW	April 11, 1982
CBS 4825	11,680	64-D-4-NW & 64-D-4-NE & 64-D-5-SW & SE	April 11, 1982
CBS 5205	10,040	927 & 64-D-4-NW	June 7, 1981
CBS 6432	1,160	64-D-4-NW	June 8, 1981

S-96604 to S-96607 inclusive*	160	64-D-4	June 8, 1981
S-97751 **	40	64-D-5-SW	July 6, 1980 (Assessment work pending)
S-97752 **	40	64-D-5-SW	July 6, 1980 (Assessment work pending)

* Hereinafter referred to as the "Tai Claims".

** Hereinafter referred to as the "Greenhill Lake Claims".

(i) CBS 4824, 4825 & 5205

There is no history of exploration recorded on the property. The oldest rocks in the district may be essentially divided into two groups, one predominately sedimentary and the other volcanic. The referenced claims are underlain essentially by the volcanic unit, and mineral occurrences of economic interest, in the district, generally occur in the volcanic unit. No gold or sulphide occurrences are presently known to occur.

(ii) CBS 6432

The referenced claim was once known as the "Kewatin" property and was originally staked by Cominco in 1948. Previous work carried out includes a VLF survey over much of the claim block.

(iii) Tai Claims

The four mineral claims, comprising the Tai Claims, were initially staked as the V.G. claims, by Cominco in 1948. There has been little exploration work since that date.

(iv) Greenhill Lake Claims

The present property consists of two mineral claims which were originally staked on gold occurrences in 1947. Little work has been carried out since then.

The Issuer acquired the Waddy Lake properties for staking costs in the approximate amount of \$31,119, (refer also to "Wedge Lake" property for additional costs on Greenhill Lake Claims). Access to the property is achieved by fixed wing aircraft from La Ronge. Saskatchewan Highway 102 passes within a few kilometres to the east of the district. Because of the known gold occurrences the Issuer plans to carry out the programme recommended by Robert S. Adamson, P.Eng., in his Report of September 1, 1980, which forms part of this Prospectus, at an estimated cost of \$139,466. For further description of the history and geology of the Waddy Lake Properties reference should be made to Mr. Adamson's Report.

During the 1980 exploration season the Issuer completed assessment work on the property for the approximate amount of \$31,600.

There is no underground or surface plant or equipment on the property and the Issuer has carried out no work on the property other than the assessment work described in the foregoing paragraph.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

D. Wedge Lake Property

The Issuer is the beneficial owner of a 25% interest in the two claim blocks known as the "Wedge Lake Property" comprising 5,620 acres and more particularly described as follows:

<u>Name of Property</u>	<u>Acreage</u>	<u>Map Number</u>	<u>Expiry Date</u>
CBS 5208	4,380	64-D-4-NW & 64-D-5-SW	June 7, 1981
CBS 6730	1,240	64-D-4-NW & 64-D-5-SW	Dec. 9, 1981

By an agreement dated the 7th day of January, 1980, the Issuer purchased from Bonn Energy Corporation ("Bonn"), of Saskatoon, Saskatchewan the foregoing properties and the mineral claims described as the "Greenhill Lake Property". The price paid to Bonn for such properties was \$7,350. In addition the agreement provides that the Issuer pay to Bonn a royalty of 1% of the net smelter returns from ore mined from the mineral dispositions. The said royalty to be paid quarterly in respect of all ore mined in the preceding quarter.

On April 1, 1980 the Issuer entered into a Joint Venture Agreement with Giant Yellowknife Mines Limited, ("Giant") for the purpose of exploration and development of the mineral dispositions CBS 5208 and CBS 6730. It was agreed that Giant was to be the Operator.

Pursuant to the laws of the Province of Saskatchewan the Saskatchewan Mining Development Corporation ("SMDC") has the right to participate in mineral dispositions. SMDC elected to earn a 50% equity interest in the project. SMDC requires that the Operator hold title to the property, therefore on April 1, 1980 the Issuer executed a Declaration of Trust wherein Giant agreed to act as agent and trustee and the Issuer subsequently, on 23rd May, 1980, transferred to Giant its interest in the claims. Giant holds the executed documents but has not yet effected the transfer.

Interest in the Wedge Lake Property is now held as follows:

SMDC	50%
*Giant	25%
*Issuer	25%

*Subject to 1% royalty as before described.

The Wedge Lake property was originally staked in 1928 as the Nisto Group. Preliminary work was carried out in 1930 and the property subsequently allowed to lapse. Mining Corporation in 1952 to 1954 traced the mineralized gold-bearing zone for 1000 m eastward from Sonya Lake by trenching and drilling. Good gold values were obtained from three trenches. Recorded values are 0.28 oz. gold per ton over a diluted width of 6 feet and a length of 90 feet, 0.73 oz. over a 6 foot width and a 90 foot length, and 0.22 oz. over a 6 foot width and a 40 foot length. The gold occurs with pyrite, pyrrhotite, and galena in quartz veins in a rhyolite tuff host rock. The veins, which pinch and swell up to 13 feet in width, are associated with a broader zone of variable disseminated sulphide mineralization in the tuffs.

Access to the property is available by fixed wing aircraft from La Ronge. Saskatchewan Highway 102 passes within a few kilometres to the east of the property.

During the 1980 exploration season the Issuer completed assessment work on the property for the approximate amount of \$12,000. More work has been completed by the Operator, but has not yet been billed to the Issuer.

For further description of the history and geology of the Wedge Lake Property reference should be made to the Engineering Report dated September 15, 1980, by Robert S. Adamson, P.Eng., a copy of which is included in this Prospectus. The Issuer intends in 1981 to pay its share of the Joint Venture drilling expenses in the approximate amount of \$80,000.

There is no underground or surface plant or equipment on the property.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

E. Neyrinck Lake Property

The Issuer owns a 100% exclusive right to explore and prospect for minerals in a Permit to Prospect for Minerals granted by the Province of Saskatchewan. The Permit No. is MPP 1112, (referred to herein as "the Permit"). The Permit is valid until March 5, 1983 and covers approximately 153,735 acres in the La Ronge Mining District, Saskatchewan,

(herein the "Neyrinck Lake" property). The Issuer acquired the Permit for an annual rental of \$3,775. Rental for the period March 5, 1980 to March 4, 1981 has been paid and further payments of approximately \$3,775 each will become due on March 5, 1981 and March 1, 1982, respectively. In addition the Issuer was required to post a bond in the amount of \$25,000 which is refundable in 4 years provided that assessment work is performed on the Permit, in each year as follows:

Year 1	\$30,000	Year 3	\$60,000
Year 2	\$40,000	Year 4	\$60,000

A Bond in similar amount must be posted at the beginning of each period.

The Neyrinck Lake property is a gold prospect which contains within its boundaries several independently owned small gold properties. Saskatchewan Highway 102 provides reasonable access to the property. Robert S. Adamson, P.Eng., in his Report of September 1, 1980, which forms part of this Prospectus, indicates that gold mineralization is known to occur within the Permit boundaries. Mr. Adamson recommends that an exploration programme be carried out to include an airborne survey. The Issuer intends to carry out the said recommended programme which Mr. Adamson estimates will cost \$77,740, which is sufficient assessment work for the refunding of the Bonds after the first two year periods if the Issuer drops the Permit.

There is no underground or surface plant or equipment on the property and the Issuer has carried out no work on the property, except for preliminary assessment work in the approximate amount of \$2,400.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

NORTHWESTERN QUEBEC CLAIMS

By an agreement dated the 30th day of September, 1980 the Issuer, as Assignee, acquired from John William Kentish, (hereinafter "Kentish"), as Assignor, of Vancouver, British Columbia, all of the Optionor's interest in an Option Agreement, dated March 17, 1980 between S. Lyssan, as the Vendor, and Frank P. Tagliamonte, P.Eng., as his Agent, both of North Bay, Ontario, and Kentish, as Trustee, whereby Kentish has the option to acquire the following 5 mineral claims totaling 493 acres situated in Range 8, Dubuisson Township, Abitibi, East County, Northwestern Quebec:

<u>Claim Number</u>	<u>Lot Number</u>	<u>Expiry Date</u>
A-61323	9	June 13, 1981 - Permit 448-C
A-61324	10	June 13, 1981 - Permit 448-C
A-61325	11	May 13, 1981 - Permit 449-C
A-61326	12	May 13, 1981 - Permit 449-C
A-61846	9	June 13, 1981 - Permit 447-C

In consideration for the assignment by Kentish the Issuer has paid to Kentish the sum of \$26,000 and has agreed to pay to him a production royalty interest of 3%. The royalty is payable each half of a calendar year during the term of the said agreement, and shall commence with production. Royalty interest is defined in the Agreement as, "that portion of the refined gold, silver and any and all other minerals and/or precious metals produced, mined or removed from the Mining Claims during the calendar period". The Issuer also agreed to be bound by all of the terms and conditions of the said Option Agreement. The Option Agreement provides for the following sums to be paid, on the following dates:

1. (a) The sum of \$1,000 to each of the Optionors on or before May 10, 1980 (paid)
- (b) The sum of \$2,500 to each of the Optionors on or before November 10, 1980 (paid)
- (c) The sum of \$2,500 to each of the Optionors on or before May 10, 1981
- (d) The sum of \$5,000 to each of the Optionors on or before May 10, 1982
- (e) The sum of \$10,000 to each of the Optionors on or before May 10, 1983
- (f) The sum of \$15,000 to each of the Optionors on or before May 10, 1984
- (g) The sum of \$20,000 to each of the Optionors on or before May 10, 1985
2. In the event that commercial production has not commenced by May 10, 1985 or if after commercial production commences, it should cease, as advance royalties, as follows:

The sum of \$2,500 to each of the Optionors, in each subsequent 12 month period, until such commercial production has commenced or resumed or until the claims are transferred back to the Optionors.
3. When all of the payments described in clause 1(a) to 1(g) inclusive herein have been made, ownership of the claims will be transferred to the Issuer, subject to a royalty interest in the amount of $\frac{3}{4}$ of 1%, due to each of the Optioners. Royalty

interest is defined as, "that portion of the refined gold and silver produced from the Mining Claims. Such payments are to be made, commencing with production during the term of this Agreement.

The property is in the middle of the highly active Val d'Or-Malartic gold mining camp and its north boundary is adjacent to the east of the former gold producer Marltic Goldfields (Quebec) Ltd., (in production from December 1939 to the end of 1964). Access to the property is over about 2 miles of forestry road from the main Val d'Or - Malartic paved highway.

Possibilities of a diorite-porphyry complex has been shown to exist by a former diamond drilling exploration executed by Dubuisson Goldfields Limited in 1945 - 47. Best gold results have been obtained along the north side of the middle shear in diorite-porphyry complexes.

For further description of the history and geology of the Northwestern Quebec Claims reference should be made to the Engineering Report dated April 10, 1980, by G.H. Dumont, Consulting Engineer, which forms part of this Prospectus. The Issuer intends to carry out the recommendations contained in the Report at an approximate cost of \$212,175.

There is no underground or surface plant or equipment on the property. During the 1980 exploration season the Issuer has expended approximately \$1,500 on the property.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

U.S. PROPERTIES

A. Sierra County Claims

Golden Rule Resources, Inc., ("Inc.") the wholly owned subsidiary of the Issuer, owns a 100% beneficial interest in each of the claims more particularly described as follows:

Unpatented Claims

<u>Claim Name</u>		<u>Book and Page of Recording of Location Certificate in Sierra County, New Mexico</u>
JL	1 - 10	Book 54 Page 881-890
Lucky Seven	1 - 7	Book 54 Page 902-908
Seven Eleven	1 - 11	Book 54 Page 891-901
Lucky Seven	8 - 17	Book 54 Page 965-974

Inc. acquired, by way of a Conveyance and Assignment ("the Agreement"), the said claims from Larry Lahusen, ("Lahusen"), of Moab, Utah, an officer and director of both Inc. and the Issuer and John K. Brown, ("Brown"), of Monticello, Utah. The Agreement provides for Inc. to pay to each of Lahusen and Brown the sum of \$10.00 (which sums have been paid). The property was staked by Lahusen and Brown for Inc., at a cost of \$8,336. For initiating the project Inc. granted to Brown only, a royalty interest on all minerals or ore mined and sold from the said claims. The royalty interest is equal to 3% of the "Net Sales Price" received from all mineral production from the property.

The Sierra County Claims are silver prospects and are situated in the Black Range Mining District, Sierra County, New Mexico. The property can be reached from Highway 180, forest road and rough mountain road. Considerable activity was recorded in the Black Range District during the last century. Since 1893 production has been sporadic.

There is no known history of work on the claims, however numerous silver occurrences have been staked in the area. Robert S. Adamson, P.Eng., in his Report of August 15, 1980, which forms part of this Prospectus, indicates that the silver bearing fissure vein which lies on three adjacent claims may continue onto the subject property. The Issuer proposes to carry out the programme recommended by Mr. Adamson who estimates that cost will be \$11,500. The said program is an exploratory search for ore only and there is no underground or surface plant or equipment on the property.

B. Lenado Property

By an agreement dated the 1st day of March, 1980, between Rheco-Lenado, Inc., ("Rheco"), Down Under Mining Corporation, ("Down Under"), and inc., (as the Optionors and Optionee, respectively), Inc., has acquired an exclusive and irrevocable option to obtain a mining lease on the unpatented claims, and a mining sublease on the patented claims, more particularly described as follows:

Patented Claims

<u>Name of Claim</u>	<u>USMS No.</u>
<u>GROUP I</u>	
Apex (69/72 only)	6122
Hidden Treasure (60/72 only)	6122
Sea Bird (69/72 only)	6122
Camp Bird (69/72 only)	14176
Highland	6500
<u>GROUP II</u>	
Alpine	6783
Ide	6783
Boaze	6783
Brooklet	6783
Brookside	6783
<u>GROUP III</u>	
Leadville	6576
Alma	5293
Daisy	5293
Last Chance	5759
Last Chance No.2	5759
Eureka	5759
Tenderfoot	5759
River	5759
Annex	5759
Lamokin	5759
Mollie	5759
Tillie	6635

Unpatented Claims

<u>Name of Claim</u>	<u>Book & Page of Recording of Location Certificate in Pitkin County, Colorado</u>
Silver Tide	Book 220, Page 53
Ebb Tide	Book 220, Page 395
Neap Tide	Book 110, Page 397

The said agreement is subject to the terms of the mining lease and sublease held by the Optionors. The agreement provides for the inclusion of any property, in the Woody Creek Drainage Basin, acquired by either the Optionors or the Optionees, during the term of the agreement (March 1, 1980 to February 28, 1983). Inc. has paid to the Optionors the sum of \$5,000, and agreed to commence an exploration program during the first year. The program is to require an expenditure of \$75,000.

The following expenditures will be required during the first three years:

Phase I (option to lease/sublease)

<u>Year</u>	<u>Option pmts to Rheco & Down Under</u>	<u>Min.Work Commit.</u>	<u>Total Expenditures</u>
1	\$ 5,000 on execution	\$ 75,000	\$ 80,000
2	10,000 annually	125,000	135,000
3	10,000 annually	200,000	210,000
Totals:	\$25,000	\$400,000	\$425,000

Phase II (Pre-Production) *

<u>Year</u>	<u>Advance Royalty to Rheco & Down Under</u>	<u>Min.Work Commit.</u>	<u>Total Expenditures</u>
1	\$ 15,000 annually	\$225,000	\$240,000
2	20,000 annually	300,000	320,000
3	25,000 annually	375,000	400,000
Totals:	\$ 60,000	\$900,000	\$960,000

* All advance royalty payments and work commitments are subject to PPI/PPI '83 adjustment.

The Lenado property, a zinc-lead prospect with associated cadmium and silver values, is situated on Wood Creek 6 miles northeast of Aspen in Pitkin County, Colorado. Access to the property can be achieved by gravel road from highway 82.

High grade silver production on the property was undertaken during the latter part of the last century. Some zinc production took place in 1920. The property was inactive until the late 1960's when 8 holes were drilled by the Rheco-Lenado Group and in 1974 Down Under Mining Co., and the Rheco-Lenado Group carried out some further exploration. Hanna Mining acquired an option and drilled 5 holes before relinquishing its option in 1979.

To the end of 1980 the Issuer spent \$51,540 on the project consisting of mapping, surveying, access road building and compilation of all data and continues to work on the property to meet the requirements in year 1 pursuant to the terms of the agreement.

Robert S. Adamson, P. Eng., in his Report of August 15, 1980, which forms part of this Prospectus, indicates that the Lenado Fault Zone, on the property, is a highly prospective structure. The Issuer intends to carry out the recommendations, of Mr. Adamson, in the two stage drilling program. Mr. Adamson estimates that Stage I will cost \$89,000 and Stage 2 \$178,000.

There is no underground or surface plant or equipment on the property.

The property is without a known body of commercial ore and the proposed program is an exploratory search for ore only.

9. PRELIMINARY EXPENSES

As set out in the financial statements hereto attached, the Issuer incurred the following preliminary expenses:

Administrative	\$ 31,945
Deferred Exploration and Development	405,281
Property Payments	52,183
Less: Interest Received	<u>(21,580)</u>
TOTAL	<u>\$457,464</u>

It is not possible at this time to estimate administrative or development expenses for the year as costs will depend on the results of the exploration activities.

10. PRINCIPAL HOLDERS OF SECURITIES

The following are particulars of the only persons owning more than 10% of the issued shares of the Issuer as at October 31, 1980.

<u>Name & Address</u>	<u>Class</u>	<u>Number of Shares Owned of Record and Beneficially</u>	<u>Percentage of Class</u>
Glen H. Harper Suite 13 828 Coach Bluff Crescent N.W. Calgary, Alberta	common	291,000 Pooled	17.96%
Ronald K. Netolitzky Suite 14, 828 Coach Bluff Crescent N.W. Calgary, Alberta	common	220,000 Pooled	13.58%
Larry Lahusen c/o G.L. Lahusen & Associates Suite 129 Complex Building 1715 Horizon Drive Grand Junction Colorado	common	220,000 Pooled	13.58%
		<hr/> 731,000 <hr/>	

The promoters, directors, officers and controlling persons as a group, own, directly or indirectly, 935,000 shares in the capital stock of the Issuer, representing 57.72% of the issued shares. On completion of the sale of the shares offered by this Prospectus, the promoters, directors, officers and controlling persons will continue to hold 935,000 shares which will then represent 33.16% of the issued shares in the capital stock of the Issuer. The shares being offered by this Prospectus represent 42.55% of the total shares to be issued

on completion of this offering, prior to the exercise of the option outlined in Item 2, Plan of Distribution.

The Underwriters and their directors, shareholders and employees, who have, directly or indirectly, acquired shares in the capital stock of the Issuer as of this date are as follows:

Canarim, its directors, shareholders and employees, have acquired a total of 20,000 shares at 50¢ per share and 80,000 shares at 80¢ per share.

Brink Hudson, its directors, shareholders and employees, have acquired a total of 5,000 shares at 50¢ per share and 20,000 shares at 80¢ per share.

No shares have been acquired by any other Underwriter.

11. CONFLICT OF INTEREST

The Underwriters and principals thereof have purchased or acquired, directly or indirectly, for acquisition and exploration expenses a total of 25,000 shares of the Issuer at a price of \$0.50 per share, and 100,000 shares of the Issuer at a price of \$0.80 per share. The offering price of \$1.50 per Unit has been determined by the Issuer and was accepted by the Underwriters.

12. PROMOTERS

Under the definition of "Promoter" contained in Section 1 of the Securities Act of the Province of British Columbia, the persons listed below may be considered the Promoters of the Issuer in that they took the initiative in founding the Company, but they have received no consideration in the form of cash, shares, or otherwise, from the Issuer for so acting. Shares issued to them for cash are as follows:

<u>Name</u>	<u>Shares Issued for Cash</u>		<u>Total</u>
	<u>10¢</u>	<u>50¢</u>	
William E. Ambrose	100,000	nil	100,000
Glen H. Harper	200,000	91,000	291,000
Larry Lahusen	200,000	20,000	220,000
R.A. Bruce McDonald	100,000	nil	100,000
Ronald K. Netolitzky	<u>200,000</u>	<u>20,000</u>	<u>220,000</u>
Totals:	<u>800,000</u>	<u>131,000</u>	<u>931,000</u>

13. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

There has been no remuneration paid to any of the directors or senior officers of the Issuer since its incorporation.

The Issuer has employed Taiga Consultants Ltd., (a private company in which Ronald K. Netolitzky, Secretary/Treasurer and a Director of the Issuer, holds 40% of the issued shares) for the major part of its staking requirements and field work. To December 31, 1980, Taiga Consultants Ltd. was paid \$356,748 (which includes work in progress) for consulting costs, staking and acquisition costs in British Columbia and Saskatchewan including third party costs and disbursements. In the future, the Issuer may, from time to time, employ the services of Taiga Consultants Ltd., Hardscrabble Resources Ltd., (a private company wholly owned by the President of the Issuer) and G. L. Lahusen & Associates (a private corporation wholly owned by G. Lawrence Lahusen, Vice-President and a Director of the Issuer) for usual geological exploration services at standard industry rates.

14. POOLED SHARES

There are 1,445,000 pooled shares being held by The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia, pursuant to an agreement dated for reference the 28th of August, 1980. All of the shares will be released from the provisions of the pooling agreement as follows:

- (a) 25% of the shares on the Approval Date*
- (b) 25% of the shares three months following the Approval Date;
- (c) 25% of the shares six months following the Approval Date;
- (d) the balance of the shares nine months following the Approval Date.

* The first day the shares of the Issuer commence trading on the Vancouver Stock Exchange.

15. MATERIAL CONTRACTS

There are no material contracts other than those disclosed in this Prospectus, and these may be inspected at the records office of the Issuer during normal business hours while primary distribution of the shares offered hereunder is in progress and for thirty days thereafter.

16. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management has no interest in any material transactions other than as set out herein.

The Directors and Officers of the Issuer have no interest in any other material transactions in which the Issuer has participated or intends to participate at this time, save and except as disclosed in this Prospectus and in particular matters discussed under "Description of Business and Property of the Issuer".

17. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Issuer is Price Waterhouse & Company, Chartered Accountants, of 25th Floor, One Palliser Square, Calgary, Alberta.

The registrar and transfer agent of the Issuer is The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia.

18. PURCHASER'S STATUTORY RIGHT OF RESCISSION AND WITHDRAWAL

Sections 60 and 61 of the Securities Act of the Province of British Columbia provide, 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 Prospectus, together with Financial Statements and Reports and Summaries of Reports relating to the securities as filed with the Superintendent of Brokers were not delivered to him or his Agent prior to the 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 sixty (60) days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three (3) 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 Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of circumstances in which it was made, but no action to enforce this right can be commenced by a Purchaser after expiration of ninety (90) days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus 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.

November 26, 1980

AUDITORS' REPORT

To the Shareholders of
Golden Rule Resources Ltd:

We have examined the consolidated balance sheet of Golden Rule Resources Ltd. as at September 30, 1980 and the consolidated statement of changes in financial position for the period 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 September 30, 1980 and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

As explained in Note 2 to the consolidated financial statements, the activities of the Company are in the exploratory stage and all expenses, less revenues, have been capitalized from inception to September 30, 1980. The Company is deemed to have realized no profit and sustained no loss to September 30, 1980 and therefore no consolidated statement of income is submitted.

Price Waterhouse & Co.

Chartered Accountants

GOLDEN RULE RESOURCES LTD.

CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 1980

ASSETS

Current:		
Cash	\$ 90,925	
Term deposits	125,000	
Accounts receivable	<u>1,934</u>	\$217,859
Performance deposit- Government of Canada Bearer Bonds, maturing September 1, 1983 (market value \$20,550)		21,568
Property interests at cost (Note 3 and Schedule I)		52,183
Deferred exploration and development expenditures (Schedule I)		<u>405,281</u>
		<u>\$696,891</u>


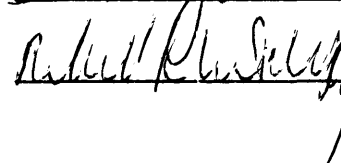
LIABILITIES

Current:	
Accounts payable	\$153,891

SHAREHOLDERS' EQUITY

Share capital (Notes 4 and 5):	
Authorized-	
4,000,000 no par value shares with a maximum aggregate consideration of \$4,000,000	
Issued-	
1,620,000 shares	<u>543,000</u>
	<u>\$696,891</u>

APPROVED, BY THE BOARD:

 Director
 Director

GOLDEN RULE RESOURCES LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 1980

Financial resources were provided by:

Proceeds from issue of share capital for cash	\$543,000
-----------------------------------------------	-----------

Financial resources were used for:

Purchase of Canada Bearer Bonds	\$ 21,568
Purchase of property interests	52,183
Deferred exploration and development expenditures	<u>405,281</u>
	<u>479,032</u>

Working capital, end of period	<u>\$ 63,968</u>
--------------------------------	------------------

GOLDEN RULE RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1980

1. Incorporation:

The Company was incorporated in the Province of Alberta on October 12, 1979.

2. Accounting policies:

(a) Consolidation-

The activities of both the Company and its wholly-owned subsidiary, Golden Rule Resources Inc., which was incorporated in the State of Colorado on March 26, 1980, are included in these consolidated financial statements.

(b) Foreign exchange-

The subsidiary's accounts have been translated into Canadian dollars at the year-end rate for current assets and liabilities, historic rates for property interests, deferred exploration and development expenditures and average rates for associated administrative costs.

(c) Activities-

The activities of the Company are in the exploratory stage and all expenses, less sundry revenues, have been capitalized. Accordingly, the Company is deemed to have earned no profit and sustained no loss and therefore no consolidated statement of income is submitted.

3. Property interests (Schedule I):

(a) Option agreement - Rheco Lenado project-

The subsidiary entered into a three year option agreement, effective from March 31, 1980, to acquire a mining lease pertaining to certain properties in the state of Colorado - the Rheco Lenado project. This option agreement can be terminated at the end of each option year. Currently, the subsidiary is committed to expend U.S. \$75,000 on an exploration program relating to this option agreement and should the option agreement not be terminated, further costs would be incurred as follows:

<u>Year</u>	<u>Option Payment</u>	<u>Exploration Commitment</u>
2	U.S. \$10,000	U.S. \$125,000
3	U.S. \$10,000	U.S. \$200,000

Should the subsidiary exercise its option, it is contractually bound to offer a third party a 10% interest in the mining lease. As consideration, the third party would pay the subsidiary an amount equal to 10% of expenditures incurred under the above exploration program.

(b) Option agreement - Hixon project-

During the year, the Company obtained an option to have assigned from Esperanza Explorations Ltd. certain rights to property interests located in British Columbia, the Hixon project. The full consideration will amount to \$70,000 of which \$10,000 was paid as at June 30, 1980. Should the option not be cancelled, the remainder of the consideration will be paid as follows:

January 1, 1981	-	\$ 5,000
January 1, 1982	-	10,000
January 1, 1983	-	10,000
January 1, 1984	-	10,000
January 1, 1985	-	10,000
January 1, 1986	-	10,000
January 1, 1987	-	5,000
		<u>\$60,000</u>

(c) Option agreement - Quebec project-

The Company obtained an assignment of an option agreement relating to interests in mining claims located in the Province of Quebec. To maintain this option in good standing, further payments required are as follows:

November 10, 1980	-	\$ 5,000
May 10, 1981	-	5,000
May 10, 1982	-	10,000
May 10, 1983	-	20,000
May 10, 1984	-	30,000
May 10, 1985	-	40,000
		<u>\$110,000</u>

If commercial production has not commenced by May 10, 1985, then further payments representing advance royalties are required to be made.

4. Share capital:

No par value shares have been issued at the following prices:

800,000 shares (founder shares) at 10¢ per share	\$ 80,000
640,000 shares at 50¢ per share	320,000
5,000 shares at 60¢ per share	3,000
<u>175,000 shares at 80¢ per share</u>	<u>140,000</u>
<u>1,620,000</u>	<u>\$543,000</u>

5. Subsequent events:

- (a) Under agreements dated October 3, 1980, certain parties including current shareholders will expend \$225,000 on Canadian exploration expenditures from which all benefits derived will accrue to the Company. As consideration, these parties will receive 225,000 no par value shares in the Company, as well as obtaining the income tax write-off benefits available with respect to Canadian exploration expenditures.
- (b) At an extraordinary general meeting of the shareholders of the Company on November 7, 1980, authorized share capital of the Company was increased to 10,000,000 shares of no par value with a maximum aggregate consideration of \$10,000,000.

GOLDEN RULE RESOURCES LTD.

PROPERTY INTERESTS AND DEFERRED EXPLORATION
AND DEVELOPMENT EXPENDITURES
SEPTEMBER 30, 1980

	<u>Property interests</u>	<u>Deferred exploration and development expenditures</u>	<u>Total</u>
Rheco Lenado project	\$ 5,763	\$ 45,322	\$ 51,085
Hixon project	10,000	9,597	19,597
Chapelle project	-	72,339	72,339
Quebec project	26,000	2,025	28,025
Other projects	10,420	247,233	257,653
Administrative costs (includes share issue costs of \$18,400 and net of interest income of \$21,580)	<u>-</u>	<u>28,765</u>	<u>28,765</u>
	<u>\$52,183</u>	<u>\$405,281</u>	<u>\$457,464</u>

The expenditures classified as exploration and development expenditures relate almost entirely to the cost of staking the property claims.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
INTRODUCTION	3
NORTH CHAPPELLE PROPERTIES	4
Mets Claims	4
Belle Claims	4
Saunders Claims	5
Jock Claims	5
Rich Claim	6
Atty Claim	6
OMINECA PROPERTIES	7
MC, JC and Nika Claim Group	7
TLC and SUS Claim Group	9
Inge Claim	10
KC, LC and Polaris Claim Group	10
Thane Claims	12
MANSON CREEK PROPERTIES	13
Flume Claims	13
Opec Claims	14
HIXON CREEK PROPERTY	16
TYAUGHTON CREEK PROPERTIES	18
Graveyard Claims	18
Ural Claims	18
CONCLUSIONS	20
ESTIMATED COSTS	21
CERTIFICATE	

LIST OF ILLUSTRATIONS

	<u>Following Page</u>
Figure 1 Location Map, B.C. Properties	3
Figure 2 North Chappelle Location Map	4
Figure 3 Omineca Location Map	7
Figure 4 Manson Creek Property Map	13
Figure 5 Hixon Creek Property	16
Figure 6 Ural Claims	18

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

SUMMARY

Golden Rule Resources hold twenty-one precious metal prospects in British Columbia. They are the North Chappelle, Omineca, and Manson Creek groups of properties in the northern half of the province and the Hixon Creek, and the Tyaughton Creek groups in southern B.C.

The North Chappelle properties comprise six separate claim blocks situated in the Toodoggone River area. The various properties, which lie within reasonable proximity to the developing Chappelle gold-silver mine, are underlain by similar geological terrane. A program of preliminary geological mapping and sampling is proposed.

The Omineca properties, comprising ten claim blocks situated within easy helicopter range of the Omineca resource road, contain either previously known small placer gold deposits or historical lode gold and/or silver occurrences. A program of detailed geological mapping and sampling of the occurrences coupled with visual prospecting and geochemical soil surveys where applicable is proposed.

The Manson Creek properties, both of which lie astride the Manson Creek fault zone, contain numerous old placer operations as well as a few lode gold-silver occurrences. A program of geological mapping, rock sampling, geochemical surveys and reconnaissance geophysics is proposed with a view to identifying low grade, medium tonnage, gold concentrations associated with the fault.

The Hixon Creek property, situated a few km east of Hixon on Highway 97, contains small placer deposits and lode gold occurrences. Early production was brief and subsequent exploration has been intermittent over many years. Lode gold occurs in a sheared contact between schist and greenstone. A detailed magnetic survey to establish the contact along strike from the old working and a detailed geochemical survey along the indicated contact is recommended.

The Tyaughton Creek properties occur near the Bridge River mining camp. The Graveyard claim contains a broadly-defined gold-arsenic soil anomaly with an apparently associated gossan. The Ural claims adjoin properties with gold occurrences in shear or fault zones associated spatially with a granodiorite porphyry intrusive. Geological mapping and geochemical soil surveys are proposed.

It is concluded that because of the rapid price increase for both gold and silver over the past two years, all twenty-one properties require renewed evaluation and warrant preliminary mapping and sampling supported in part by geochemical and geophysical surveys. The estimated cost of a two stage program to fully assess these properties is \$589,625.

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

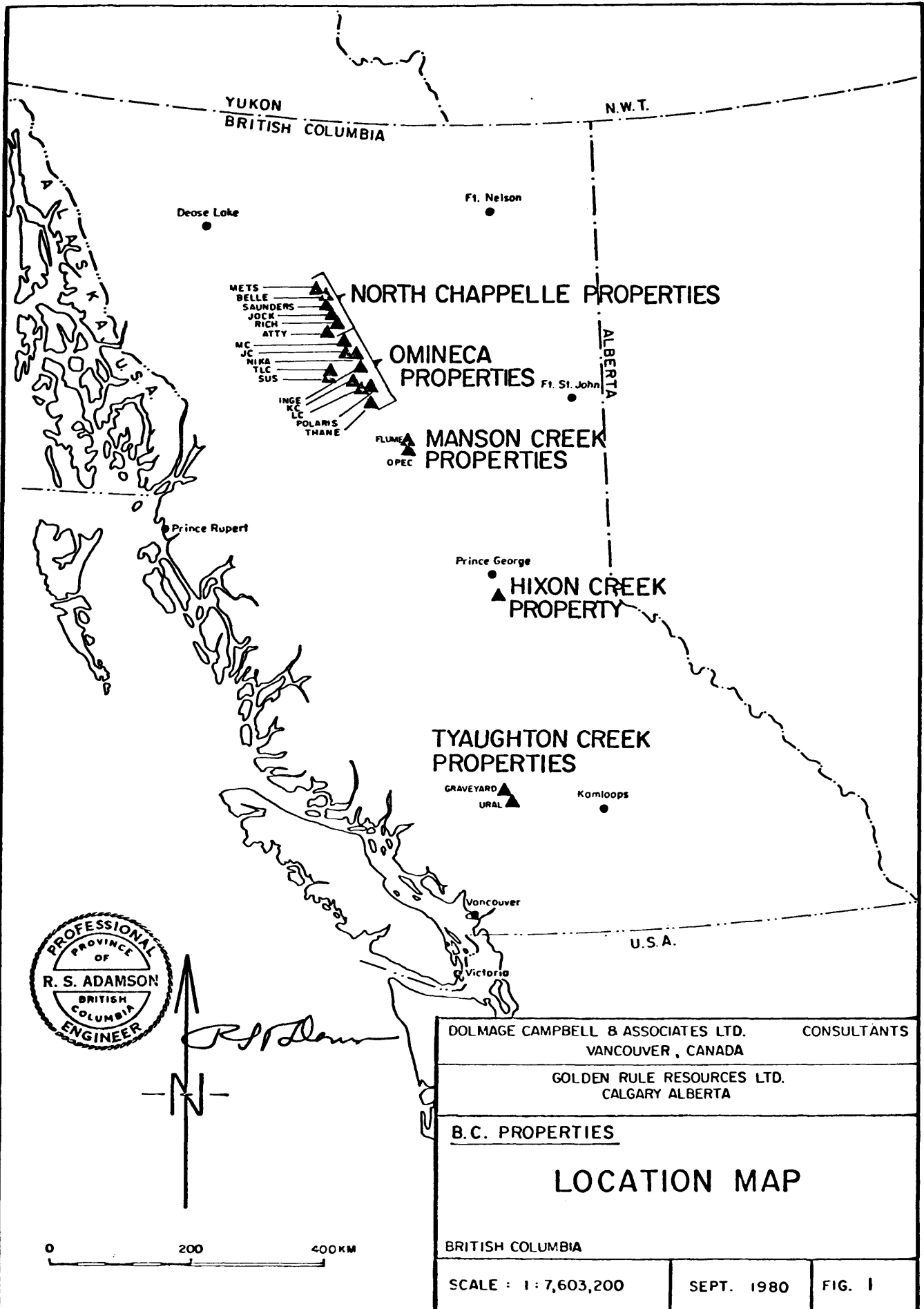
CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET

VANCOUVER, CANADA V6E 2E9

INTRODUCTION

Dolmage Campbell and Associates (1975) Ltd. have been requested to examine the available data and to prepare a report on twenty-one precious metal prospects held by Golden Rule Resources in British Columbia. The properties are situated in five separate areas in the province, (Figure 1). Three groups, the North Chappelle, the Omineca and the Manson Creek lie in the northern half. The remaining two groups, the Hixon Creek, and the Tyaughton Creek lie in the southern half of the province. Excepting the Mets, Belle, Rich, Inge and TLC claims the writer examined most of the northern B.C. properties on July 14 and 15, 1980. In southern B.C., the writer visited the Ural claims on August 21, 1980 but did not examine the remaining properties. This report is based in large part on a review of rather extensive publicly available literature on the various properties.



NORTH CHAPPELLE PROPERTIES

The North Chappelle group of properties, (Figure 2) is situated within reasonable proximity to the Chappelle gold-silver mine in the Toodoggone River district of northern British Columbia. The mine, now under active development in preparation for production by Dupont Canada Inc., contains ore reserves in excess of 100,000 tons averaging 0.9 oz. Au and 19 oz. Ag per ton. Another mining group, led by Serem, is actively exploring the adjoining Lawyers property upon which another significant gold-silver deposit occurs.

On the Chappelle and Lawyers properties, mineralized quartz veins occur in the Toodoggone volcanic formation of Jurassic age. The formation consists of dacite, latite, rhyolite, tuff, breccia, and flows with local intrusive equivalents. Mineralization consists of pyrite, electrum, argentite and chalcopyrite with amethyst in the quartz veins.

METS CLAIMS

The Mets claims containing 40 units (approx. 2000 acres) in two claims are situated 21 km northwest of Dupont's Chappelle property. Claim record numbers are 1253 (Mets 1) and 1254 (Mets 2). Elevations range from 5000 to 6000 feet.

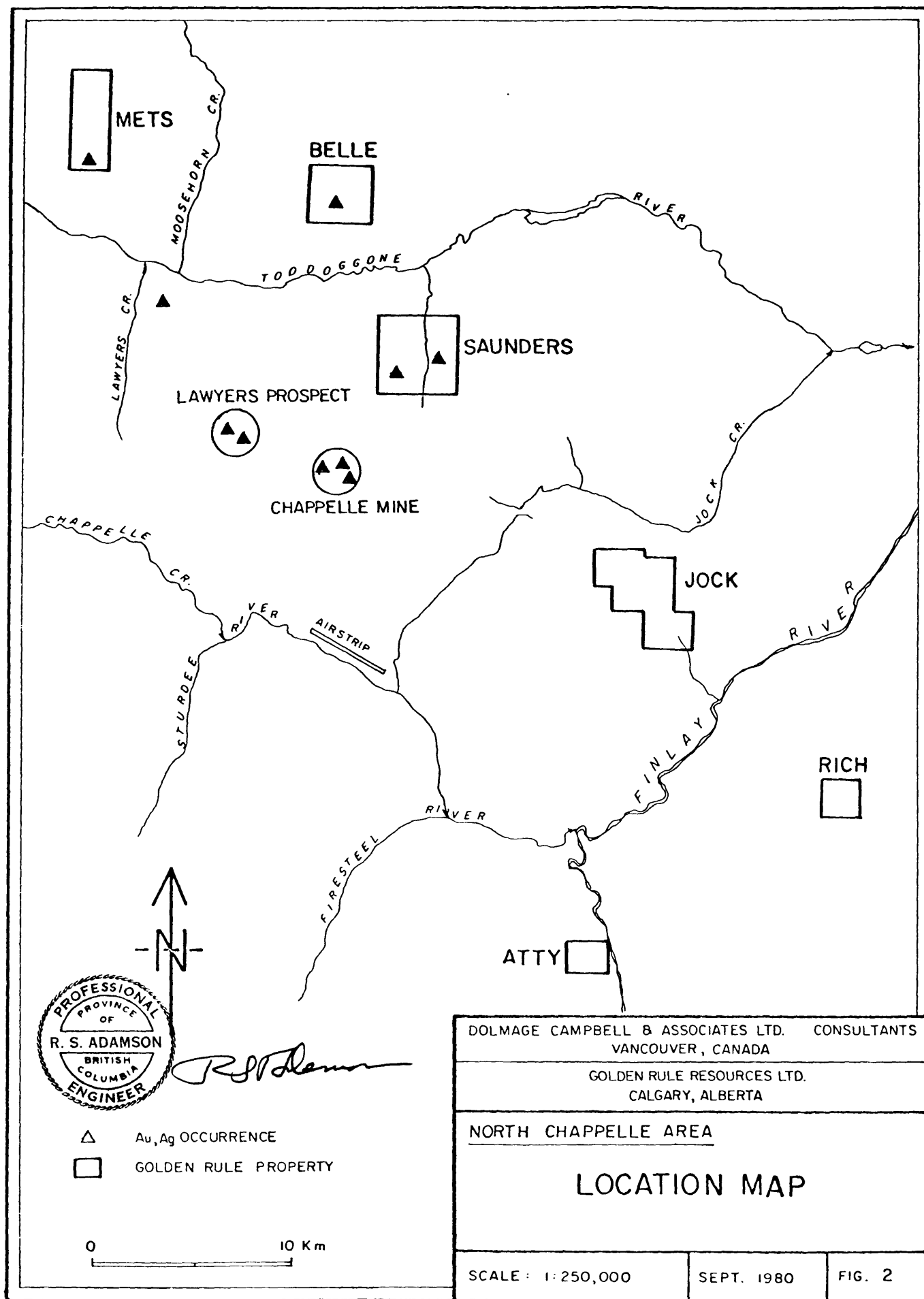
The claims are underlain entirely by volcanic rocks of the Toodoggone formation. A number of conspicuous pyritic gossans are reported to be present on the property.

Because of the similar regional geology, because of the indicated presence of mineralization, and because of its presence within a gold-silver district of demonstrated economic potential, preliminary exploration of the property is warranted. It should comprise geological mapping, detailed visual prospecting, and thorough sampling of known gossans for precious metal content after locally trenching the gossans.

BELLE CLAIMS

The Belle property contains 36 units in two claims (approx. 1800 acres) and is situated 15 km due north of the Chappelle Mine. Claim record numbers are 2680 (Belle 1) and 2681 (Belle 2). The property lies astride McClair Creek valley.

The claims are underlain by acidic volcanic rocks of the Toodoggone Formation. A major northwest-trending fault transects the northeast part of the property. The fault apparently divorces Toodoggone rocks from granitic rocks of the Cassiar batholith.



No lode mineral occurrences are known, however, placer gold occurs in the gravels of McClair Creek as it traverses the claim block. Silver-bearing mineral occurrences lie 4 km and 9 km northwest respectively.

A preliminary exploration of the property is warranted, in the view of the writer, because of the presence of gold placers, because of the presence of a strong fault structure, because of the presence of granitic rocks in contact with the geologically-favourable Toodoggone rocks, and because of the property's presence in an established gold district. It is recommended that an exploration program consisting of visual prospecting and geochemical soil surveys be implemented.

SAUNDERS CLAIMS

The Saunders property contains 64 units (3200 acres) in four claims. Claim record numbers are 2682-2685 (Saunders 1-4). The Chappelle mine lies 5 km south of the claim block; the Lawyers prospect lies 8 km westerly. Saunders Creek drains the property northward into the Toodoggone River.

The claim block is underlain essentially by volcanic rocks of the Toodoggone Formation. Two recorded mineral showings (SOM and Saunders) are known to occur on the property. They are a silver-gold-lead occurrence and a gold-silver-copper occurrence respectively.

Work done by previous owners on the former comprised reconnaissance geological mapping, soil geochemistry (744 samples), rock geochemistry (197 samples), and silt geochemistry (45 samples). Work done on the Saunders prospect consisted of reconnaissance geological mapping, rock geochemistry, soil geochemistry (900 samples) followed by drilling 10 holes totalling 1132 m. The results were apparently not sufficiently encouraging at the time to warrant retaining the claims.

Because of its proximity to the Chappelle mine, because of the presence of gold and silver mineralization on and near the claim block, and because of the presence of the favourable Toodoggone volcanic unit, the Saunders property warrants a re-evaluation in the light of the increased price of gold and silver since the early work. A program of detailed geological mapping and sampling is proposed.

JOCK CLAIMS

The Jock property contains 61 units (3050 acres) in five claims. Claim record numbers are 2699-2703 (Jock 1-5). The claim block is situated 16 km southeast of the Chappelle mine. Elevations range from 5000 to 5500 feet.

Geologically, the property is underlain principally by acidic volcanic rocks of the Toodoggone Formation. Granodiorite intrudes the volcanics in the northwestern sector of the claim block. Porphyritic stocks and dykes of syenite and monzonite crop out near the centre.

Two copper occurrences, the Pillar and Xmas, are present on the property. A large gossan extends over much of the claim block, apparently associated with the syenite and monzonite intrusives. Gold and silver values occur, associated with copper mineralization, on the Shas prospect, which lies approximately 3 km to the west.

Because of the presence of a widespread gossan with the possibility of associated copper, and because of the presence of a copper-gold-silver association nearby, a preliminary exploration program is warranted. It should consist of detailed geological mapping, intense visual prospecting, and rock and soil geochemistry.

RICH CLAIM

The Rich claim contains 16 units, (800 acres). Its record number is 2709. Elevations range from 5000 to 6000 feet.

The property is underlain by acidic volcanic rocks of the Toodoggone Formation. Several small gossans are present. There are no known metallic mineral occurrences.

Future work should initially consist of visually prospecting the gossans, supported by soil, rock, and silt geochemistry.

ATTY CLAIM

The Atty claim contains 12 units (600 acres) Its record number is 2710. The property adjoins a property held by another company to cover the Firesteel silver-lead-zinc prospect.

Geologically, the Atty claim and the adjoining property are underlain by Atsitka Group marble of Permian age and Takla Group volcanic and sedimentary rocks of Upper Triassic age. Both rock units are intruded locally by younger quartz monzonite.

No mineralization is presently known to occur on the Atty claim. On the adjoining ground, galena, sphalerite and tetrahedrite occur within narrow quartz veins in a silicified limestone.

Further exploration on the Atty claims should consist essentially of visual prospecting supported by reconnaissance geological mapping and geochemical sampling.

OMINECA PROPERTIES

Ten precious metal prospects lie in five groups at the northern end of the Omineca district in north central British Columbia, (Figure 3). They are the MC, JC and Nika claim groups, the TLC and SUS claim groups, the Inge Claim, the KC, LC and Polaris claim group, and the Thane claims.

The Omineca resource road, constructed by the British Columbia Dept. of Mines and suitable for most vehicular traffic, services the region. Access to each property can be best achieved by helicopter from the road which to date reaches Johanssen Lake.

MC, JC, NIKA CLAIM GROUP

The MC, JC and Nika properties lie on McConnell Creek, a tributary of the Ingenika River.

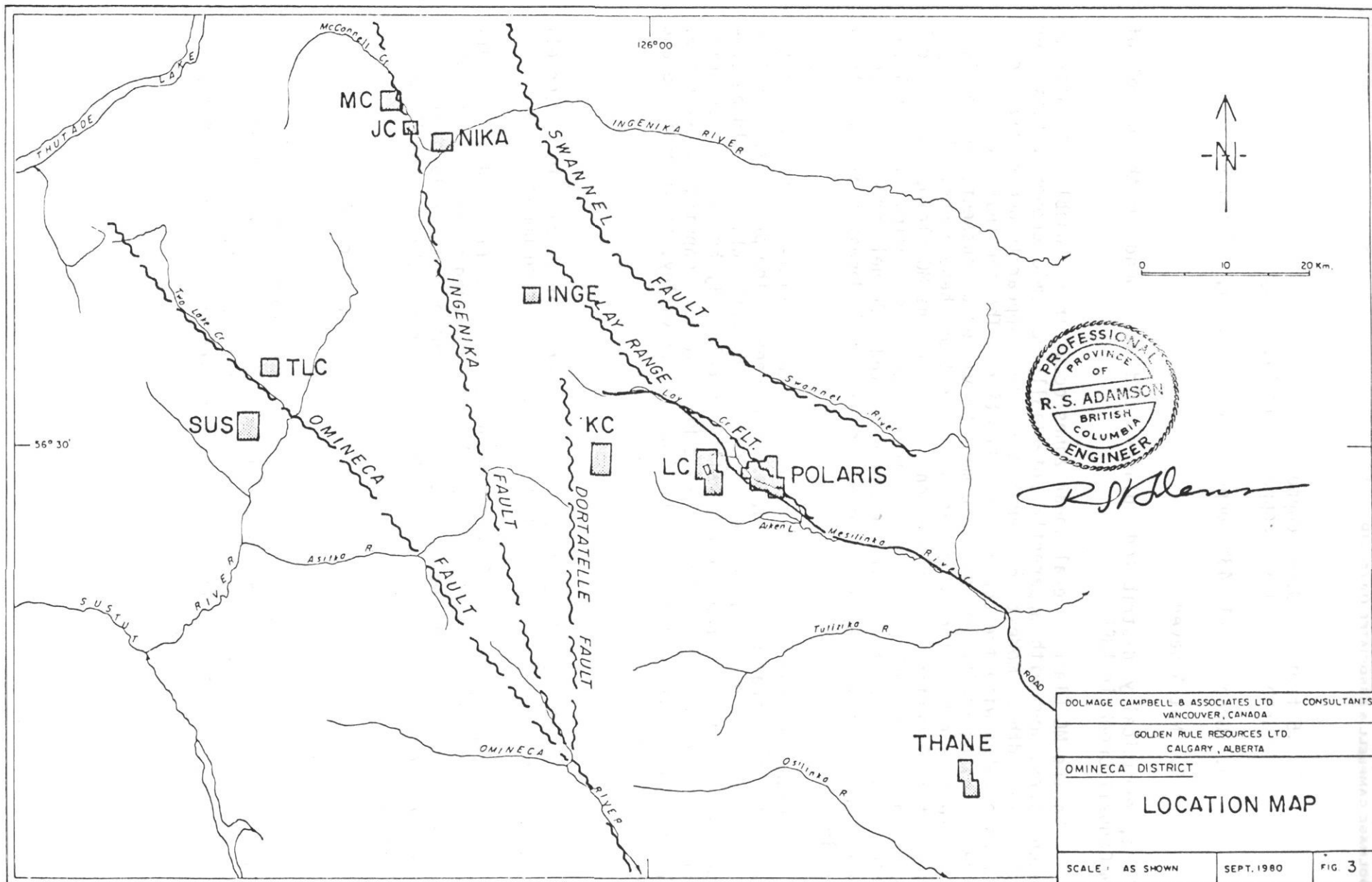
MC Claim

The MC claim contains 20 units (approximately 1000 acres) Its record number is 2688. Although two mineral showings, the King George gold and the DWG copper, occur on the property, no significant exploration has been reported.

The property is underlain by andesitic and basaltic volcanic rocks of the Savage Mountain Formation, part of the Takla Group of Upper Triassic age. The volcanic rocks are intruded by granitic rocks of the Omineca Batholithic complex. The Ingenika Fault lying within the valley of McConnell Creek transects the northeast corner of the claim.

In the King George occurrence, pyrite and chalcopyrite are reported to be disseminated in a network of quartz veinlets that are developed in a shear zone 30 feet in width in pink granite. Precious metal values reported (C.S. Lord, 1948, pp 59) are Tr Au, 0.09 oz. Ag per ton and 0.0025 oz. Au per ton, 0.05 oz. Ag per ton. The DWG is a group of five occurrences consisting of disseminated chalcopyrite and pyrite associated with northeast trending fractures. Reported assays from the five zones are:

1.	10 feet	0.01% copper	
	10 feet	0.94% copper	
	5 feet	0.17% copper	
	5 feet	2.40% copper	
2.	15 feet	1.44% copper	Tr Au, 0.2 oz. Ag per ton
	5 feet	0.70% copper	
	3 feet	6.60% copper	, 4.55 oz. Ag
	10 feet	7.60% copper	0.082 oz. Au, 2.92 oz. Ag
	11 feet	5.60% copper	0.021 oz. Au, 1.69 oz. Ag



- | | | | |
|----|-------------|---------------|-------------------------|
| 3. | 5 feet | 0.64% copper | |
| | Grab | 1.15% copper | Tr Au; Tr Ag |
| 4. | Grab | 10.43% copper | 0.01 oz. Au, 1.3 oz. Ag |
| 5. | Not Assayed | | |

Fine, erratically distributed, placer gold was found in the gravel of McConnell Creek in 1898.

On the MC Claim several shear zones occur in reasonable proximity to each other, and with apparently potentially-economic copper values over mineable widths. Modest precious metal values appear to occur, erratically associated with the copper mineralization. The continuity of mineralization along strike and down dip must be viewed as suspect, in that little previous exploration work was carried out on these zones. In order to warrant implementing an exploration program on the MC claim, a geological setting is required that will provide a host for continuous mineralization. Such a structure could be the indicated McConnell Creek fault zone, which may be masked by the glacial and alluvial deposits in the stream valley.

Because of the indicated presence of the structure and because of the presence of several copper (gold, silver) zones on the property, a preliminary exploration program is recommended. The work, which should be concentrated on the McConnell Creek valley, should rely heavily on geochemical sampling, but should be supported by geological mapping and sampling. A VLF geophysical survey should be done in the valley, to investigate and verify the indicated fault structure.

JC Claim

The JC claim, situated at the confluence of Jensen and McConnell Creeks, contains twelve units (600 acres). Its record number is 2697.

The property is underlain by metamorphosed volcanic and sedimentary rocks of the Upper Triassic age Takla Group, intruded by Jurassic granitic bodies of the Omineca Intrusions. The Ingenika Fault cuts across the property in a north-northwesterly direction, manifested by the McConnell Creek valley.

Known mineralization on the property is restricted to placer gold and platinum in McConnell Creek gravels.

A preliminary prospecting program is proposed. The program should concentrate on and near the Ingenika Fault Zone using geochemical methods to attempt to identify concentrations of gold mineralization in bedrock. A reconnaissance VLF geophysical survey should be implemented to support the geochemical survey.

Nika Claim

The Nika Claim, located one half km northeast of the confluence of McConnell Creek and the Ingenika River, contains 16 units (800 acres). Its record number is 2698. The Ingenika River cuts across the property.

Jurassic age granitic rocks of the Cassiar Intrusions are in contact with Upper Triassic volcanic and metamorphosed sedimentary rocks on the property. Gold and platinum mineralization occurs in the gravels of the Ingenika River valley.

Because the source of the gold and platinum may exist on the property, a very preliminary prospecting and reconnaissance geological mapping program should be implemented. Further work would be dependent upon identifying an indication of a mineralized zone in bedrock.

TLC and SUS CLAIM GROUP

The TLC and SUS claims are located on branches of Two Lake Creek which drains into the Sustut River, (Figure 3).

TLC Claim

The TLC claim contains sixteen units (800 acres). Its record number is 2696.

The claims are underlain by Lower Jurassic, predominantly volcanic, rocks of the Telkwa Formation, which is age equivalent to the Toodoggone Formation in the North Chappelle region. A previously known copper-silver occurrence exists on the property. Chalcopyrite, bornite and chalcocite occur as disseminations, veins, and fracture fillings in two shear zones that cut volcanic rocks.

Silver or gold values are not reported, but in the light of their present high price the occurrences should be re-evaluated. A program of geological mapping and sampling is recommended.

SUS Claims

The SUS claim block contains thirty-five units in four claims (1750 acres). Claim record numbers are 2704-2707 (SUS 1-4). Work done in the area by previous owners includes detailed geological mapping, extensive soil and silt geochemical sampling, and 105 feet of trenching on two copper-gold occurrences, the Day and Roy prospects. The Day occurrence lies immediately south of the SUS property, and the Roy occurrence lies on the east side.

The claims and the surrounding area are almost entirely underlain by lower Jurassic volcanic rocks of the Telkwa Formation. Two younger porphyry stocks intrude the volcanics in the area.

Mineralization on the Day and Roy zones occurs as porphyry and stratabound mineralization in pyroclastic rocks, apparently associated with the intrusive bodies.

Because of the associated gold values with the copper mineralization, the area requires re-evaluation in view of the present gold price. A program of reconnaissance geochemical sampling is proposed to possibly indicate extensions to the Day and Roy zones on the SUS claims.

INGE CLAIM

The Inge claim contains sixteen units, (800 acres). Its record number is 2708. It is situated at the headwaters of Wrede Creek in an alpine basin.

The property is underlain by metamorphosed Upper Triassic volcanic and sedimentary rocks of the Takla Group. Granitic stocks of the Omineca Intrusions lie to the west of the property.

Reported mineralization on the property consists of pyrite and chalcopyrite with quartz in a chloritic and sericitic shear zone developed in massive porphyritic andesite. Quartz lenses reach widths up to six feet. One sample returned 0.01 oz. Au and 0.2 oz. Ag per ton over six feet. Two others ran 0.01 oz. Au and 0.1 oz. Ag per ton over six feet and one foot respectively. Other sulphide showings have been reported, but apparently were not assayed.

A minimal exploration program is proposed with a view to re-evaluating the occurrences. Preliminary geological mapping and sampling are recommended.

KC, LC and POLARIS CLAIM GROUP

KC Claims

The KC property contains 40 units (2000 acres) in two mineral claims. Record numbers are 2694 (KC1) and 2695 (KC2). It is situated on a high divide between Kliyul Creek and Johanssen Creek.

The claims are underlain by faulted and metamorphosed Upper Triassic Takla Group volcanic rocks. A northwest-trending branch of the Dortatelle Fault cuts across the southwestern corner of the property.

Five mineral occurrences, (the Kli, the Independence, the Banjo, the Bap, and a placer occurrence) exist on the property. The Kli occurrence consists of disseminated copper-bearing sulphides with massive magnetite. Previous owners drilled fourteen holes totalling 3455 feet. Values are not reported. The Independence showing comprises several open cuts which

trace a quartz vein, up to three feet in thickness, for 70 feet. Gold and silver values in a 34 inch sample were negative. A nearby vein zone returned negligible values. The Banjo occurrence is a southeasterly trending oxidized shear zone.

As little of potentially economic interest is evident on the KC no definitive exploration work appears to be warranted. However, because economically interesting gold and silver values are associated with several copper occurrences nearby, a re-evaluation of the occurrences on the property is proposed. The re-evaluation should consist of mapping and sampling the known showings.

LC Claims

The LC property, consisting of 44 units (2200 acres) in four claims, surrounds six old-style claims (300 acres) held by another company. Record numbers are 2675-2678 (LC 1-4). These core claims, known as the Granite Basin group, cover a gold-bearing zone that was explored in the past by Cominco (1935 to 1938), Stellac Exploration (1972-1974), and Susie Gold Mines (1975). Cominco drove 377 feet of underground workings in two prospect adits and drifts on one of five zones.

The Granite Basin showings consist of five pyritized bands in sheared Takla Group andesitic volcanics intruded by diorite porphyry. Mineralization consists of pyrite with very minor amounts of chalcopyrite, bornite and tetrahedrite. At least one shear zone carries economically-interesting gold values. The zone averages 0.1 to 0.2 oz. Au per ton over 40 feet, including a nine foot section averaging approximately 0.3 oz. Au per ton.

As the LC property covers the projected strike of the mineralized shear zones, a preliminary prospecting program is proposed with a view to seeking the continuation of the structure to the northwest and southeast. Visual prospecting and rock sampling should suffice. A geochemical survey undertaken by Susie Gold Mines in 1975 indicated that the zones may continue southeastward for 2000 feet from the rock exposures on the Granite Basin claims.

Polaris Claims

The Polaris property contains 84 units (4200 acres) in six claims. Record numbers are 2679 (Polaris 1) and 2689-2693 (Polaris 2-6). The Omineca resource road that parallels Lay Creek crosses the property. Historically, Cominco drove 1708 feet of underground workings into the Jupiter prospect near the confluence of Berry and Lay Creeks. Susie Gold carried out geological, geochemical and geophysical surveys in 1975 and 1976.

Geologically the property is underlain by Mississippian to Permian volcanic and sedimentary rocks. This assemblage is intruded by acidic to

intermediate dykes and stocks, probably related to the Mesozoic Hogan batholith to the west. Cutting the Paleozoic rocks is the northwest-trending Lay Creek fault, (Figure 3). The fault is manifested in Lay Creek by the presence of sheared serpentine and graphite.

Two vein type occurrences (the Jupiter and Polaris), apparently subsidiary to the Lay Creek fault, are present. The Polaris prospect is a quartz vein three feet in width containing pyrite, arsenopyrite, pyrrhotite, and minor chalcopyrite. Pyrrhotite lenses, 30 feet in width, with minor pyrite and chalcopyrite occur nearby. No assays have been reported. The Jupiter prospect comprises three fissure veins, striking northeast (Vein 1), north (Vein 2), and northwest (Vein 3). Reported assays from the three veins are:

Vein No. 1	Grab sample	Assay 0.02 oz. Au, 76.3 oz. Ag
	Grab	Assay 0.01 oz. Au, 91.3 oz. Ag
Vein No. 2	Width 2 to 12 inches	Assay 0.31 to 7.18 oz. Au per ton
	Grab	Assay 0.135 oz. Au, 4.75 oz. Ag
Vein No. 3	Grab sample	Assay 0.02 oz. Au, 152.0 oz. Ag
	Grab	Assay 0.025 oz. Au, 153.8 oz. Ag

In view of the presence of a major regional fault zone on the property and the indication of documented high gold and silver occurrences possibly associated with the structure, preliminary exploration appears to be warranted, particularly in the light of the sharp climb in gold and silver prices. The property should be geologically mapped on a reconnaissance basis. Known occurrences should be mapped and sampled in detail.

THANE CLAIM

The Thane property contains 40 units (2000 acres) in two claims. Record numbers are 2686 (Thane 1) and 2687 (Thane 2). Access is by helicopter from the Omineca resource road.

The property is underlain by Upper Triassic volcanic and sedimentary rocks of the Takla Group. Early Jurassic quartz diorite and Early Cretaceous granodiorite intrude the Upper Triassic rocks.

Two documented mineral occurrences (Thane and Pluto) are known to be present. The Thane showing is a four foot wide silicified shear zone in andesite at a quartz monzonite contact. Mineralization consists of pyrite, chalcopyrite, magnetite, specularite, and reportedly low gold values. The Pluto showing contains six sulphide lenses in a north trending fault zone. Widths of the lenses range from 3 to 12 feet; lengths from 25 to 53 feet. Assays up to 0.4 oz. Au per ton have been reported.

The Pluto zone should be mapped in detail and systematically sampled.

MANSON CREEK PROPERTIES

Golden Rule own two gold and silver prospects (Opec and Flume) in the Manson Creek district, an historical placer mining region in British Columbia. The Omineca resource road, which connects Fort St. James with Germansen Landing, passes through both properties.

Placer gold was discovered on the Germansen River in 1870, and on Manson River and its tributaries in the following year. Since then, production, which still continues from the Germansen River, had reached 24,138 oz. gold by 1949. From 1929 until 1943 Cominco produced from Slate Creek, a tributary of Manson River, a total recorded production of 4,776 ounces gold. Alluvial deposits along Manson River and other tributaries produced 8,039 oz. of placer gold. Intensive prospecting with a view to discovering the source of the gold eventually led to the discovery of several lode gold and/or silver occurrences.

The Manson Creek district is underlain by the Nina Creek Group, an assemblage of serpentinized ultramafic rocks, mafic to intermediate metamorphosed volcanic rocks, and metamorphosed sedimentary rocks that include argillite, slate, chert, and limestone. The Manson Creek Fault, a wide zone of intense shearing and carbonate alteration, cuts through the district, (Figure 4). Alteration assemblages include ankerite, chlorite, calcite, quartz, pyrite and mariposite.

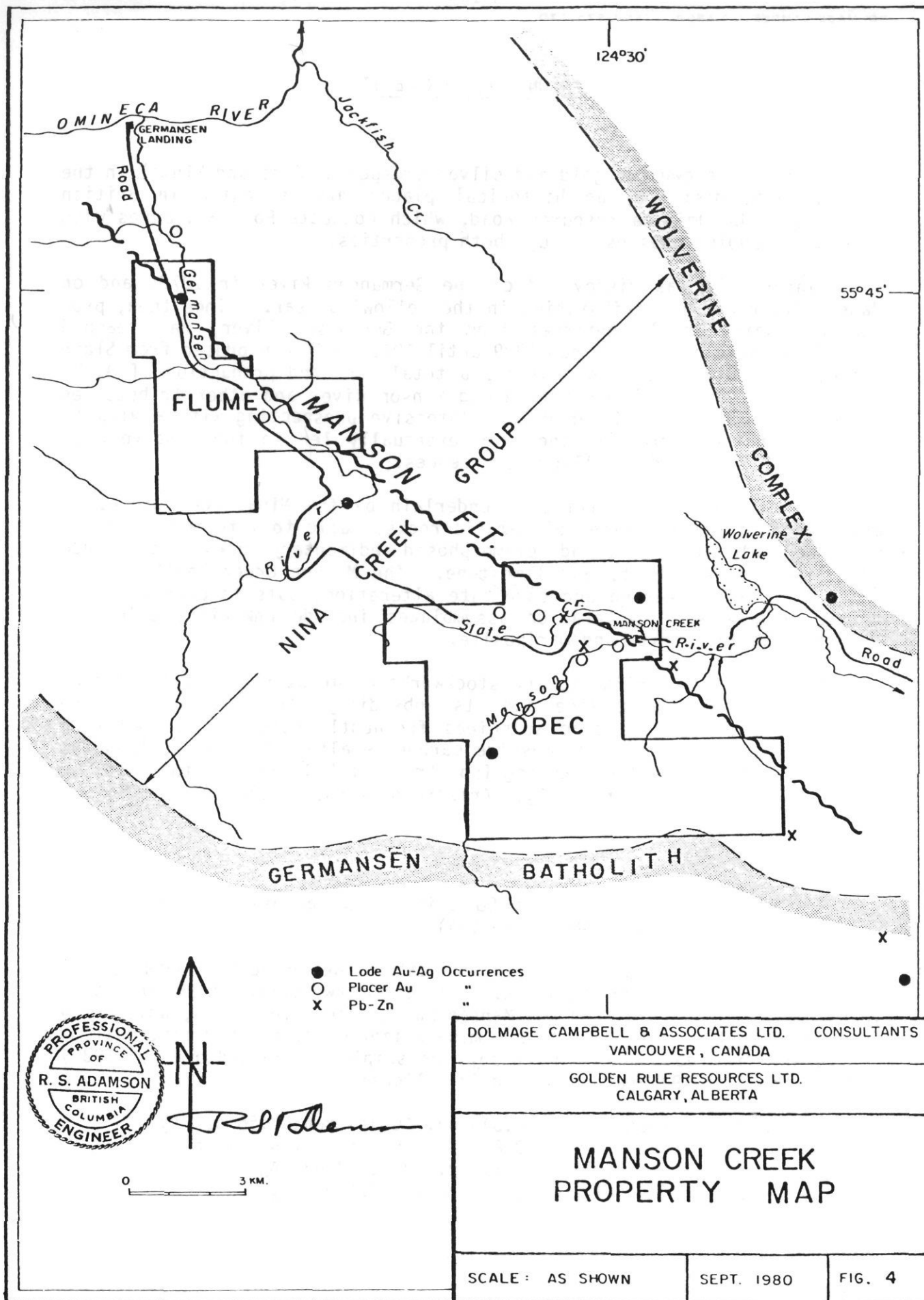
Quartz veins, stringers, and stockworks occur at numerous localities along the Manson fault zone and its subsidiary structures. Gold and silver-bearing lead and zinc sulphides frequently occur associated with quartz. Random samples from massive carbonate alteration zones along the fault have returned values ranging from trace to 0.01 oz. per ton gold and from 0.03 to 0.69 oz. per ton Ag, (Armstrong, 1965, pp 130).

FLUME CLAIMS

The Flume property contains 80 units (4000 acres) in four claims. Record numbers are 2545-2548 (Flume 1-4).

In addition to small placer deposits, the property contains the Farrell lode gold-silver prospect. Three northwesterly striking quartz veins occur in shears within the Manson Fault zone. The veins, which vary in width from two to five feet, are mineralized with tetrahedrite, chalcopryrite and free gold. Various assays of samples collected by Lay (1939) and Armstrong (1949) are documented as follows:

Width	2 feet (?)	0.345 oz. Au per ton, 0.66 oz. Ag
	2 feet	0.8 oz. Au per ton, 1.6 oz. Ag
	2 feet (?)	0.32 oz. Au, 15.2 oz. Ag
	2 ft.-5 ft.	0.30 oz. Au, 0.1 oz. Ag



Present gold and silver prices allow mining increasingly lower grade gold and/or silver zones at correspondingly larger tonnages, and hence lower mining costs. Relatively wide, weakly mineralized, sheared and altered zones associated with the Manson fault offer the possibility of identifying moderate tonnage, low grade deposits, providing that high grade, but narrow, veins occur within the zones. With such a target in mind a definitive exploration program is warranted on the Flume property. The initial program should comprise detailed geological mapping (particularly noting alteration phenomena), and extensive rock sampling and assaying. Geochemical and VLF geophysical surveys should be carried out simultaneously.

OPEC CLAIMS

The Opec property contains 178 units (8900 acres) in nine claims. Record numbers are 2549-2557 inclusive (Opec 1-9 inclusive).

Numerous placer gold deposits were intermittently mined from Slate Creek and the Manson River on the Opec property. In addition three lode deposits received irregular exploration over the years. These are the Fairview prospect on the east side of the Manson fault, the Discovery Bar prospect on Slate Creek, and the Blackhawk prospect on the southwestern section of the property, (Figure 4).

The Fairview occurrence comprises three quartz veins and several stringers in a carbonatized shear zone. The best vein varies in width from 1.5 to 6 feet along a strike length of 200 feet. Samples selected from the vein reportedly assayed:

Selected material	0.28 oz. Au per ton, 22.3 oz. Ag per ton
Grab	0.02 oz. Au, 0.96 oz. Ag
Carbonatized wallrock	Tr Au, 0.03-0.10 oz. Ag

The Discovery Bar showing is a 2 foot wide quartz stringer zone in sheared volcanic rock. A grab sample assayed:

.005 oz. Au per ton, 1.32 oz. Ag per ton, 1.58% lead, 0.49% zinc

The Blackhawk prospect, situated in the southwestern sector of the property on the slope of Blackjack mountain, contains nine known veins varying in width from 15 inches to 5 feet. A short 18 foot adit has been driven on one of the veins. A sample returned 0.02 oz. Au per ton and 43.6 oz. Ag per ton over 18 inches. Another vein located 50 feet from the adit reportedly returned the following assays from two samples:

5 feet width	Tr gold	40.8 oz. silver per ton, 3% lead, 3% zinc
3.5 feet width	Tr gold	4.0 oz. silver per ton

Because the geological setting on the Opec claims is very similar to that on the Flume claims, the opportunity also exists to identify moderate tonnage, low grade gold deposits. A preliminary exploration program similar to that proposed for the Flume property is recommended.

HIXON CREEK PROPERTY

The Hixon Creek property, situated 54 km south of Prince George near Hixon on Highway 97, contains 50 units in four new style claims and six old style claims, (a total of approximately 2800 acres). The property claims and numbers are as follows:

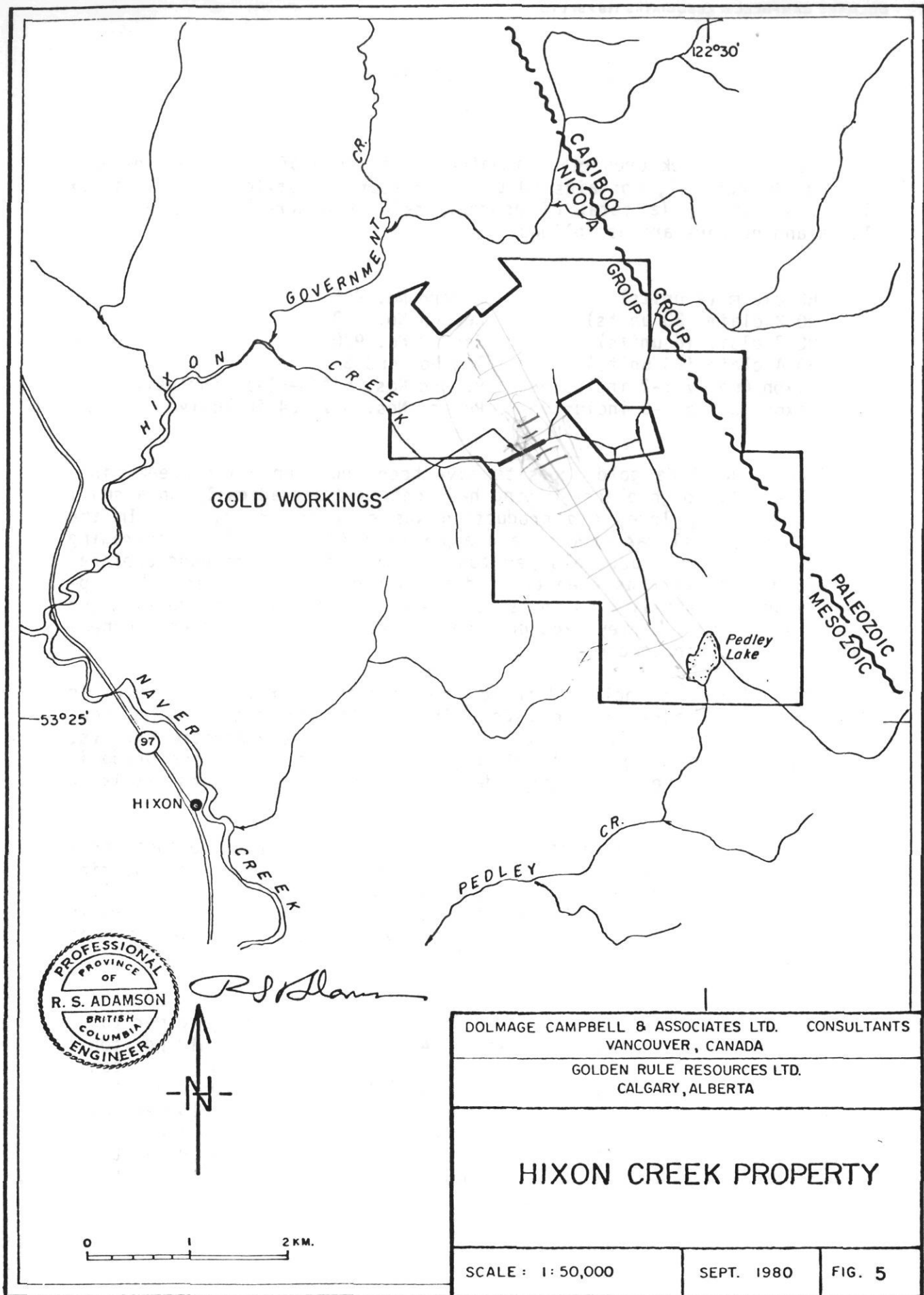
HQ claim (4 units)	Record No. 856
HQ 2 claim (20 units)	Record No. 969
HQ 3 claim (6 units)	Record No. 970
HQ 4 claim (20 units)	Tag No. 48053
Hixon Quartz 1-2 inclusive	Record Nos. 61413-61414 inclusive
Hixon Quartz 3-6 inclusive	Record Nos. 821-824 inclusive

Placer and lode gold deposits have been known on Hixon Creek since the 1860's. Although placer mining has continued sporadically on a small basis since then, lode gold production was of a minor nature. In the 1870's a stamp mill was erected and apparently 239 tons of ore averaging slightly more than 1 oz. gold per ton were milled. Underground exploration and development has been carried out irregularly since then but apparently unsuccessfully. In the 1970's Bethlehem Copper Corp. carried out surface geochemical surveys and drilled four holes (1472 feet) on geochemical targets with no success.

The property is indicated to be underlain by Upper Triassic volcanic and sedimentary rocks of the Nicola Group, although outcrops are few. From the available geological data and government aeromagnetic surveys, greenstone (magnetically positive), phyllite, and schist are the predominant rock types. Prevailing attitudes of the rocks are northwest striking and steeply dipping.

On Hixon Creek, a northwesterly striking, steeply northeasterly dipping sheared contact between greenstone and schist hosts a gold-bearing network of quartz veins. Pyrite, chalcopyrite, galena, sphalerite, arsenopyrite, molybdenite with native gold and silver reportedly occurs in the veins and in the greenstone. Recorded values taken from sampling of underground workings are listed as follows:

Cayenne Tunnel	1929	Width 25 feet	0.24 oz. gold per ton
Main Shaft	1935	Width 4 feet	0.20 oz. gold per ton
	1935	Width 6 feet	0.04 oz. gold per ton
	1935	Width 5 feet	0.50 oz. gold per ton
Main Shaft	1933	Greenstone	0.07 oz. gold per ton
Briscoe Adit	1934	1/4 ton sample	0.64 oz. gold per ton
Main Shaft	1870(?)	239 tons	1.00 oz. gold per ton
Briscoe Stringers	1933	8 tons	0.88 oz. gold per ton



It is evident that, on the basis of the available data, potentially economic gold values occur on the Hixon Creek property. Gold mineralization is concentrated at a schist-greenstone contact which should be traceable along strike by magnetic surveys. It is therefore proposed that a detailed magnetic survey be implemented over and around the old workings with extensions to the northwest and southeast. A definitive soil geochemical survey should be undertaken along the indicated schist-greenstone contact with a view to identifying diamond drill targets. Geological mapping of old workings (where accessible) should be carried out simultaneously.

TYAUGHTON CREEK PROPERTIES

Golden Rule Resources own two claim groups in the Tyaughton Creek region. They are the Graveyard claim and the Ural claims.

GRAVEYARD CLAIM

The Graveyard property, situated on Graveyard Creek (Lat. 51° 10'N; Long. 123° 05'W), contains 12 units (600 acres) in a single claim. The record number is 334. The town of Goldbridge lies 40 km southeast. Access is normally by helicopter. The prospect was originally found and staked in 1975 by Chevron Standard Ltd. who carried out broadly spaced geochemical soil sampling and geological mapping before eventually allowing the property to lapse.

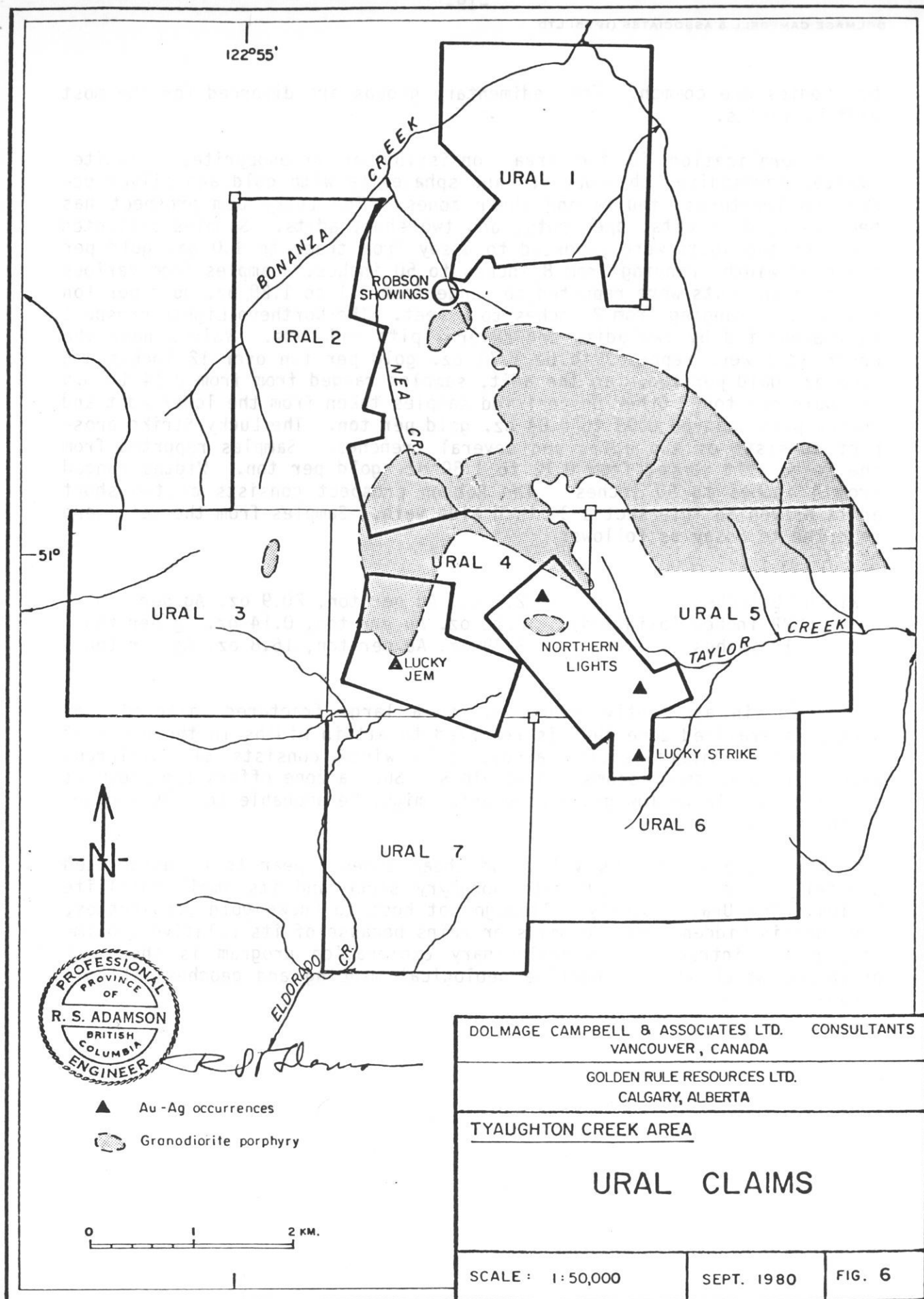
The property is underlain by Jurassic age calcareous sandstone and conglomerate of the Relay Mountain Group and Cretaceous age siltstone, greywacke, and conglomerate of the Taylor Creek Group. Both sedimentary groups are highly faulted and are intruded by andesitic and quartz porphyry dykes. The quartz porphyry dykes, which carry abundant disseminated pyrite, have altered and pyritized the adjoining sedimentary rocks. Weathering of the pyritic rocks has reportedly produced a prominent gossan on a hill that occupies the centre of the property.

The geochemical survey established the presence of a broad gold and arsenic weakly anomalous zone whose trend parallels the strike extension of the porphyry dykes. In view of the size of the indicated anomalous area (400 m by 1200 m), detailed geochemistry within the zone is justified to determine whether a large tonnage, low grade gold deposit is indicated. Rock geochemical sampling and geological mapping within the zone should be carried out concurrently.

URAL CLAIMS

The Ural property contains 138 units (approx. 5550 acres) in seven claims, (Figure 7). Record numbers are 1280-1285 inclusive (Ural 1-6 inclusive) and 1385 (Ural 7). The property is situated near Eldorado Mountain at the headwaters of Eldorado, Taylor, and Bonanza Creeks 15 km north of Goldbridge. The property adjoins claims and crown grants that cover the Lucky JEM, Northern Lights, Lucky Strike, and Robson gold/silver occurrences; the latter is held by Silver Standard Mines.

In the Eldorado Mountain area, a granodiorite porphyry stock intrudes the Ferguson, Hurley River, and Taylor Bay Groups. These groups are an assemblage of predominantly sedimentary rocks with lesser volcanics that range in age from Permian to Jurassic. Serpentine and serpentinized gab-



bro bodies are common. The sedimentary groups are divorced for the most part by faults.

Mineralization in the area consisting of arsenopyrite, stibnite, pyrite, jamesonite, chalcopyrite and sphalerite with gold and silver occurs on fractures, faults and shear zones. The Lucky Jem prospect has been exposed in pits, open cuts, and two short adits. Samples collected from the two adits were reported to assay from trace to 1.0 oz. gold per ton over widths ranging from 8 inches to 50 inches. Samples from various trenches and cuts were reported to range from 0.1 to 1.28 oz. gold per ton over widths ranging from 2 inches to 6 feet. The Northern Lights prospect is represented by two adits and several pits and cuts. Values near the upper adit were reported to be 1.74 oz. gold per ton over 12 inches and 1.68 oz. gold per ton. In the adit, samples ranged from 0.14 to 0.6 oz. gold per ton. Other unspecified samples taken from the lower adit and nearby pits assayed 0.03 to 0.04 oz. gold per ton. The Lucky Strike prospect consists of two adits and several trenches. Samples reported from the lower adit ranged from 0.12 to 1.30 oz. gold per ton. Widths ranged from 4 inches to 90 inches. The Robson prospect consists of two short adits driven to intersect a 34 inch wide vein. Samples from the vein were reported to assay as follows:

Width 5 inches	2.4 oz. Au per ton, 20.9 oz. Ag per ton
29 inches (oxidized)	0.12 oz. Au per ton, 0.14 oz. Ag per ton
10 inches	2.39 oz. Au per ton, 16.8 oz. Ag per ton

The vein apparently occurs within a large fractured, altered, and weakly mineralized zone that is reported to attain widths in the order of 1000 feet. Mineralization across this width consists of auriferous arsenopyrite in small seams and veinlets. Such a zone offers the prospect of defining a large low grade zone which might be amenable to bulk tonnage mining methods.

The above auriferous veins and shear zones appear to be associated spatially with the granodiorite porphyry stock and its small satellite bodies. The Ural property, although not host to known gold occurrences, may contain hidden shear deposits or veins because of its relative proximity to the intrusive. A preliminary exploration program is therefore proposed, which should comprise geological mapping and geochemical soil surveys.

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

CONCLUSIONS

Golden Rule Resources hold twenty-one precious metal prospects in five regions of British Columbia; eighteen properties are situated in northern B.C., the remaining three are in southern B.C. In the Chappelle gold-silver district, the company has six prospects acquired on the basis of favourable geology in relation to the Chappelle mine currently under development. In the Omineca district ten prospects were acquired because of historically known gold and silver occurrences on or near each property. In the Manson Creek district, two properties that cover several placer gold occurrences in proximity to a major fault zone were staked. In southern British Columbia, the Hixon Creek property contains recorded gold occurrences, whereas the Graveyard and Ural properties in the Tyaughton Creek region include a promising gossan with gold indications and a favourably located geological setting respectively.

Because of the sharply increased gold and silver prices, all of the above properties should be re-evaluated by initially implementing geological mapping and sampling. Generally, the mapping should be supplemented by VLF geophysical surveys to trace promising fracture zones and geochemical surveys to detect indications of gold and silver concentrations. The object of the initial exploration programs should be to ascertain which of the various properties have sufficient economic potential to warrant diamond drilling.

ESTIMATED COSTS

The cost of the proposed preliminary exploration programs in the five regions is estimated in each case to be as follows:

NORTH CHAPPELLE (estimated time - one month)

Wages (geologist and 3 assistants)		\$ 17,250.
Maintenance		3,600.
Transportation		26,000.
Fixed Wing	\$ 5,000.	
Helicopter - 56 hours @ \$375./hr.	21,000.	
Assays (rock, soil, sediments)		1,000.
Field Support		2,150.
base maps, radio, expediting, freight, etc.		
Reports and Supervision		2,000.
Contingencies (15%)		7,800.
Sub-total		\$ 59,800.

OMINECA (estimated time - one month)

Wages (geologist and 3 assistants)		17,250.
Maintenance		3,600.
Transportation		22,100.
Vehicle Rental	1,100.	
Helicopter - 56 hours @ \$375./hr.	21,000.	
Assays (rock, soil, sediments)		1,000.
Field Support		2,050.
Reports and Supervision		2,500.
Contingencies (15%)		7,275.
Sub-total		\$ 55,775.

MANSON CREEK (estimated time - one month)

Wages (geologist and 3 assistants)		17,250.
Maintenance		5,400.
Geophysics (includes linecutting)		12,000.
Vehicle Rental		1,100.
Assays (rock and soil)		2,000.
Field Support		2,000.
Reports and Supervision		2,000.
Contingencies (15%)		6,250.
Sub-total		\$ 48,000.

HIXON CREEK (estimated time - one month)

Wages (geologist and 2 assistants)	14,250.
Geophysics (magnetics and VLF, linecutting)	6,750.
Maintenance	4,500.
Vehicle Rental	1,100.
Assays	400.
Field Support	2,000.
Report and Supervision	2,000.
Contingencies (15%)	4,650.
Sub-total	\$ 35,650.

TYAUGHTON CREEK (estimated time - 6 weeks)

Wages (geologist and 3 assistants)	23,875.
Maintenance	6,000.
Transportation	4,800.
Vehicle Rental	1,800.
Helicopter - 8 hours @ \$375./hr.	3,000.
Assays	825.
Field Support	1,500.
Report and Supervision	2,500.
Contingencies (15%)	5,900.
Sub-total	\$ 45,400.

Total cost of the preliminary exploration programs \$244,625.

Because of the probability that one or more of the twenty-one properties contained in the Golden Rule package will warrant follow-up diamond drilling, a second stage exploration program is proposed. The program should consist of 1500 m of drilling preceded by detailed geological, geochemical, and geophysical surveys as required. Its location and scope would be contingent upon the results of the initial programs. The cost of the drill program, part or all of which will likely require helicopter support, is estimated to be as follows:

DRILL PROGRAM (estimated time - 2 months)

Drilling Contract - 1500 m @ \$110.	\$165,000.
Maintenance (camp & cook)	25,000.
Transportation	40,000.
estimated (fixed wing, helicopter, vehicle rental)	
Geology (geologist and assistant)	14,250.
Geophysics (includes linecutting)	25,000.
Geochemistry	10,000.
Assays	2,000.

Field Support
Report and Supervision
Contingencies (15%)

5,750.
13,000.
45,000.
\$345,000.

Total

Respectfully submitted,

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.



A handwritten signature in cursive script, appearing to read "R. S. Adamson".

Robert S. Adamson, P.Eng.

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

CERTIFICATE

I, Robert S. Adamson, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A.Sc., in Geological Engineering, 1957).
3. I am a registered Professional Engineer of the Province of British Columbia.
4. From 1957 to 1967 I was engaged in mineral exploration in Canada as a geologist for a number of companies. I was Chief of Exploration for Anvil Mining Corp. Ltd. when I retired in 1967 to join the firm of Dolmage, Campbell & Associates Ltd. as a senior engineer. In 1968 I became an associate of the firm.
5. I examined the Thane, Opec and Flume properties on July 14, 1980; the Saunders, Jock, Atty, MC, JC, Nika, KC, LC, Polaris and SUS properties on July 15, 1980; and the Ural Claims on August 21, 1980. I did not examine the remainder of Golden Rule's British Columbia properties.
6. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of Golden Rule Resources Ltd. or of any affiliate thereof, nor do I beneficially own, directly or indirectly, any securities of Golden Rule Resources Ltd. or any affiliate thereof.



Respectfully submitted,

A handwritten signature in cursive script, appearing to read "R. S. Adamson", followed by a horizontal line.

R.S. Adamson, B.A.Sc., P.Eng.

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

Golden Rule Resources Ltd.
Calgary, Alberta

Summary Report

on

SASKATCHEWAN
PRECIOUS METAL
PROSPECTS

September 1, 1980

Robert S. Adamson, P.Eng.

Consultant

Vancouver, Canada

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
INTRODUCTION	3
GOLDFIELDS BAY PROPERTY	3
PINE CHANNEL PROPERTIES	4
CBS 6421 and S-94805	4
CBS 6422	5
WADDY LAKE PROPERTIES	6
CBS 4824, 4825, 5205	6
CBS 6432	7
Tai Claims	8
Greenhill Lake Claims	9
WEDGE LAKE PROPERTY	10
NEYRINCK LAKE PROPERTY	11
CONCLUSIONS	12
ESTIMATED COSTS	13
CERTIFICATE	

LIST OF ILLUSTRATIONS

	<u>Following Page</u>
Figure 1 Saskatchewan Location Map	3
Figure 2 Goldfields Bay Property Map	3
Figure 3 Pine Channel Property Map	4
Figure 4 Waddy Lake District Property Map	5
Figure 5 Wedge Lake	10
Figure 6 Neyrinck Lake Property Map	11

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

SUMMARY

Golden Rule Resources own, wholly and partially, five groups of precious metal prospects in northern Saskatchewan. They are the Goldfields Bay, Pine Channel, Waddy Lake, Wedge Lake and Neyrinck Lake projects, respectively from north to south.

The Goldfields Bay property, which consists of eleven claims 16 km southeast of Uranium City, is situated near the Box Mine, a former low grade gold producer, and the Athona Mine. Values in these deposits ranged from 0.03 to 0.06 oz. Au per ton. The geology comprises a network of quartz veinlets in small granitic intrusives. Because of its proximity to these mines, a preliminary mapping and sampling program is proposed to be carried out on the property.

The Pine Channel properties essentially include CBS 6421, a gold prospect and CBS 6422, possibly a base metal prospect with gold values. On CBS 6421 gold occurs with quartz in fissure veins. Two of the occurrences, the Ela vein and the Mel and Céc vein have been trenched, sampled and locally drilled in past years. On the basis of the present gold price, potentially economic values across mineable widths are reported. An exploration program consisting of trenching, mapping and sampling is proposed. CBS 6422 has no known gold occurrences. However, as cobalt occurrences are known on the property, the indicated association of gold and cobalt in the district warrants prospecting the claim block for gold.

The Waddy Lake properties consist of four groups of claim blocks and mineral claims situated 153 km northeast of La Ronge, Saskatchewan and immediately west of Highway 102. The properties are in close proximity to the Komis zone, presently under advanced exploration by Waddy Lake Resources Inc. Because of the similarity in geology a preliminary exploration program of geological mapping, detailed prospecting and sampling is proposed to be implemented on all of Golden Rule's claim blocks and claims. On CBS 6432 diamond drilling is proposed to test an electromagnetically and topographically indicated shear zone situated between two gold-quartz zones and to possibly extend one of these known zones.

The Wedge Lake property, situated in the Waddy lake district, is jointly held by Golden Rule Resources, Giant Yellowknife Mines and Saskatchewan Mining Development Corporation. Acidic and basic volcanic tuffs and flows, which trend northwesterly and dip steeply, are intruded by granodiorite and granite. A potentially-economic gold-bearing quartz vein, apparently associated with one of two conformable massive sulphide

zones in the volcanic sequence, has been traced irregularly over 1000 m by previous trenching, sampling, mapping and drilling. A 1200 m diamond drill program is proposed to investigate the continuity of gold values in the zone.

The Neyrinck Lake property, a mineral prospecting permit embracing 153,735 acres, covers a northeast trending belt of Precambrian acidic to intermediate volcanic rocks and sedimentary rocks intruded by numerous granitic and ultramafic bodies. Several gold showings occur in individually-held claims and claim blocks within the permit. Because of the regional similarity of the geology with the Waddy Lake district immediately to the northeast and because of the presence of numerous gold occurrences in this geological environment, a preliminary exploration program consisting of an airborne geophysical survey followed by visual prospecting and geochemical surveys is proposed.

In the light of the present gold price, it is concluded that the Saskatchewan package of gold prospects held by Golden Rule Resources warrants the reevaluation of the known gold occurrences and intensive exploration on the various properties. The cost of the proposed programs is estimated to be \$312,000.

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

INTRODUCTION

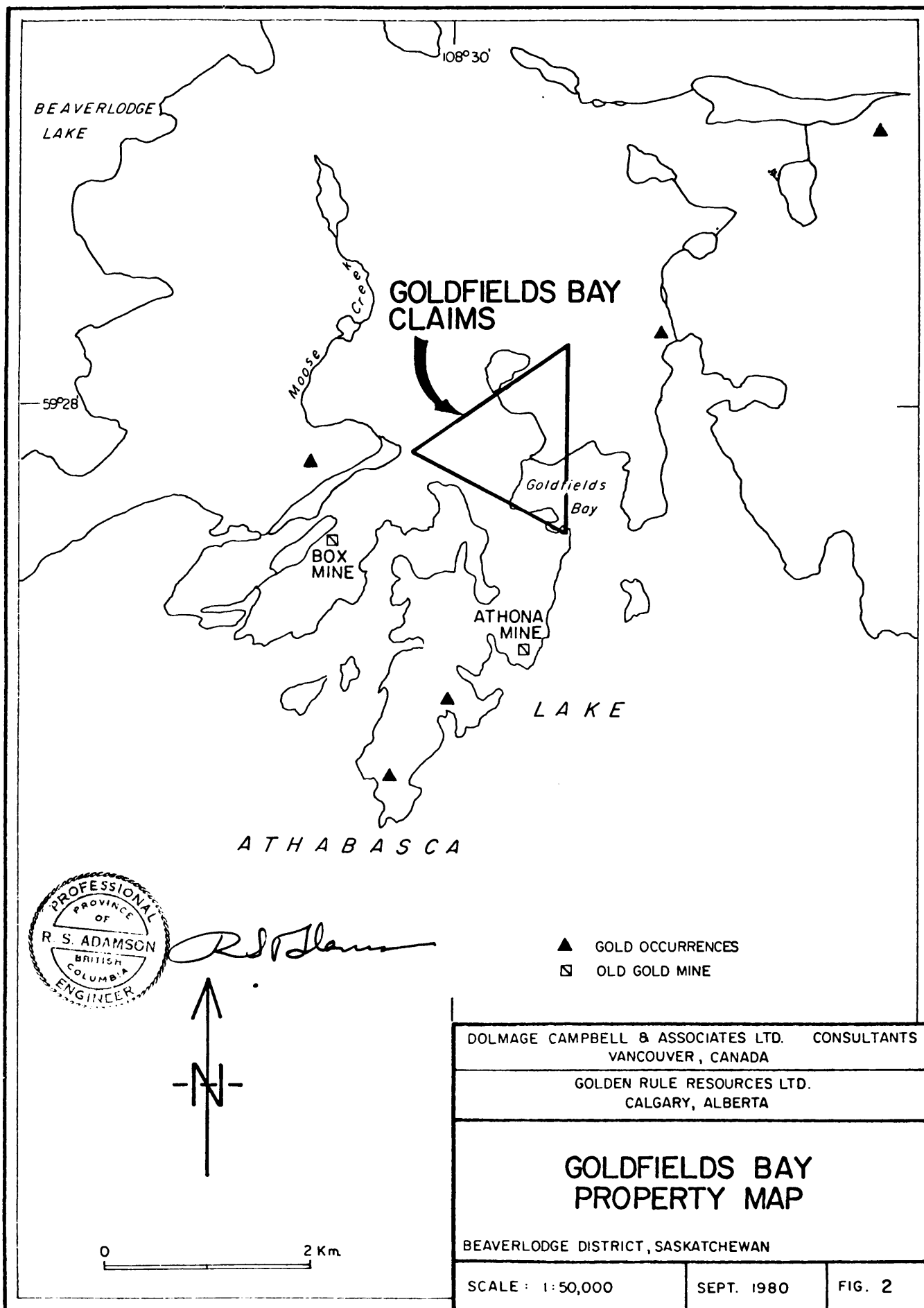
Dolmage Campbell & Associates (1975) Ltd. have been requested by Golden Rule Resources Ltd. to review the available data and prepare a report on their several precious metal prospects in Saskatchewan. On August 26th, 1980 the writer examined the Wedge Lake, Waddy Lake and Neyrinck Lake group of properties. The Goldfields Bay and Pine Channel properties were not examined.

GOLDFIELDS BAY PROPERTY

The Goldfields Bay property, a gold prospect comprising eleven mineral claims (approx. 440 acres), is situated on Lake Athabasca 16 km south-east of Uranium City. Claim numbers are S-97239 to S-97243 inclusive, S-97245 to S-97249 inclusive, and S-97053. Access to the property is by aircraft or by boat and vehicle from Uranium City. Historically, the property once fell within the confines of Cominco's old Box Mine property, (Figure 2). It was staked separately in 1966 and sold to Dejour Mines in 1968. Dejour subsequently carried out airborne and ground geophysical surveys searching primarily for uranium deposits. The property was dropped without undertaking any drilling.

The geology of the property comprises granitic gneisses interlayered with metamorphosed mafic rocks, largely amphibolites and schists, of the Precambrian age Tazin Group. Intrusive granite bodies may be present as sills or dykes which cut the above sequence. Although no significant faults have been previously mapped on the property, lineal muskeg and ponds in the Beaverlodge District frequently are surface manifestations of fracture and fault structures.

The Box Mine orebody consisted of an extensive stockwork of quartz veins that cut a granite sill. The deposit was 610 m in length and 40 m in width. Mineralization consists of pyrite with associated gold, galena, sphalerite and chalcopyrite. The reserve grade was 0.06 oz. per ton in 1939. The Box Mine ceased production in 1942 because of the low grade. Additional inferred ore remaining is reported to be 10-15,000,000. tons grading 0.03 - 0.04 oz. Au per ton.



In the Goldfields district numerous gold occurrences are present, some of which have received considerable exploration in the past. One, the Box Mine, produced; another, the Athona Mine, which was developed on two levels, did not produce, but over three million tons grading 0.03 to 0.07 oz. per ton were indicated. The deposits occur in younger granite. Free gold occurs in quartz veins and stringers and in places visible gold has been found in the granite itself, (Alcock, 1936). There would therefore appear to be an intimate association with gold deposition and the host granitic intrusives. In view of this evident association, prospecting on the Goldfields Bay claims should be to identify younger granitic bodies and to then determine the presence of gold concentrations in the bodies by rock geochemical analysis. Because of the proximity of the Goldfields Bay property to the Box and Athona Mines and because of the prevailing high gold price which may allow very low grade, medium tonnage gold deposits to become economically viable, a careful and detailed prospecting program is, in the opinion of the writer, well justified.

A primary exploration program is proposed to be undertaken on the Goldfields Bay property. The program should consist of thorough and detailed geological mapping to identify characteristic granite bodies, (small stocks, dykes, and sills). Any such bodies recognized should be systematically sampled and analyzed geochemically for their possible gold content. Identification of reasonably sized zones should be subjected then to more detailed surveys, trenching and assaying.

PINE CHANNEL PROPERTIES

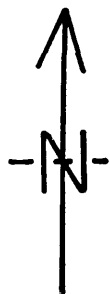
The Pine Channel group of properties contains two claim blocks, CBS 6421 and CBS 6422; the former contains within its boundary a single mineral claim (S 94805). Both properties may be reached by float aircraft from Uranium City to any one of several nearby lakes.

CBS 6421 and S-94805 (59° 18'N. Lat.; 106° 35'W. Long.)

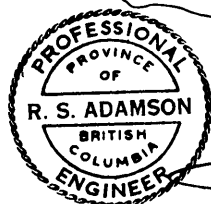
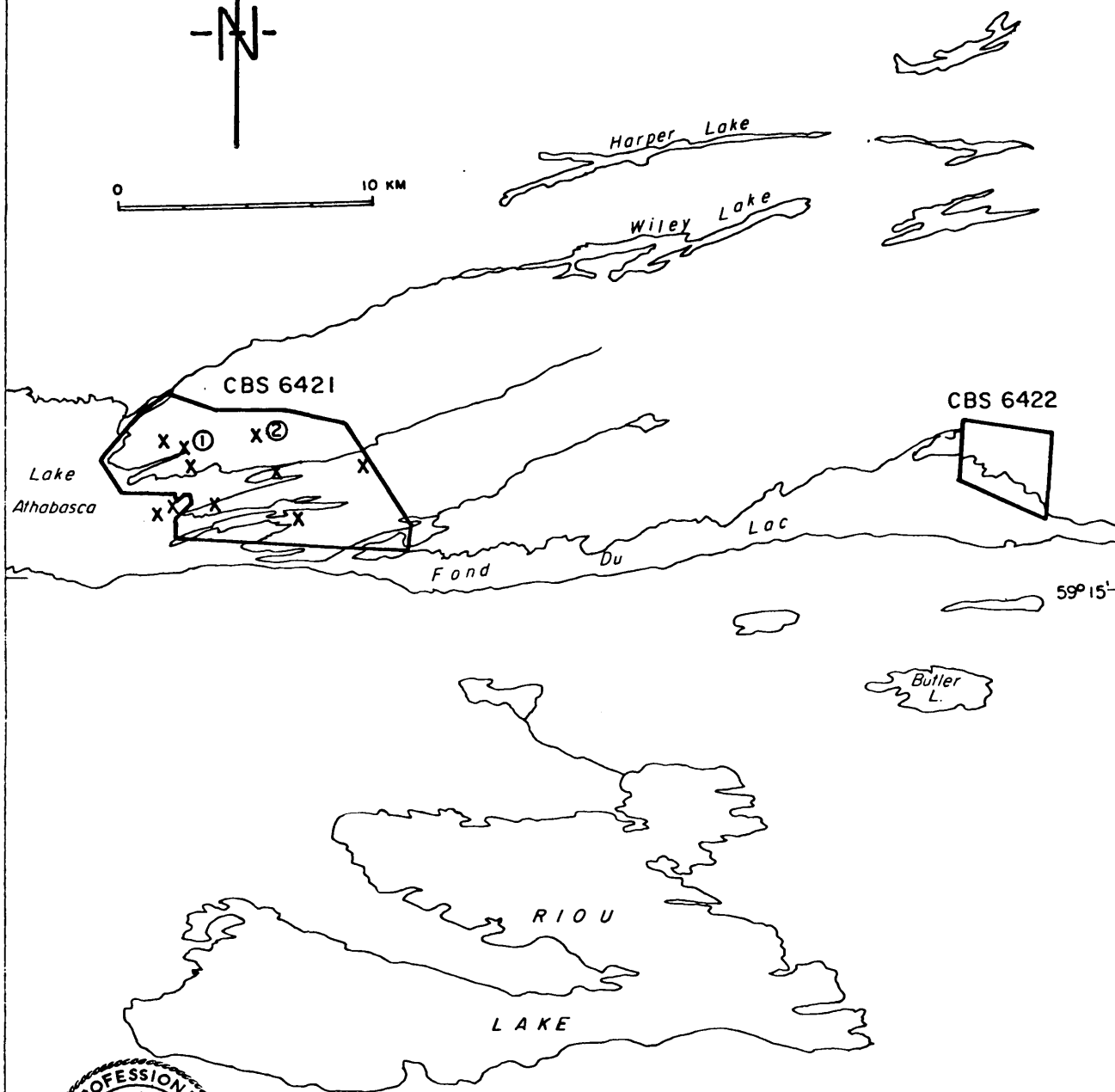
CBS 6421 is situated on the north shore of lake Athabasca approximately 120 km east of Uranium City. The property comprising one claim block and a single mineral claim contains approximately 12,800 acres. The area was initially staked for nickel and copper mineralization in 1915. In 1930 claims were staked on several gold occurrences, most notably the Ela occurrence and the Mel and Cec occurrence, (Figure 3). Since then various groups have sporadically sampled, trenched, drilled, and sank occasional short shafts on or around the above occurrences.

The geology of the property comprises a sequence of Precambrian age rocks of the Tazin Group. The sequence consists of pyroxene amphibolite,

106°



0 10 KM



R. S. Adamson

GOLD OCCURRENCES

- X ① ELA
- X ② MEL & CEC

DOLMAGE CAMPBELL & ASSOCIATES LTD. CONSULTANTS
VANCOUVER, CANADA

GOLDEN RULE RESOURCES LTD.
CALGARY, ALBERTA

PINE CHANNEL PROPERTY MAP

LAKE ATHABASCA, SASKATCHEWAN

SCALE : 1:250,000

SEPT. 1980

FIG. 3

granite gneiss, and biotite gneiss. The rock units trend generally east-northeasterly and dip moderately to steeply south. Strong, steeply dipping fault structures strike east northeasterly and northerly. Mineralized quartz veins of potential economic interest strike predominantly northwesterly; others strike northeasterly.

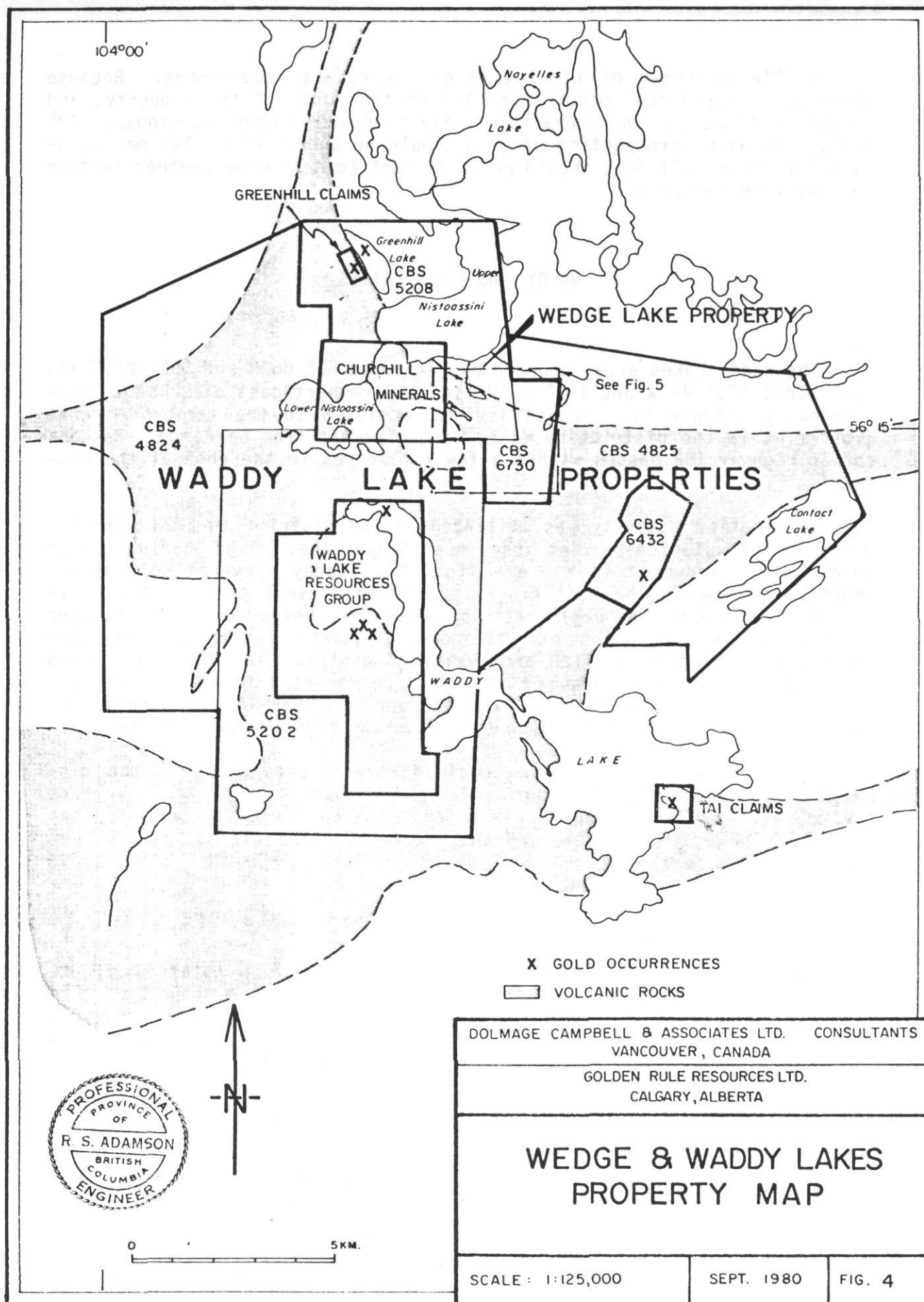
Gold associated with pyrite, chalcopyrite, arsenopyrite, tourmaline, and jamesonite occur with quartz in fissure veins. Nickel-copper and uranium occurrences are also known but are not apparently of economic interest at this time. The Ela vein has been trenched over a strike length of 213 m. A prospect shaft of undetermined length was sunk in the past. Three short holes were drilled in 1951. Maximum vein thickness is four metres but the vein is reported to be lensey in character. Values of eleven samples taken from a 97 m strike length are reported to have averaged 0.51 oz. per ton gold over an average width of one metre. On the Mel and Cec occurrence five drill holes intersected a vein that was traceable for approximately 300 m. Drill results are unavailable. It has been reported by Beck (D.M.R. Report No. 36) that gold values are present along the entire length of the vein, with considerable variation in values. Assay values obtained were 3.24 oz. gold over 0.7 m, 0.40 oz. over 0.4 m, and 1.52 oz. over 0.8 m. Numerous other gold occurrences are known on the property; however, information on their character and value is sketchy.

Because of the large number of gold occurrences on the CBS 6421 property, because they appear to be of reasonable widths, and because they appear to be closely associated with strong fault structures, preliminary exploration and evaluation of all occurrences is warranted, particularly in light of the presently prevailing high gold price. Initial exploration should comprise cleaning up all the old trenches, detailed mapping of the trenches, and thorough surface sampling. Further trenching should take place with a view to sampling and mapping previously untrenched occurrences and extending known veins with economically promising widths and values.

CBS 6422

CBS 6422 was initially acquired and subsequently dropped by International Nuclear Corporation during their search for uranium in the early 1970's. The company implemented a combined electromagnetic, magnetic, and radiometric airborne survey over the area and did some reconnaissance surface prospecting and geological mapping. In 1978 Golden Rule staked the area (2860 acres) on the basis of the previously known presence of two cobalt occurrences.

Regional geological mapping indicates that the property is underlain by amphibolite, pyroxenite, and granite gneiss. The trend of these units is unclear, but is suspected to be generally east-northeasterly. No faults have been documented.



Little is known of the nature of the cobalt occurrences. Because numerous copper-nickel occurrences lie to the north of the property, and because gold occurs in general proximity to copper-nickel showings on CBS 6421, a detailed prospecting program should be undertaken. Two men occupied for three full days should be sufficient to determine whether further work will be required.

WADDY LAKES PROPERTIES

The Waddy Lakes area, bounded by latitudes $56^{\circ} 06' N$ and $56^{\circ} 22' N$ and longitudes $103^{\circ} 44' W$ and $104^{\circ} 00' W$ lies 153 km northeast of LaRonge, Saskatchewan, (Figure 1). Access is best achieved to the various mineral properties in the district by fixed wing aircraft from La Ronge. Saskatchewan Highway 102 passes within a few kilometres to the east of the district.

Exploration activity was initiated in the district in 1928 with the discovery of sulphide-bearing zones near Sonya Lake. Gold-bearing quartz veins were discovered in the area in 1947. Today, several gold occurrences are known. The most promising at the present time is the Komis Zone now under advanced exploration by Waddy Lake Resources Inc. The zone consists of a stockworks of gold-bearing quartz veins, veinlets and stringers in host silicified and pyritized dacite. Values from diamond drilling, stripping and channel sampling are reported to range from 0.12 oz. gold per ton over 46 m to 0.16 oz. per ton over 76 m. Other zones (the Kosta, Kaler and alluvial zones) returned slightly lower grades.

Golden Rule Resources have acquired several properties in the district essentially adjoining the Waddy Lake Resources property. They are the CBS 4824, 4825 and 5205 claim blocks, CBS 6432 claim block, and Tai claims (S-96604 to S-96607), and the Greenhills Lake claims (S-97751 and S-97752), (Figure 4).

CBS 4824, 4825, 5205

The property comprises three claim blocks with a total of 32,000 acres. There is no history of exploration recorded on the property but it might reasonably be expected that reconnaissance visual prospecting has been done in the past. Publications that document the geology, history and mineral occurrences of the Waddy Lake district are:

"The Geology of the Waddy lake area"; 1948 by A.R. Byers for the Saskatchewan Dept. of Mineral Resources. Report No. 1.

"Mineral Occurrences in the Precambrian of Northern Saskatchewan"; 1959 by L.S. Beck of the Saskatchewan Dept. of Mineral Resources. Report No. 36.

The geology of the Waddy Lake district comprises a display of Precambrian intrusive, sedimentary, and rocks in the La Ronge Domain of Saskatchewan. The oldest rocks in the district may be divided essentially into two groups; one predominantly sedimentary, and the other volcanic. The two groups appear conformable and the contact between them is transitional rather than sharp. Greywacke is the predominant rock in the sedimentary group. Quartzite, argillite, conglomerate, and minor amphibolite with derived schists and gneisses are a minor component. The volcanic rocks are predominantly andesite with some rhyolite, trachyte, basalt, and dacite. Pyroclastic equivalents are plentiful. Two groups of intrusive rocks invade the above units. The oldest consists of quartz diorite, diorite, gabbro, hornblendite, pyroxenite, peridotite, amphibolite, and serpentine. The youngest consists of granite and granodiorite with small bodies of aplite, pegmatite and quartz porphyry.

Mineral occurrences of economic interest in the district are of two types and generally occur in the volcanic unit. Sulphide-bearing deposits occur in bands of highly sheared and sericitized tuffs which are inter-layered with volcanic flows. Of more immediate economic relevance in the district are gold-bearing quartz veins, veinlets, and stringers in or near small bodies of granitic rock intruding the volcanic rocks. Pyrite, chalcopyrite, arsenopyrite and galena have been noted in the veins, but gold mineralization appears to be free.

CBS 4824, 4825 and 5205 are underlain essentially by the volcanic unit (Figure 4). Several small bodies of granitic rock may be expected to intrude the volcanic rocks on the claim blocks. No gold or sulphide occurrences are presently known to occur, but may be expected with diligent prospecting.

In view of the favourable geology and the proximity of economically promising gold deposits on adjoining properties, a vigorous exploration program is warranted. The initial program should consist of intensive visual prospecting supported by reconnaissance geological mapping, panning of glacial overburden, and geochemical sampling.

CBS 6432

CBS 6432, once known as the Kewatin property, was originally discovered and staked by Cominco in 1948. The property, situated on Weedy Lake (Figure 4), contains 11,600 acres. Gold-bearing quartz veins were discovered at three localities in a small body of quartz diorite west of Weedy Lake. Previous work on these occurrences consisted of surface trenching, overburden stripping and nine drill holes on one zone. In the summer of 1980 Taiga Consultants carried out a VLF survey over much of the claim block.

The bedrock consists of basic volcanic flows and pyroclastics intruded by small bodies of quartz diorite. The volcanic rocks strike east

and dip vertically. A strong shear, strikes north 50° east parallel to the west shore of Weedy Lake.

One of the mineralized zones lies along the strong shear. The shear is covered by a rust zone which has been traced for 180 m along strike by eleven trenches. Twelve grab samples ranged from 0.02 to 0.12 oz. gold per ton, averaging 0.05 oz. A second zone situated immediately west of Weedy Lake consists of two small quartz stringers in diorite and tuff. Two grab samples assayed 0.12 and 0.14 oz. respectively. A third zone, which has been drilled, lies 520 m northwest across a prominent muskeg-covered northeast-trending depression. It consists of three large quartz veins ranging in widths from 0.4 m to 7.5 m. Nine drill holes apparently returned erratic values ranging from 0.01 oz. over 0.75 m to 0.15 oz. over 1.2 m. The distribution of the quartz veins in this latter zone is irregular, being more of a vein stockwork rather than a lineal trending zone. It lies on a hillside surrounded by overburden near the muskeg covered depression. The VLF survey identified a strong conductive zone beneath the muskeg which could be reflecting a major shear or fault zone. This indicated shear has not in the past been tested for its gold content by trenching or drilling.

Because of the presence of several gold occurrences and because of the indicated presence of a major, untested, shear zone on the property further work on CBS 6432 is, in the opinion of the writer, fully justified. Further exploratory work should include diamond drilling. In the order of 600 m is proposed. Half the proposed metreage should go toward testing the indicated shear beneath the depression between two gold-bearing zones. The remaining metreage should be drilled on the stockworks area with a view to extending the zone laterally. Sludge samples should be taken and care should be exercised in order to maximize core recovery because of the erratic distribution of the gold in the shears and its tendency to occur on fractures in the zone.

TAI Claims

The Tai Group, comprising four mineral claims (approx. 160 acres), was initially discovered and staked as the V.G. claims by Cominco in 1948. Situated on the south shore of Lower Waddy Lake the property has received little exploration work during the intervening years.

Bedrock consists of greywacke and quartzite overlain to the southeast by basic lavas. The volcanic rocks are intruded by dykes and small stocks of granitic and ultramafic composition. A weak mineralized shear, striking east and dipping 55° to 60° south, cuts the volcanic rocks just south of the lake shore.

Veins and stringers of quartz occur in the shear or in associated fractures. Veins are short and lenticular and vary in width from one to 30 inches. Grab samples from four of the veins are reported to assay 0.04, 0.02, 0.04 and 1.40 oz. gold per ton respectively.

A modest exploratory program is proposed for the Tai property. It should consist of detailed geological mapping and sampling with a view to re-evaluating the economic potential of the structure in the light of the gold price increase.

Greenhill Lake Claims

The Greenhill group of claims was staked on gold occurrences on Greenhill Lake in 1947. Some hand trenching and mapping was done subsequently but little else since. The present property now consists of two mineral claims containing a total of 80 acres.

The geology of the property consists of intermediate to basic flows intruded by small irregular bodies of felsite and pyroxenite, and a small elongated stock of granodiorite.

Gold-bearing quartz veins occupy narrow fractures in the granodiorite or in the volcanic rocks adjacent to the contact. Five vein zones are presently known to occur on the property. Vein A in andesite occupies a sinuous fracture which strikes north 70° west and dips 60 to 70° north. The average width of the vein is 6" traced by four trenches over 40 m. Eighteen grab samples returned values ranging from 0.01 to 4.07 oz. gold per ton. Vein B is a brecciated granodiorite zone cut by short, irregular lenses of quartz. Three five-foot channel samples assayed 1.0, 1.67 and 4.55 oz. gold per ton respectively. Vein C cutting across the granodiorite-volcanic contact strikes north and dips 65° west. The vein, which has been traced for 13.7 m along strike, has a maximum width of 0.6 m. It fingers out to several narrower veins at each end. Ten channel samples, taken over widths from 0.2 to 2.0 feet assayed from trace to 0.35 oz. gold per ton. Vein D, which follows a weak fracture in granodiorite, strikes north 70° east and dips 45° north. Traced for 23 m along strike the vein attains narrow widths up to 3 inches and is discontinuous. Six channel samples taken over very narrow widths assayed 0.01, 1.90, 0.02, 0.01 and 0.20 oz. gold per ton. Vein E, which is 6 to 10 inches in width, has been traced for 3 m in one trench. A single channel sample assayed 1.57 oz. gold per ton over 1.2 feet.

Because of the number of gold occurrences evident in the Greenhill property a preliminary evaluation is warranted in the light of the recent rapid gold price increase. The initial work proposed should include very detailed geological mapping and sampling of all zones, with a view to exploring the possibility of identifying a stockwork zone on and around the granodiorite stock.

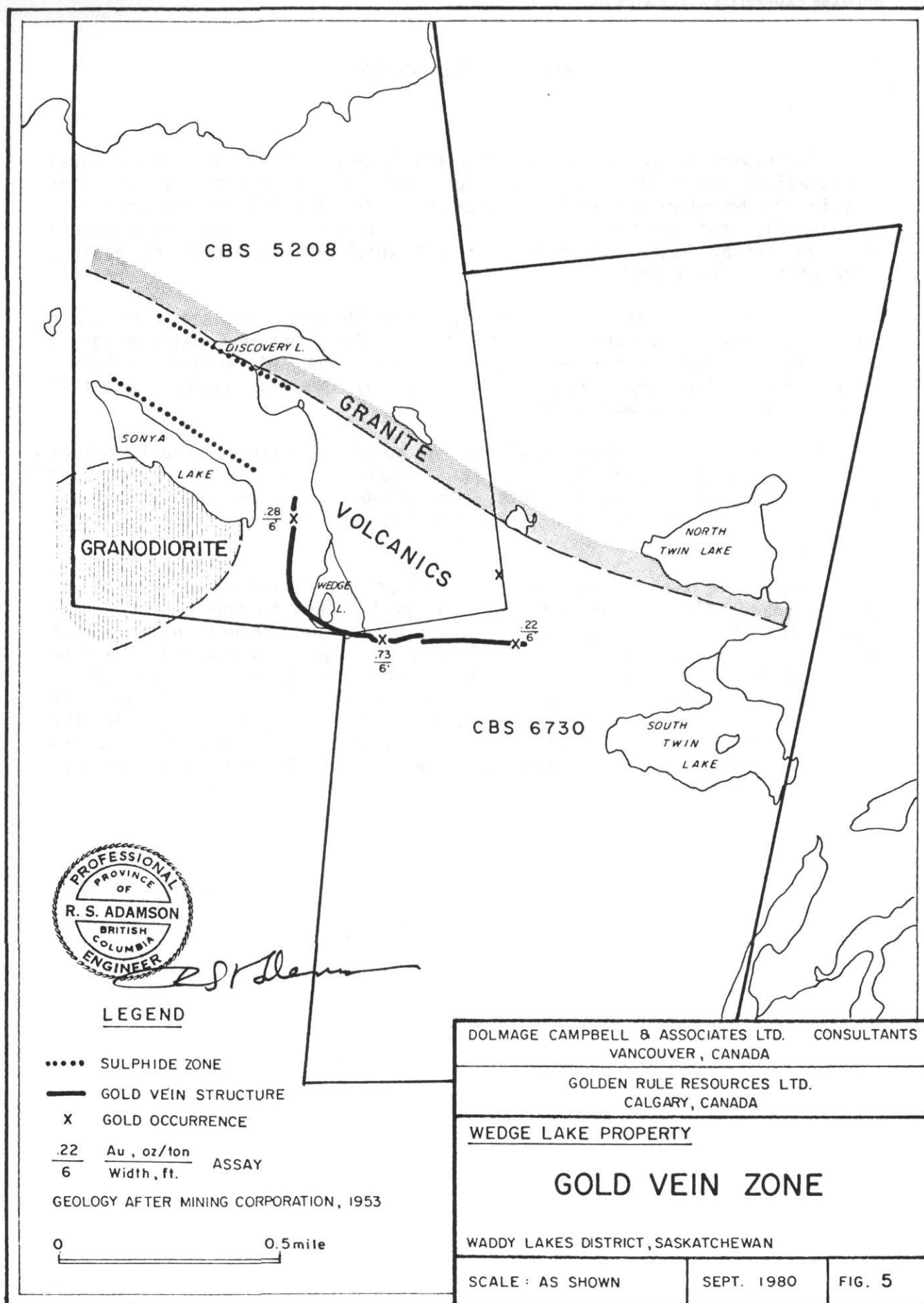
WEDGE LAKE PROPERTY

The Wedge Lake property (CBS 5208 and 6730) was originally staked in 1928 as the Nisto Group with the discovery of massive sulphides in a volcanic formation. Early work on the property by Nipissing Mines consisted of a dip needle magnetic survey and trenching followed by 1525 m of diamond drilling in 1930. Most of the work was concentrated on the area between Sonya and Discovery lakes. Just north of Sonya Lake, trenches and at least two diamond drill holes tested a mineralized zone over a length of 915 m. A second zone just south of Discovery Lake was tested by trenching and test pitting for a length of 760 m. The property was subsequently allowed to lapse but in 1952 Mining Corporation discovered three gold occurrences in the area (Figure 5). They cut twenty-four trenches in 1952 and drilled nine holes in 1953. Although one hole returned values as high as 1.53 oz. gold per ton across 5 feet, the property was allowed to lapse, presumably because the price of gold still remained too low. Today, the property (5620 acres) is held jointly by Golden Rule Resources (25%), Giant Yellowknife Mines (25%) who are the operator, and Saskatchewan Mining Development Corp. (50%).

The geological setting comprises a sequence of Precambrian volcanic rocks intruded by quartz diorite and granite. The volcanic sequence includes acidic and basic tuffs interlayered with andesitic flows. The volcanics trend sinuously in a northwesterly direction with steep dips.

Mining Corporation in 1952 to 1954 traced the mineralized gold-bearing zone for 1000 m eastward from Sonya Lake by trenching and drilling, (Figure 5). Good gold values were obtained from three trenches. Recorded values are 0.28 oz. gold per ton over a diluted width of 6 feet and a length of 90 feet, 0.73 oz. over a 6 foot width and a 90 foot length, and 0.22 oz. over a 6 foot width and a 40 foot length. The gold occurs with pyrite, pyrrhotite, and galena in quartz veins in a rhyolite tuff host rock. The veins, which pinch and swell up to 13 feet in width, are associated with a broader zone of variable disseminated sulphide mineralization in the tuffs.

Although nine holes were drilled on the zone in the past, they were concentrated at its centre and because of the sinuous nature of the zone several may have been too short. The continuity of grades and widths along the 1000 m length of the zone has been inadequately tested. Further diamond drill exploration preceded by definitive geophysical and geochemical surveys is, in the opinion of the writer, clearly warranted. A 1200 m drill program consisting of 15 short holes is proposed with a view to determining the continuity of gold mineralization along the mineralized structure.



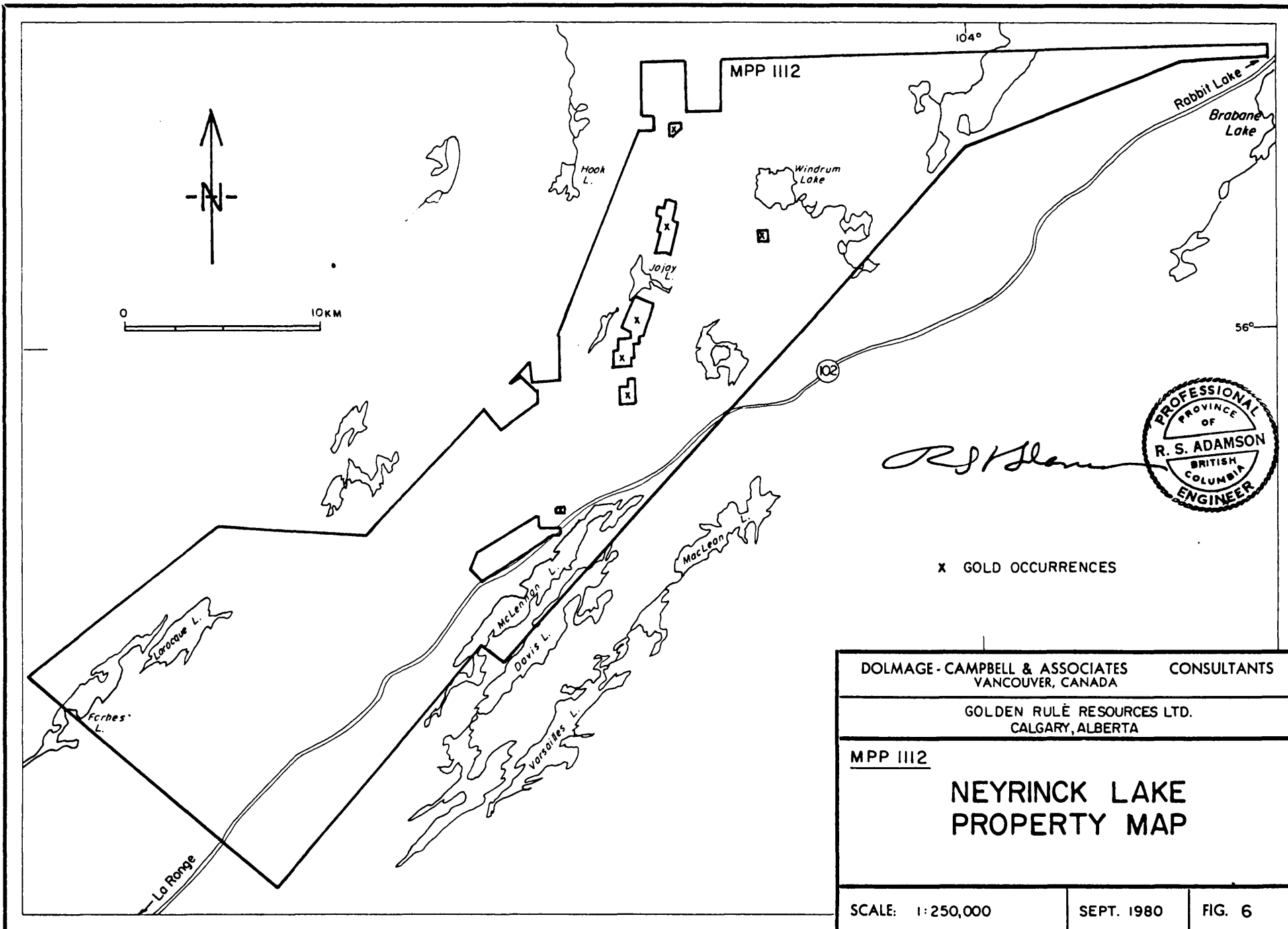
NEYRINCK LAKE PROPERTY

The Neyrinck Lake property, also a gold prospect, is a single mineral exploration permit (MPP 1112) that embraces 153,735 acres. It contains within its boundaries several independently owned small, gold properties, (Figure 6), most notably the Jojay and Jolu prospects. Reasonable access is provided by Saskatchewan Highway 102 which passes along the eastern side of the permit area.

The geology of the permit exhibits similar characteristics to those underlying the Waddy Lake district situated along the regional geological trend to the northeast. Precambrian acidic and intermediate volcanic rocks and sedimentary rocks are intruded by numerous younger granitic bodies and minor ultramafic masses.

Gold mineralization known within the permit boundaries usually occurs associated with pyrrhotite, pyrite, chalcopyrite, molybdenite, and stibnite in quartz veins, veinlets, and stringers. Shear zones in volcanic and granitic rocks are the favourable host environment in the known occurrences.

Because of the presence of a number of gold occurrences within the permit boundaries, because of the very good access to the area from the standpoint of low cost exploration, development, and production, and, most importantly, because of the similarity in geology to the Waddy Lake district to the northeast, a preliminary exploration program is warranted. It should consist initially of an airborne geophysical survey in order to aid in mapping the geology of the large area more precisely, with the emphasis on structure. Geologically favourable areas identified by the airborne survey should be followed up by intense visual prospecting supported by panning glacial overburden and geochemical surveys.



DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

CONCLUSIONS

Golden Rule Resources own, wholly and partially, several very good gold prospects with varying degrees of economic potential in northern Saskatchewan. Numerous gold occurrences are known to exist on most of these properties. Because of the high gold price prevailing today, their Saskatchewan properties in most instances should be subjected to further, intensive exploration.

In summary, the following exploration programs have been proposed:

- A. GOLDFIELDS BAY PROPERTY
 - geological mapping, sampling, rock geochemistry
- B. PINE CHANNEL PROPERTIES
 - 1. CBS 6421
 - trenching, detailed geological mapping, sampling
 - 2. CBS 6422
 - visual prospecting
- C. WADDY LAKES PROPERTIES
 - 1. CBS 4824, 4825, 5205
 - visual prospecting, reconnaissance geological mapping, geochemical sampling
 - 2. CBS 6432
 - diamond drilling (600 m)
 - 3. Tai Claims
 - geological mapping, sampling
 - 4. Greenhill Claims
 - detailed geological mapping, sampling
- D. WEDGE LAKE PROPERTY
 - geophysics, trenching, sampling
 - diamond drilling (1200 m)

E. NEYRINCK LAKE PROPERTY

airborne geophysical survey
visual prospecting, reconnaissance geological mapping, geochemical sampling

ESTIMATED COSTS

The costs of the above programs are estimated to be as follows:

A. GOLDFIELDS BAY PROPERTY (estimated time 10 days)		\$ 9,000.
Wages (geologist & assistant)	\$ 5,250.	
Maintenance	600.	
Transportation	1,000.	
Assays	500.	
Field support (base maps, radio, etc.)	275.	
Report & Supervision	1,375.	
B. PINE CHANNEL (estimated time 1 month)		23,500.
Wages (geologist & 2 assistants)	14,250.	
Maintenance	2,700.	
Transportation	3,000.	
Assays	1,000.	
Field support (powder, caps, maps, radio, etc.)	1,050.	
Report & Supervision	1,500.	
C. WADDY LAKES PROPERTIES (1 1/2 months)		121,275.
Drilling 600 m @ \$130. per metre	78,000.	
Wages, geologist, 3 assistants	25,875.	
Maintenance	5,400.	
Transportation	5,000.	
Assays	1,000.	
Field support	1,000.	
Supervision & report	5,000.	
D. WEDGE LAKE PROPERTY (2 months)		50,000.
Drilling, 1200 m @ \$130. per metre	156,000.	
Wages, geologist, assistant)	22,500.	
Geophysical surveys	6,400.	
Transportation	5,000.	
Maintenance	3,600.	
Assays	500.	
Field support	1,000.	
Supervision & report	5,000.	
	200,000.	x 25%

E. NEYRINCK LAKE PROPERTY (1 month)		\$ 67,600.
Airborne survey	\$ 33,000.	
Wages, geologist, 3 assistants	17,250.	
Transportation	5,000.	
Maintenance	3,600.	
Assays	250.	
Field support	1,000.	
Supervision & report	3,000.	
Lake bottom sediment sampling	4,500.	271,375.
F. CONTINGENCIES (approx. 15%)		<u>40,625.</u>
Total Estimated Cost		\$312,000. =====

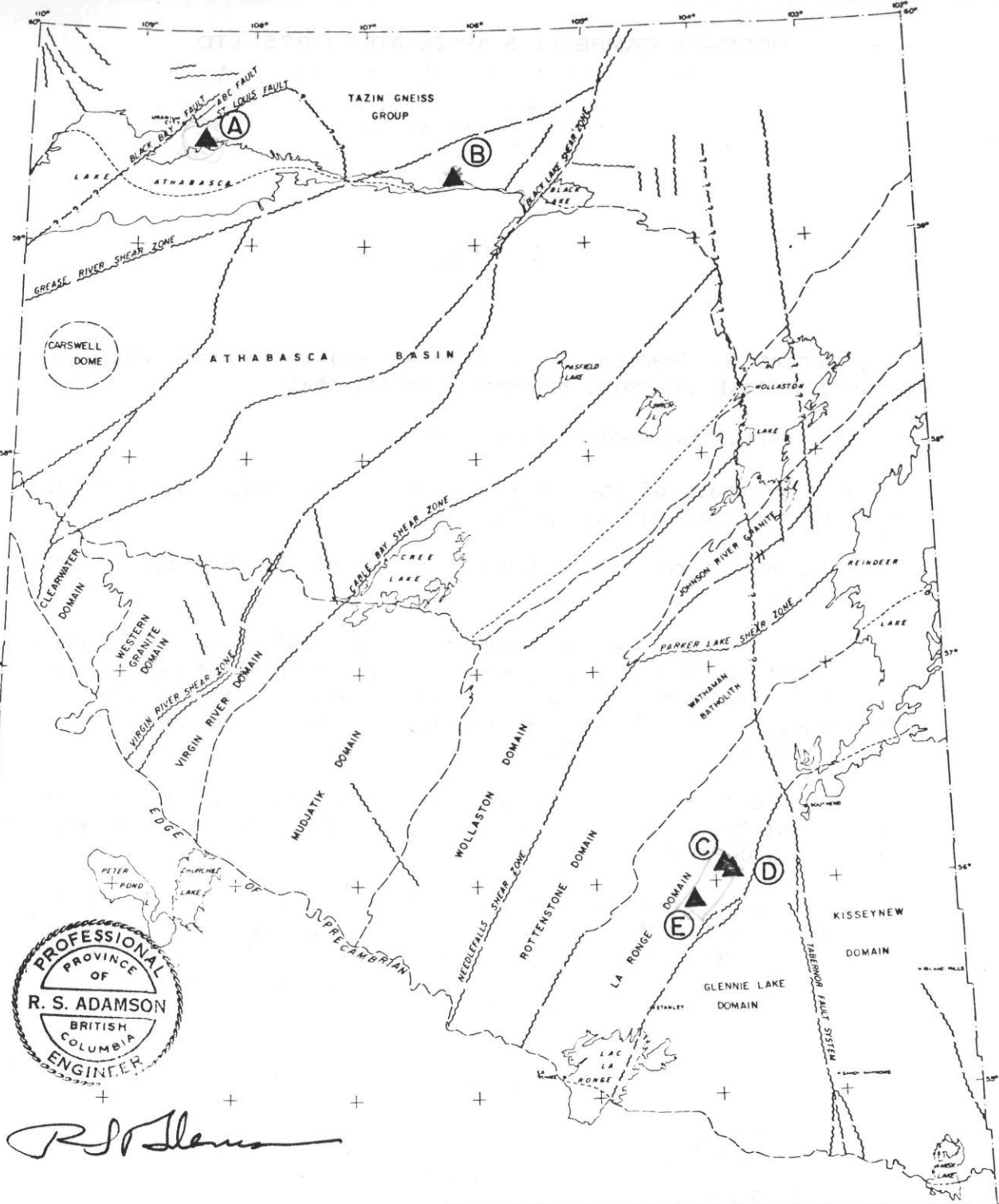
Respectfully submitted by,

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.



A handwritten signature in black ink, appearing to read "R. S. Adamson", written in a cursive style.

Robert S. Adamson, P.Eng.



PROPERTIES

- (A) Goldfields Bay
- (B) Pine Channel
- (C) Wedge Lake
- (D) Waddy Lake
- (E) Neyrinck Lake

DOLMAGE CAMPBELL & ASSOCIATES LTD.		CONSULTANTS
VANCOUVER, CANADA		
GOLDEN RULE RESOURCES LTD.		
CALGARY, CANADA		
<u>SASKATCHEWAN PROPERTIES</u>		
LOCATION MAP		
NORTHERN SASKATCHEWAN		
		SEPT. 1980
		FIG. 1

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

CERTIFICATE

I, Robert S. Adamson, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A.Sc., in Geological Engineering, 1957).
3. I am a registered Professional Engineer of the Province of British Columbia.
4. From 1957 to 1967 I was engaged in mineral exploration in Canada as a geologist for a number of companies. I was Chief of Exploration for Anvil Mining Corp. Ltd. when I retired in 1967 to join the firm of Dolmage, Campbell & Associates Ltd. as a senior engineer. In 1968 I became an associate of the firm.
5. I examined the Wedge Lake, Waddy Lake and Neyrinck Lakes properties on August 26, 1980. I have not examined the Goldfields Bay and Pine Channel properties.
6. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of Golden Rule Resources Ltd. or of any affiliate thereof, nor do I beneficially own, directly or indirectly, any securities of Golden Rule Resources Ltd. or any affiliate thereof.

Respectfully submitted,



A handwritten signature in cursive script, appearing to read "R. S. Adamson".

R.S. Adamson, B.A.Sc., P.Eng.

J.W. KENTISH IN TRUST

REPORT ON THE
LYSSAN PROPERTY
IN DUBUISSON TOWNSHIP
ABITIBI-EAST COUNTY
NORTHWESTERN QUEBEC

APRIL 10, 1980

By

G.H. Dumont, Consulting Engineer
Member Order of Engineers of Quebec
Member American Institute of
Mining and Metallurgical Engineers

TABLE OF CONTENTS

	<u>Page</u>
PROPERTY - LOCATION - ACCESS, ETC.	1
GEOLOGY	2
PREVIOUS WORKS	3
RESULTS OBTAINED IN PREVIOUS WORKS	3
CONCLUSION AND RECOMMENDATIONS	4
ESTIMATED COSTS OF THE PRELIMINARY EXPLORATION	6
CERTIFICATE	8
APPENDIX I	
Geological map showing the Cadillac shear, the surrounding rock formations and the location of several deposits.	
APPENDIX II	
Claim map showing the contour of the Lyssan property	
APPENDIX III	
Plan showing the location of old drill holes and best results	

J.W. KENTISH IN TRUSTREPORT ON THELYSSAN PROPERTYIN DUBUISSON TOWNSHIPABITIBI-EAST COUNTYNORTHWESTERN QUEBECPROPERTY - LOCATION - ACCESS, ETC.

The Lyssan Property held under option by J.W. Kentish In Trust of Toronto comprises Lots 9, 10, 11 and 12, all in Range VIII including the bed of Piché River along the north boundary, and Lot 9, Range A north of Lot 9 Range VIII, located in Dubuisson Township forming a solid block of 493 acres adjacent to the East of the former gold producer, Malartic Goldfields (Quebec) Ltd., (in production from December 1939 to end of 1964).

Details regarding the property and its titles are tabulated as follows:

<u>Claim No.</u>	<u>Development Licence No.</u>	<u>Lot No.</u>	<u>Range</u>	<u>Area Hectares</u>	<u>Annual Renewal Dates</u>
A-61323	C 00448	9	VIII	40.00	June 14
A-61324	C 00448	10	VIII	40.00	June 14
A-61325	C 00449	11	VIII	40.00	May 14
A-61326	C 00449	12	VIII	40.00	May 14
A-61846	C 00447	9	A	39.60	June 14
				199.60	
				or	493.22 acres

The transfer of mining rights to Mr. Sylvester Lyssan from Dubuisson Explorations Limited (formerly Dubuisson Goldfields Limited) has been executed on April 30, 1976, and the claims have been kept in good standing since.

PROPERTY - LOCATION - ACCESS, ETC. (continued) . . .

Access to the property is facilitated by crossing the river over a small bridge near the Malartic Goldfields Custom Mill and following forestry roads leading to the southeast for a few miles which can be travelled by trucks or motor cars, requiring minor repairs only. It is about two (2) miles of gravel and sandy riding from the main Val d'Or - Malartic paved highway.

Electric power, water, milling capacity, mining equipment and supplies and skilled labour are all very close at hands. The property, in other words, is right in the middle of the highly active Val d'Or-Malartic gold mining camp.

GEOLOGY

The property covers a strike length of 3,500 feet on the Cadillac Break which is the main gold bearing structure of the area. It consist of a long regional and wide talc-carbonate-chlorite shear which , in several places, contains gold-bearing diorite-porphyry complexes. The former Malartic Goldfields producer right to the west of this property was in such a structure where 10,000,000 tons of ore were extracted between 1940 and 1965, giving a total of 1,700,000 ounces of gold. Three (3) miles east of the Lyssan property along the same structure, Quebec Explorers Corporation is now completing a surface drilling program where enough gold bearing material has been indicated to justify an underground development program which is due to start during this year on a major diorite-porphyry complex.

Possibilities of a similar diorite-porphyry complex has been shown to exist on the Lyssan property by a former diamond drilling exploration executed by Dubuisson Goldfields Limited in 1945-47.

PREVIOUS WORKS

During this period, Dubuisson Goldfields has drilled several diamond drill exploratory holes on the property concerned and on the adjoining claims to the east. Several widespread cross-sections were drilled to gain knowledges on the location and full width of the geological structures.

This exploration shows a wide band of ultrabasic rock varying in width from 2,000 feet next to the west boundary to 1,500 feet on the east boundary, flanked on the north and south by sedimentary rocks.

A shear about 100 feet wide follows the north contact and a wider shear (up to 400 feet wide) in the middle of the basic formation has been located. Both shears seems to join together at about 1,000 feet east of the property. There is a narrow shear following the south contact which becomes stronger east of the property. On the north side of the middle shear, diorite-porphyry complexes have been localized.

RESULTS OBTAINED IN PREVIOUS WORKS

To date, best gold results were obtained along the north side of the middle shear in such complexes. From West to East, the values are as follows:

RESULTS OBTAINED IN PREVIOUS WORKS (continued). . .

<u>Dist. from</u> <u>West Boundary</u> <u>Feet</u>	<u>D.D.H. No.</u>	<u>Value</u> <u>oz Au/Ton - Core length</u>	<u>Formation</u>
90	D-58	.09 4'.0	Porphyry
240	D-3	.11 15'.0	Diorite
380	D-4	- -	Diorite-Porphyry
650	D-8	- -	Porphyry
1120	D-48	.10 5'.5	Porphyry
	D-48	.05 5'.0	Porphyry
	D-48	.21 5'.0	Porphyry
	D-48	.04 4'.7	Porphyry
	D-48	.07 3'.0	Porphyry
1450	D-17	.05 5'.0	Porphyry
	D-17	.03 5'.0	Diorite
1750	D-49	.14 2'.0	Diorite
2600	D-55	- -	Porphyry

A few sections of low values were also obtained along the north shear and the south shear. However, the north contact of the middle shear gives a series of better values even if there are long intervals between holes. We know by actual experience that they have to be drilled on strike and on dip at distances of no more than 100 feet to be able to establish tonnage and grade for any possible ore shoots.

CONCLUSION AND RECOMMENDATIONS

The diorite-porphyry complex with some gold values has been indicated to be present in the old drilling. To evaluate the potential with more accuracy, detailed drilling should be undertaken on the north margin of the middle shear. Hole D-48, one of the best, is alone over a strike length of 800 feet, and the detailed drilling should start on both sides of this location and with upper and lower holes. This is in the northern half of lot 10.

CONCLUSION AND RECOMMENDATIONS (continued). : .

Also further east in the vicinity of hole D-3, on lot 9, more drilling should be done, but from north to south instead of the south-north direction of some of the previous holes in the immediate area.

ESTIMATED COSTS OF THE PRELIMINARY EXPLORATIONStage I

Detailed drilling around D-48 and D-3

Minimum of 10,000 feet

10,000 feet at \$13./foot (BQ core) \$ 130,000.00

Core boxes at \$0.20/foot 2,000.00

Core grabbing, splitting and transportation

5 months at 1,500./month 7,500.00

Engineering, Drafting, Reports, etc.

5 months at 4,000./month 20,000.00

Assaying (sludges and core) 25,000.00

184,500.00

Contingencies, 15% 27,675.00

TOTAL: \$ 212,175.00

ESTIMATED COSTS OF THE PRELIMINARY EXPLORATION (continued). . .

Stage II

If the results of Stage I are encouraging and significant, a much larger program will be necessary to establish sufficient potential to justify a possible later underground development (Stage III). The estimated costs of Stage II would be much more accurate if done after the obtention of the possibilities established by Stage I, regarding both the necessary extra drilling footage and costs of the future time of execution.

Respectfully submitted,



G.H. Dumont
Consulting Engineer

April 10, 1980
Val d'Or, Quebec

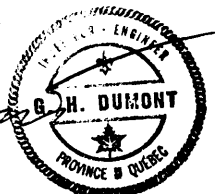
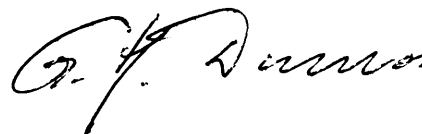
C E R T I F I C A T E

I, GEORGES H. DUMONT, of the Town of Val d'Or in the Province of Quebec, do hereby certify as follows:

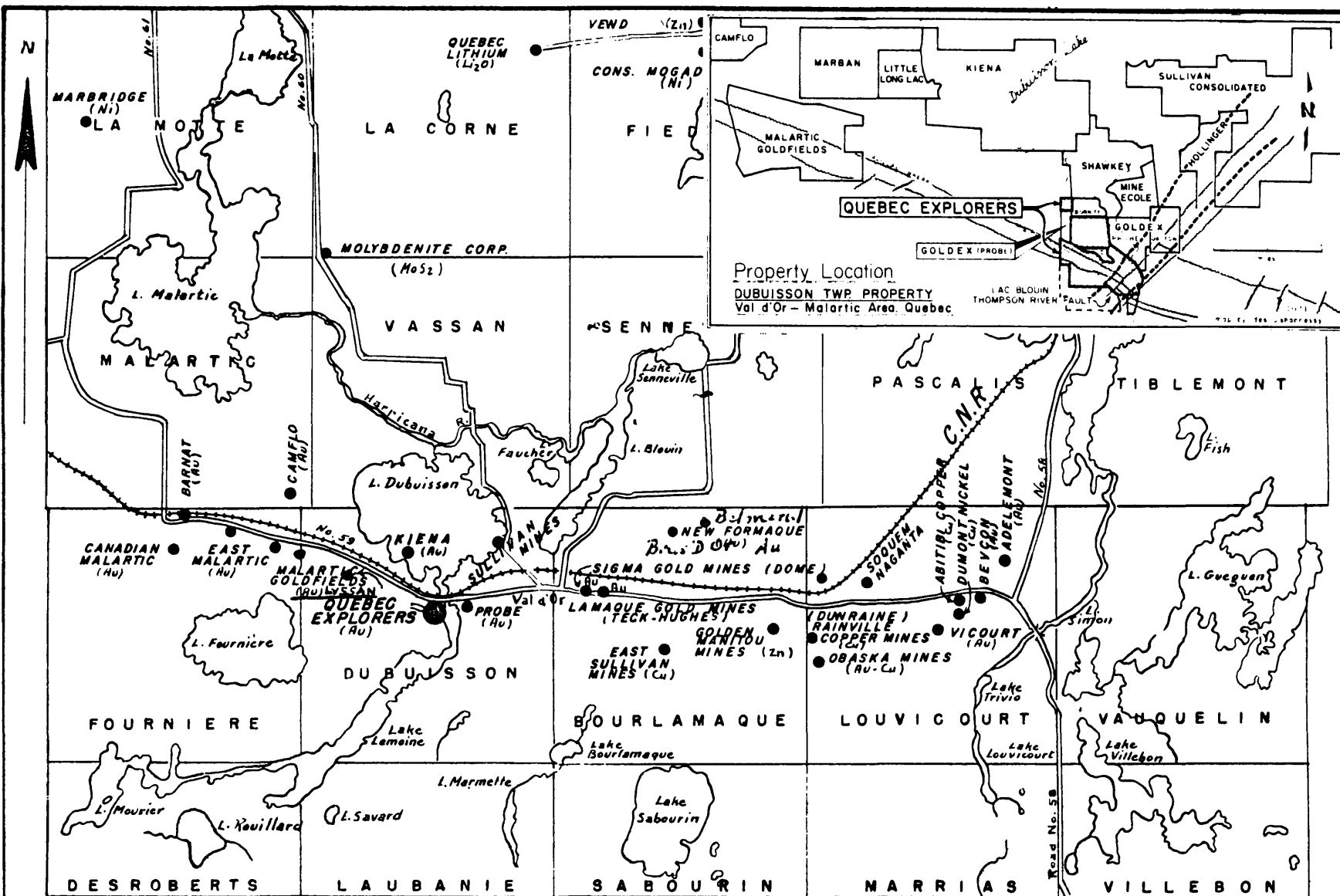
1. I am a professional Engineer carrying on my practice from Val d'Or, Quebec.
2. I attended the Ecole Polytechnique, University of Montreal, for five years; am a member of the Society of Professional Engineers of Quebec, and a member of the American Institute of Mining and Metallurgical Engineers. I have practiced my profession as a Field Engineer and Consulting Engineer for over 44 years.
3. I have no interest either directly or indirectly, nor do I expect to receive any interest either directly or indirectly in the property or securities of the LYSSAN PROPERTY in Dubuisson Township, except such fees as I may be paid for services rendered as Consulting Engineer.
4. My report to J.W. Kentish in Trust on the Lyssan Property in Dubuisson Township, dated April 10, 1980, is based on studies of old reports and maps from the Quebec Department of Energy and Resources, and on my own experiences acquired by actual exploration works along the same gold bearing geological structure.

Dated at Val d'Or, Quebec, this 10th day of April 1980.

Respectfully submitted,



G.H. Dumont, B.A., B.A.Sc., P. Eng.
Member Order of Engineers of Quebec
Member American Institute of Mining
and Metallurgical Engineers



PART OF ABITIBI-EAST COUNTY NORTHWESTERN QUEBEC

MAP SHOWING THE LOCATION OF THE

LYSSAN PROPERTY

4 3 2 1 0 4 miles
SCALE: 1 INCH TO 4 MILES

TOGETHER WITH THE PRINCIPAL MINES OF THE AREA

DRAWN BY R. TURGEON

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

Golden Rule Resources Ltd.
Calgary, Alberta

Summary Report

on

AMERICAN

MINERAL PROSPECTS

August 15, 1980

Robert S. Adamson, P.Eng.

Consultant

Vancouver, Canada

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
INTRODUCTION	2
SIERRA COUNTY CLAIMS	2
Introduction	2
Geological Setting	3
Mineral Occurrences	3
Conclusions & Recommendations	4
LENADO PROPERTY	4
Introduction	4
Geological Setting	5
Aspen Contact Deposits	5
Conclusions & Recommendations	6
ESTIMATED COSTS	7
Sierra County Exploration Program	7
Lenado Exploration Program	7
CERTIFICATE	

LIST OF ILLUSTRATIONS

	<u>Following Page</u>
Figure 1 Location Map	2
Figure 2 Property Map, Sierra County Claims	2
Figure 3 Property Map, Lenado	4

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

SUMMARY

Golden Rule Resources own two mineral properties in the United States. One, the Sierra County property, is a 670 acre Arizona silver prospect; the other, the Lenado property, is a 120 acre zinc-lead (silver) prospect situated near Aspen, Colorado.

The Sierra County property, consisting of 38 located mineral claims in three groups, in part adjoins the Keystone, Virginia, and Templar claims from which high grade silver ore was shipped during the last century. Because of the favourable geology on the Sierra County claims a preliminary exploration program consisting of geological mapping, visual prospecting, and geochemical sampling is proposed.

The Lenado property, a former silver and zinc producer, is reported to contain a reserve of 250,000 tons averaging 14 % zinc, 4% lead, 0.2% cadmium and 1 oz. silver per ton. Geologically, mineral deposits of economic interest on the property are restricted to the Lenado Fault, a wide zone of intensely brecciated, sheared and altered rock that crosses the width of the property. A two stage diamond drill program is proposed that will endeavour to verify and to extend the indicated reserve. In addition the program will attempt to provide sufficient information to justify driving a new low-level tunnel into the zone.

The estimated cost of the above programs is summarized as follows:

Sierra County	\$ 11,500.
Lenado - Stage 1	89,000.
Lenado - Stage 2	<u>178,000.</u>
Total	<u>\$278,500.</u>

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

INTRODUCTION

Dolmage Campbell & Associates Ltd. have been requested by Golden Rule Resources Ltd. to prepare a report on their Lenado and Sierra County mineral properties situated in Colorado and New Mexico respectively. The relevant technical data for each property was made available to the writer for review. On the basis of the review the writer examined the Lenado property underground on August 7, 1980 accompanied by Mr. Ron Harris, part owner of the property. No visit was made to the Sierra County property.

SIERRA COUNTY CLAIMS

INTRODUCTION

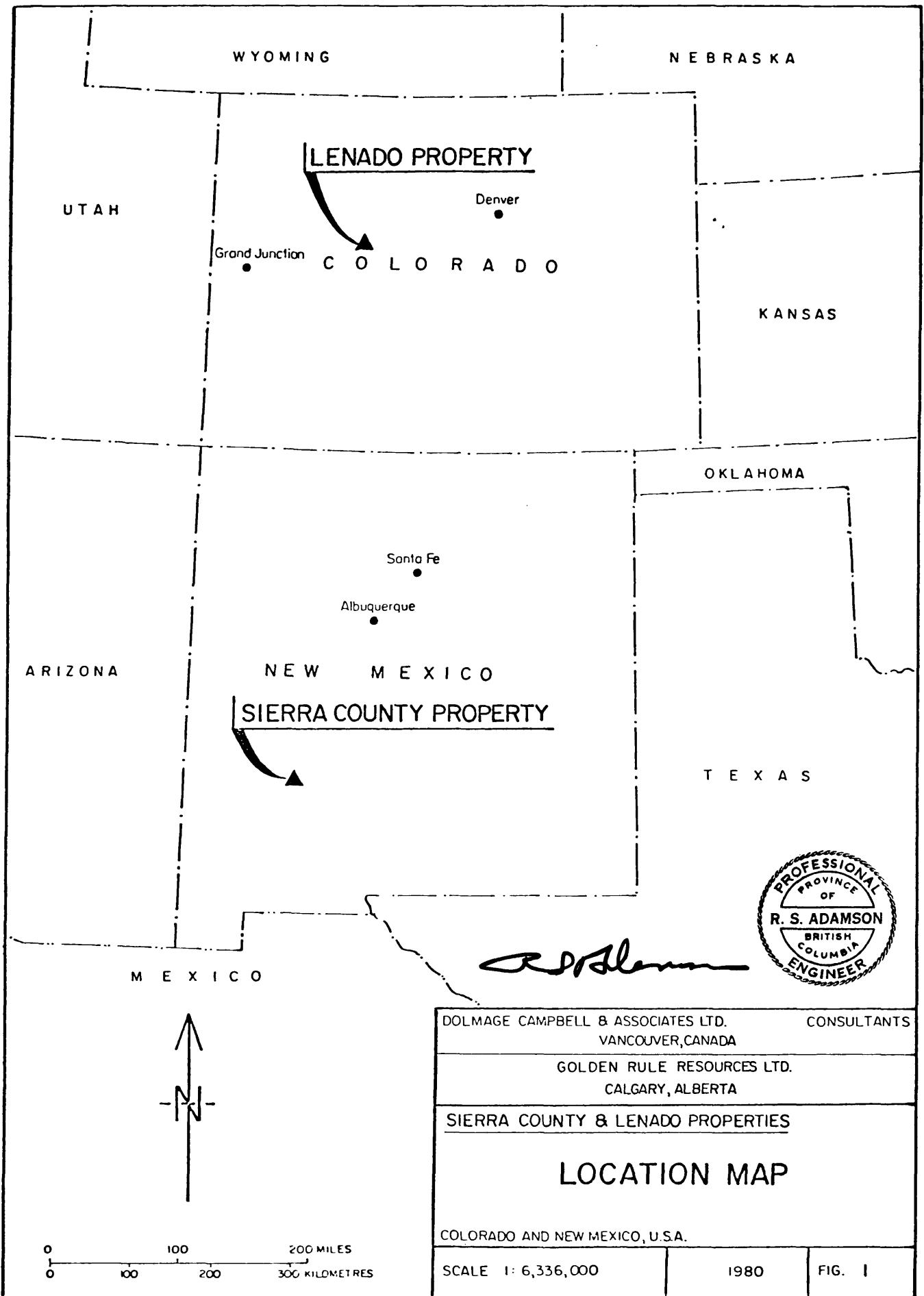
The Sierra County Group of claims (Lucky Seven, Seven or Eleven, and JL) which are silver prospects, lie in the North Percha Area of the Black Range Mining District, Sierra County, New Mexico about 14 miles northwest of Hillsboro, New Mexico. The property can be reached from Hillsboro over Highway 180 by forest road and by rough mountain road.

The property comprises three groups of located mining claims as shown on Figure 2. They are the Lucky Seven 1 to 17 inclusive, JL 1 to 10 inclusive, and Seven or Eleven 1 to 11 inclusive. The approximate total acreage of the property is 670 acres.

The main period of activity in the Black Range district was in the last century culminating in 1893 with a decline in the price of silver. Since that time production has been sporadic, consisting essentially of high grading numerous small mining properties. The principal production from the district consisted of oxidized vein material enriched in silver. Shipments ranging from 40 to 500 oz. per ton have been reported.

References which provided the basis for this report are:

1. "The Geology and Ore Deposits of Sierra County, New Mexico"; 1934, Bulletin No. 10, New Bureau of Mines and Mineral Resources.
2. "Report on Keystone Mine"; May 22, 1936 by J.V. McConnell.



LUCKY SEVEN 1-17

10	9	8
11	4	1
12	5	2
13	6	3
14	7	
15	17	
16		

11
10
9
8
7
6
5
4
3
2
1

SEVEN OR ELEVEN

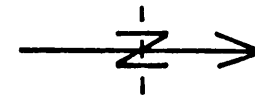
1-11

KEYSTONE

VIRGINIA

TEMPLAR

75°



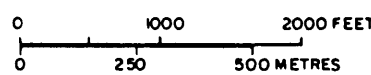
R. S. Adamson



1	4
2	5
3	6
	7
	8
	9
	10

ICONOCLAST

JL 1-10



DOLMAGE-CAMPBELL & ASSOCIATES CONSULTANTS
VANCOUVER, CANADA

GOLDEN RULE RESOURCES LTD.
CALGARY, ALBERTA

SIERRA COUNTY CLAIMS

PROPERTY MAP

BLACK RANGE MINING DISTRICT, NEW MEXICO

SCALE: 4" = 1 MILE	AUG. 1980	FIG. 2
--------------------	-----------	--------

3. "Report on Templar Mine"; Nov. 17, 1938 by Howard M. Fields.
4. "Report on Virginia Mine"; April 25, 1974 by G. Herne, B.S. (Mining Engineering).
5. "A Cursory Report on the North Percha Creek - Mineral Creek Sub-district, Sierra County, New Mexico; Oct. 22, 1974 by D.G. Fingado, Hard Rock Mining Co. Inc.

GEOLOGICAL SETTING

The Black Range district is underlain by Precambrian granites, gneisses, and schists that are in turn overlain by Paleozoic sedimentary rocks. Volcanic and granitic rocks of Tertiary age have been extruded on and intruded into the above assemblage.

A series of north-south faults, forming many long, narrow slices, have developed an intricate pattern of small fault blocks. Faulting apparently was accompanied and preceded by andesitic flows and monzonite porphyry intrusion.

Fissure vein and replacement type silver-bearing mineralization comprising galena, chalcopryite, sphalerite, pyrite, rhodochrosite, calcite and quartz occurs along steeply inclined fractures and faults in the Black Range district. Host rocks normally are Paleozoic limestones, usually situated at or near their contact with overlying Devonian shales. In the North Percha area host rocks for silver mineralization are reported to be Precambrian granite and some quartzite.

MINERAL OCCURRENCES

Although numerous silver occurrences have been staked in the North Percha area, (Figure 2), the principal exploration and production were undertaken on the Keystone, Virginian, and Templar claims. The silver-bearing fissure vein, which lies on all three claims, strikes north 10° to 15° east and dips 75° east. Widths of ore shoots on the structure ranged from 5 to 18 feet but averaged 7 feet. The grade beneath the enriched oxidized sections, the only portion mined and shipped in the early days, averages 10 oz. per ton silver. Ore shoots were apparently developed by a series of short adits and drifts on the Keystone, Virginia, and Templar sections of the vein but the vein was not explored to any appreciable depth because the grade became too low for the early operators to mine and ship. The developed length along the vein appears to have been in the order of 2000 feet.

No occurrences of previous economic interest are reported to occur on the Lucky Seven, Seven or Eleven, or the JL claim groups. However, the projection of the Keystone-Virginia-Templar structure may continue north to the JL group and south to the Lucky Seven group. The vein structure is indicated to be strong as manifested by intense parallel fracturing (up to 20 feet in width), dyke emplacement along the structure, gouge material implying a faulted zone, and alteration of the country rock. Other parallel and subsidiary mineralized fractures exist in the North Percha area of the Black Range district.

CONCLUSIONS AND RECOMMENDATIONS

Because of the possible presence of the projection of the Keystone-Virginia-Templar structure on to the Lucky Seven and JL groups and the indicated strength of the structure, because of the presence of numerous other mineralized fractures in the area, and because of the good grade evident in unoxidized deposits exploration is, in the opinion of the writer, warranted. The initial exploration program should be to detect and confirm the presence of mineralized fractures and faults on the three claim blocks with particular emphasis on the indicated projection of the Keystone-Virginia-Templar structure.

It is recommended that the property (3 groups) be geologically mapped on a reconnaissance basis. Indicated faults from the mapping should be verified on the ground by implementing VLF electromagnetic surveys. Where practical, the structures should be assessed for their metallic content by close visual prospecting and geochemical sampling.

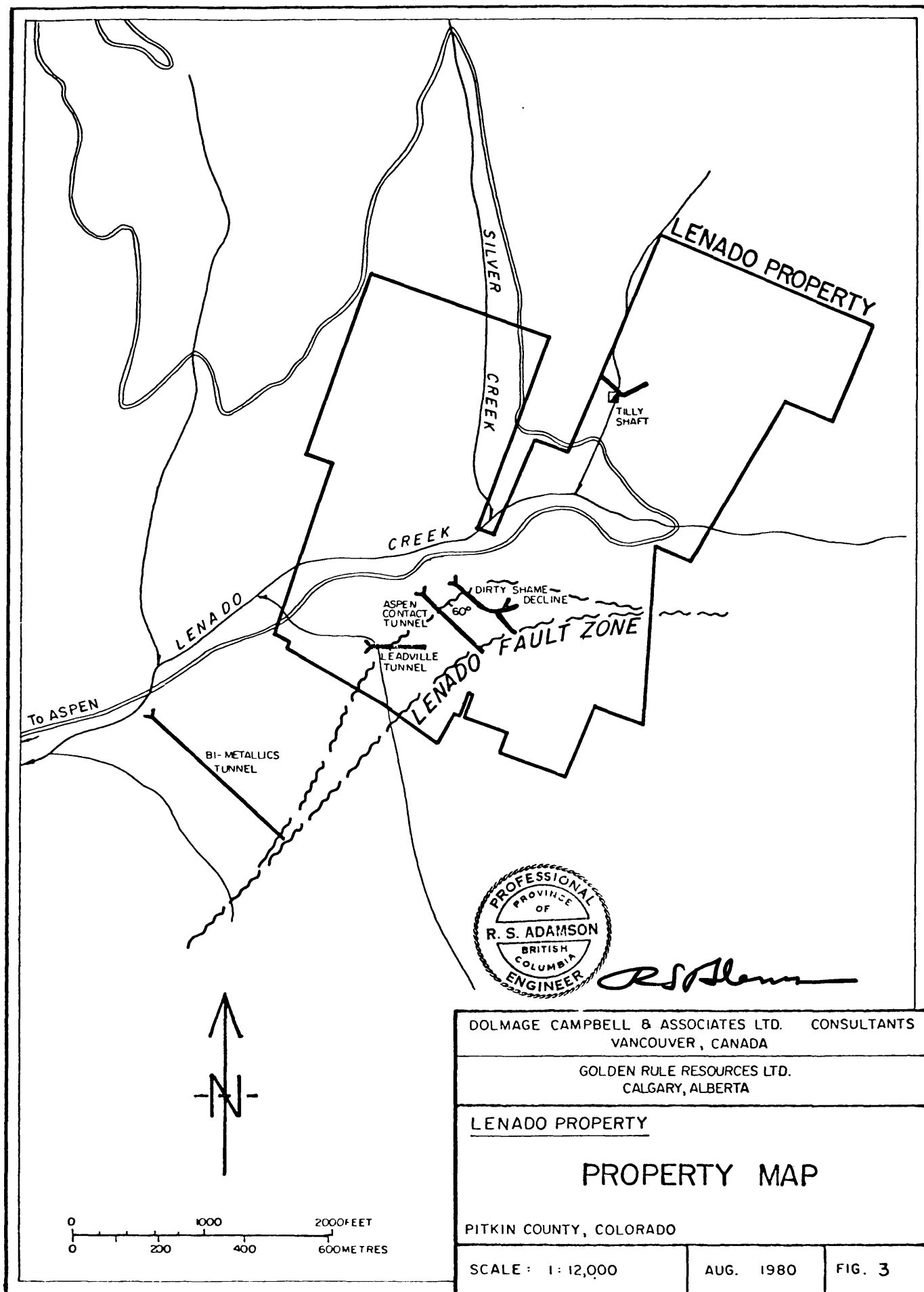
LENADO PROPERTY

INTRODUCTION

The Lenado property, a zinc-lead prospect with associated cadmium and silver values, is situated on Woody Creek six miles northeast of Aspen in Pitkin County, Colorado. Access to the property can be achieved by a nine mile gravel road from Highway 82.

The property comprises four patented and two unpatented claims. The Silver Tide, Herron-Olsen, Smuggler-Durant, and Stein are patented; the Ebb Tide and Neap Tide are unpatented.

The history of the property began in the latter part of the last century. High grade silver production was undertaken during the period 1891-1899 from the old Aspen Contact mine and some zinc production took place in 1920 from the Leadville Mine. The property was essentially inactive until the late 1960's when the Rhenco-Lenado Group drilled 8 holes



(total 1370 m). In 1974 Down Under Mining Co. in concert with the Rheco-Lenado Group drove the Dirty Shame Decline 107 m with the object being to explore two economically interesting intersections from the previous drilling. At this time 244 m of drifting, 35 m of NQ drilling, and 1069 m of longhole drilling was carried out with a view to blocking out an ore reserve. The reported proven reserve outlined from this work is 250,000 tons averaging 14% zinc, 4% lead, 0.2% cadmium, and 1 oz. per ton silver. Inferred tonnages are reported to be in the order of 600,000 tons grading 10% zinc, 3% lead, 0.15% cadmium, and 1 oz. per ton silver. In 1977 the property was optioned to Hanna Mining Co. who drilled five holes; two (total 212 m) were HQ diamond drill holes, three (total 245 m) were reverse circulation rotary holes. Hanna relinquished its option in 1979.

References reviewed in the compilation of this report are:

1. "Geology of the Aspen 15-minute Quadrangle, Pitkin and Gunnison Counties, Colorado"; 1979, by Bruce Bryant, G.S.A. Prof. paper 1073.
2. "Exploration and Development at Lenado"; 1975, by R. Harris of Down Under Mining Co.
3. "Lenado Progress Reports"; June 15, 1977 to Dec. 15, 1978 by Coastal Mining Co. for Hanna Mining Co.

GEOLOGICAL SETTING

The Lenado claims are underlain by sedimentary formations ranging in age from Cambrian to Pennsylvanian. The formations, comprising shale, dolomite, limestone, and quartzite, are folded along axes which trend north to northwesterly. Dips are 50° to 65° to the west.

Structural detail is complex because of the presence of numerous faults, fractures, and brecciated zones. The predominate structure is the Lenado Fault Zone with which the property's mineral deposits are associated. The Lenado Fault, a zone of intense brecciation, shearing and alteration trends east-northeast across the southern half of the property for approximately 670 m, (Figure 3). The width of the zone on the property ranges up to 120 m. The zone dips steeply to the south.

Mineralization usually occurs at faulted dolomite-shale and dolomite-quartzite contacts within the Lenado Fault Zone.

ASPEN CONTACT DEPOSITS

Several underground entries, (the Leadville tunnel, the Aspen Contact tunnel, and the Dirty Shame decline), have provided exploration and production access to mineral deposits in the Lenado Fault Zone. Mineraliza-

tion in specific deposits may be primarily galena with low to moderate zinc values or alternatively, primarily sphalerite with moderate lead. In the upper reaches of the zone the deposits were enriched substantially enough to warrant production for their silver content only.

The complex internal geology within the Lenado Fault Zone as evidenced by extensive brecciation and obvious post-mineral faulting has generally inhibited exploration, particularly by drilling. However, within the Fault Zone two specific loci for the deposition of silver-enriched lead and/or zinc deposits have been identified in the underground workings. These are along faulted contacts between shale and dolomite and between dolomite and quartzite. Widths of up to 40 feet have been reported. Grades of individual deposits have been unspecific because the early operators required high silver values. Zinc was regarded as a detrimental component.

Surface drilling by the Rheco-Lenado Group in the late 1960's returned very poor core recovery. However, two holes (7 & 8) returned sufficient widths and values to warrant the collaring of the 1974 decline. One hole was reported to intersect a 27 foot interval of high grade lead-silver mineralization; the other intersection 200 feet south and 175 feet lower in elevation returned moderate zinc values over 40 feet. Hanna Mining drilled two HQ holes in 1977 with excellent core recovery. Both holes failed to reach their prescribed geological targets; the first because of poor operational practice, the second because the old underground workings were encountered. Three reverse circulation rotary holes were drilled by Hanna in 1978 on geochemical-geophysical targets. Two returned negative values; the third intersected 45 feet of mineralization assaying 4% Pb, 6% Zn and 2.8 oz. Ag per ton.

CONCLUSIONS AND RECOMMENDATIONS

It is evident that the Lenado Fault Zone on the Lenado property is a highly prospective structure. The zone exhibits ample length, width and depth to contain several replacement-type deposits similar in size and grade to that outlined in the Dirty Shame decline and those indicated to have occurred in the now inaccessible Leadville and Aspen Contact tunnels. Because of the indicated grades and the potential tonnage, continued exploration is, in the opinion of the writer, warranted.

Exploration, however, can be expected to be difficult because of the complex geology and the heavy nature of the ground within the Fault Zone. Underground exploration will require extensive timbering. Surface drilling, in spite of poor core recovery in some instances in the past, has proven to be effective.

The following program is proposed with the object being to gain sufficient encouragement from surface drilling to warrant driving a new low

level adit that would be then used for exploration and ultimately development purposes.

Drill three holes (NQ core) spaced at 60 m intervals from the level of the Dirty Shame decline collar. Each hole should be approximately 215 m in length. The holes should be angled to cut the deposit approximately 15 m beneath the decline drift level. Relevant core intersections should be assayed for lead, zinc, and silver.

Providing the initial drill results are encouraging, drilling should be continued. It should consist of an additional 1400 m in six holes. The object of the second stage drilling would be to indicate sufficient strike along the mineralized zone 15 m below the decline-drift level to warrant driving a new, flat, lower-level tunnel.

ESTIMATED COSTS

SIERRA COUNTY EXPLORATION PROGRAM

The cost of carrying out the proposed mapping program supported by some reconnaissance geophysics and geochemistry is estimated to be as follows:

1. Geological mapping, supervision and report preparation	\$ 3,000.
2. Geophysics and geochemical prospecting	4,000.
3. Maintenance	1,500.
4. Vehicle rental	1,000.
5. Field support including geochemical assays	500.
6. Contingencies (15%)	<u>1,500.</u>
Total	\$ 11,500.

LENADO EXPLORATION PROGRAM

Stage 1:

The cost of drilling the three proposed holes (2100 feet) is estimated to be:

1. Drilling 700 m at \$90. per metre	\$ 63,000.
2. Geology, field supervision and report	10,000.
3. Assays (estimated 50 at \$20. per sample)	1,000.
4. Geologist maintenance and vehicle rental	2,000.
5. Field support (freight, maps, communications, etc.)	1,500.
6. Contingencies (approx. 15%)	<u>11,500.</u>
Total	\$ 89,000.

Stage 2 (contingent):

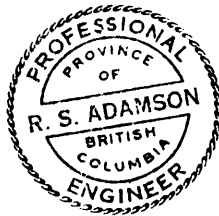
Drilling: 1400 m at \$90. per metre
plus pro rata support costs as in Stage 1

Total \$178,000.

Grand Total \$278,500.

Respectfully submitted,

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.



A handwritten signature in black ink, appearing to read "R. S. Adamson".

Robert S. Adamson, P.Eng.

DOLMAGE CAMPBELL & ASSOCIATES (1975) LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

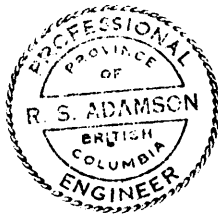
1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

CERTIFICATE

I, Robert S. Adamson, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A.Sc., in Geological Engineering, 1957).
3. I am a registered Professional Engineer of the Province of British Columbia.
4. From 1957 to 1967 I was engaged in mineral exploration in Canada as a geologist for a number of companies. I was Chief of Exploration for Anvil Mining Corp. Ltd. when I retired in 1967 to join the firm of Dolmage, Campbell & Associates Ltd. as a senior engineer. In 1968 I became an associate of the firm.
5. I examined the Lenado property on August 7, 1980. I have not examined the Sierra County property.
6. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of Golden Rule Resources Ltd. or of any affiliate thereof, nor do I beneficially own, directly or indirectly, any securities of Golden Rule Resources Ltd. or any affiliate thereof.

Respectfully submitted,



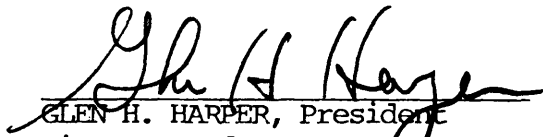
A handwritten signature in black ink, appearing to read "R. S. Adamson", written over a horizontal line.

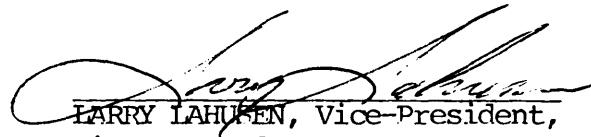
R.S. Adamson, B.A.Sc., P.Eng.


CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act of the Province of British Columbia and the regulations thereunder.

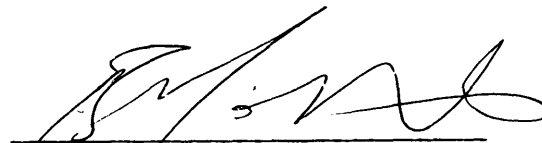
Dated at the City of Vancouver, Province of British Columbia
this 1st day of April, 1981.

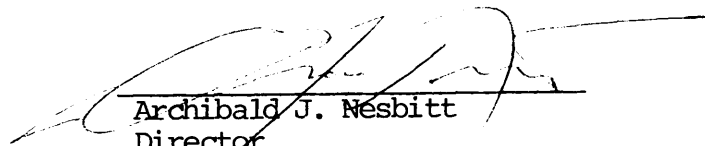

GLEN H. HARPER, President
Director and Promoter


LARRY LAHUSEN, Vice-President,
Director and Promoter


RONALD K. NETOLITZKY
Secretary/Treasurer, Director &
Promoter


WILLIAM E. AMBROSE,
Director & Promoter


R.A. BRUCE McDONALD,
Director and Promoter


Archibald J. Nesbitt
Director

CERTIFICATE OF THE UNDERSIGNERS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act of the Province of British Columbia.

DATED at the City of Vancouver, Province of British Columbia
this 1st day of April, 1981.

CANARIM INVESTMENT CORPORATION LTD.*

Per: 

Per: _____

BRINK HUDSON & LEFEVER LTD.**

Per: 

Per: 

*The persons having an interest, directly or indirectly, to the extent of 5% or more in the capital of Canarim Investment Corporation Ltd. are Mr. Alfred E. Turton, 1130-444 St. Mary Avenue, Winnipeg, Manitoba, Messrs. Peter Brown, Brian Harwood and C. Channing Buckland, all of 1350-409 Granville Street, Vancouver, British Columbia.

**The persons having an interest, directly or indirectly, to the extent of 5% or more in the capital of Brink, Hudson & Lefever Ltd., are Brian Desmond Graves of 1901-1816 Haro Street, Vancouver, B. C., Francis Augustus Lefever of 8421 Oak Street, Vancouver, B. C., Alan G. Thompson, 1124 Eyremont Drive, West Vancouver, B. C., Gerald Douglas MacDonald, 6090 Blenheim Street, Vancouver, B. C., John Legget Mathers of 4101 Burkehill Road, West Vancouver, B. C., and Fred Gene Tong Wong of 6400 Lochdale Street, Burnaby, B. C.