SUMMARY REPORT

on

PLACER CLAIM P.7953

situated on Bonanza Creek

Dawson Mining District

Yukon Territory

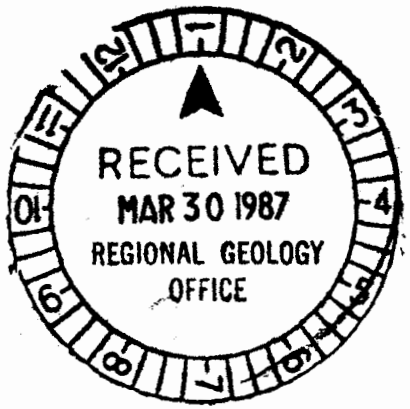
on behalf of

TOPAZ EXPLORATIONS LTD.

by

James W. McLeod, B.Sc.

June 13. 1986
Vancouver, British Columbia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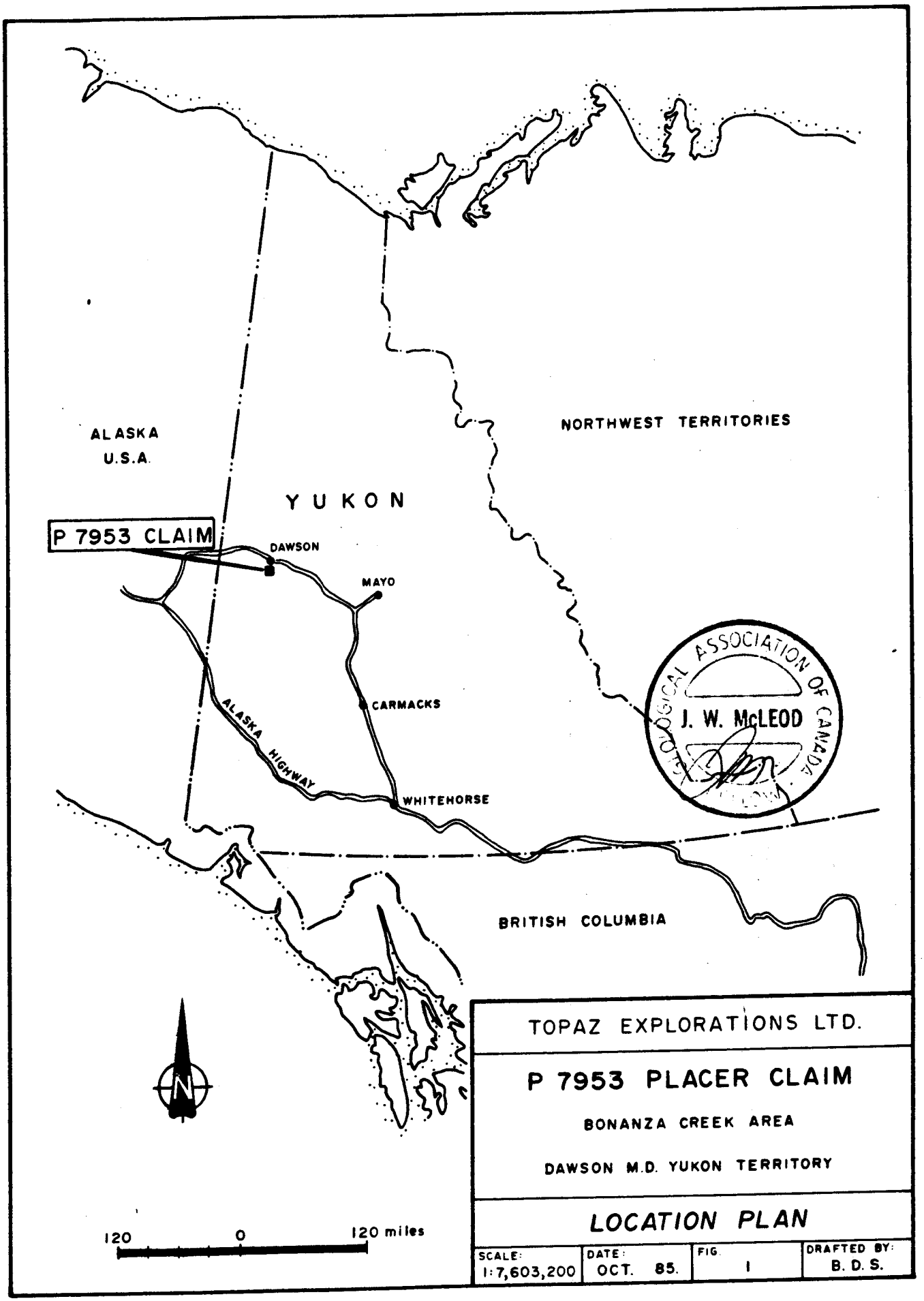


TOPAZ EXPLORATIONS LTD.

P 7953 PLACER CLAIM

BONANZA CREEK AREA

DAWSON M.D. YUKON TERRITORY

LOCATION PLAN

SCALE:	DATE:	FIG.	DRAFTED BY:
1:7,603,200	OCT. 85.	1	B. D. S.

SUMMARY

During the fall of 1985 a stripping, trenching and sampling program was performed on Placer Claim 7953 belonging to Topaz Explorations Ltd. of Vancouver, British Columbia.

The program revealed certain auriferous zones within different stratigraphic horizons. The gold occurs in the -3/16" fraction as small discrete nuggets. The gold was found to be recoverable by standard wet-gravity separation methods. No clay in significant amounts was seen to occur with the gold. The property also exhibits additional favourable features which are listed as follows:

1) Adequate water is available for processing on site.
2) The claim is situated in an environmentally favourable area regarding placer mining.
3) Historical and recent placer gold production occurs about P.7953.
4) The area about P.7953 has produced placer gold from both bedrock and above, including higher level bench areas. Bedrock has yet to be encountered on the property.

The writer has recommended a 30 day limited production program concurrent with an overburden drill sampling program to assist in establishing the location of bedrock and the grade of the material overlying it.

The first phase of the revised recommended program is estimated to cost $180,000.

INTRODUCTION

During August and October 1985, a bulldozer stripping, trenching and sampling program was undertaken on Placer Claim 7953 (P.7953), the property of Topaz Explorations Ltd. of Vancouver, British Columbia. The program involved extensive stripping and cutting of four trenches with a Caterpillar D8K bulldozer. The trenches were then sampled, one large bulk sample was taken using a Caterpillar 950 loader and 15 constant volume samples were taken by hand. The August 1985 program was performed by N.A. Pearson of Vancouver, B.C. and the October 1985 program was performed by J.A. Spandier of Dawson City, Y.T., both of whom were working under the writers' supervision. The samples taken during August were processed on Bonanza Creek using the facilities and equipment of the Hawk Mining Company. The final concentrates were sent to Vancouver for weighing. The October samples were sent by transport truck to Vancouver for processing by the writer.

This report is being prepared to summarize the results obtained from the sampling program which was recommended by the writer in his report to the Company dated March 27, 1985. This summary was requested by the Directors of Topaz Explorations Ltd.

LOCATION AND ACCESS

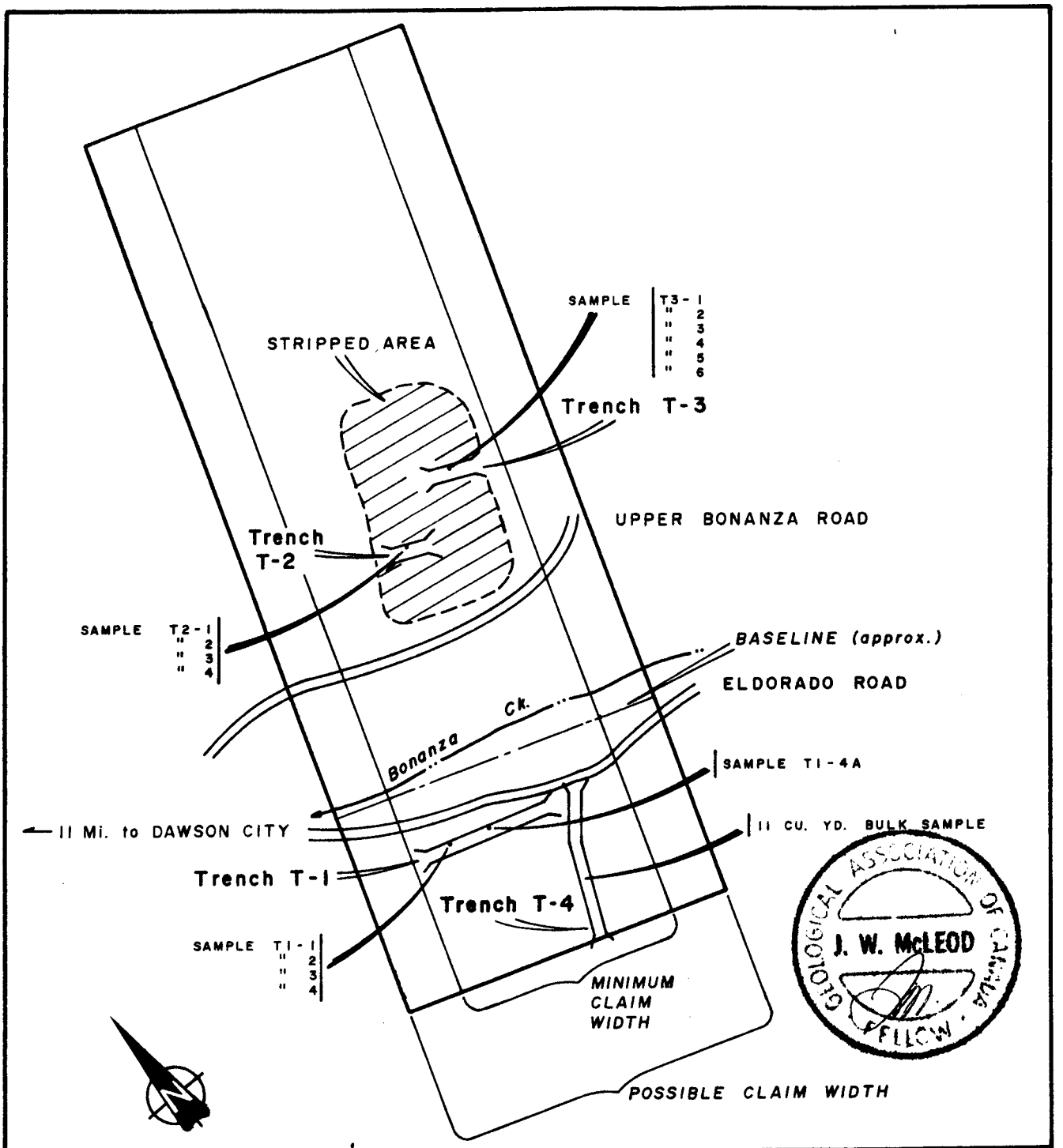
The 7953 placer claim is located on Bonanza Creek approximately 11 miles south - southeast of Dawson City, Yukon Territory. The area covered by the claim is shown on N.T.S. map sheet 115-0-14 at longitude 139 degrees - 22 minutes west and latitude 64 degrees north.

Access to the property is gained by travelling in a southerly direction for approximately 11 miles from Dawson City on the Bonanza Creek road.

PROPERTY AND OWNERSHIP

The property consists of one placer claim with approximate dimensions of 1300 feet in width by 300 feet in length. The area covered by the claim is approximately 9.0 acres or 3.6 hectares. **Note: The dimnensions given for the claim are a minimum and may in fact be somewhat larger. These minimum figures were acquired from Mr. D. Jennings, Mining Recorder for the Dawson Mining District, Yukon Territory. The claim must undergo a legal claim survey to accurately determine its' dimensions.** The claim is in good standing until October 23, 1986, but considerable work performed in the past remains to be recorded.

The present claim was recorded in 1979 and is now owned 100% by Topaz Explorations Ltd. of #300 - 800 West Pender Street Vancouver, British Columbia, V6C 2V8.



GEOLOGICAL ASSOCIATION OF CANADA
J. W. McLEOD
FELLOW

NOTE: CLAIM LENGTH MUST BE DETERMINED BY LEGAL SURVEY.

approx. 200 0 200 feet

NOTE: THIS SCALE IS APPROXIMATE

TOPAZ EXPLORATIONS LTD.

P 7953 PLACER CLAIM

BONANZA CREEK, KLONDIKE AREA

DAWSON MINING DIVISION, YUKON TERRITORY

TRENCH PLAN

SCALE:	DATE:	FIG:	DRAFTED BY:
approx. 1:2400	OCT. 85	2	B. D. S.

TOPOGRAPHICAL AND PHYSICAL ENVIRONMENT

The property is situated straddling the northerly flowing Bonanza Creek, just north of its' confluence with Eldorado Creek at an elevation of 1600 feet mean sea level.

The claim area is open benched ground, which is covered mainly by deciduous trees, poplar and birch, with an intermingling of lesser amounts of spruce. Permafrost occurs mainly on the eastern portion of the property, but drainage to the present creek levels is good.

Generally low to moderate precipitation occurs in this northern setting. Temperatures exhibit a wide range between summer and winter. The summers can be hot (90 degrees+ F.) and the winters can be very cold (minus 40 degrees+ F.). The average placer mining season varies between 110 - 140 days which are often double shifts because of the continuous daylight during the summer season in this region.

HISTORY

Bonanza Creek has had a long and productive placer gold history. Discovered in 1896 by George Carmack and party, the area became the centre of the world famous Klondike Gold Rush. Since that time to the present, placer gold mining has been carried out continuously, to varying degrees. Although portions of Bonanza Creek have been dredged by the Yukon Consolidated Gold Corporation (Y.C.G.C.) not all of the ground near the confluence of Bonanza and Eldorado Creeks was mined because of the nature of the ground and the limitations of the mining method of the day. The large dredge of Y.C.G.C. lies downstream of P.7953 and the smaller (27 foot reach) dredge which worked Eldorado Creek apparently could not make bedrock and only passed through the claim. Production has occurred since abandonment of the Y.C.G.C. operations, in the immediate area, both upstream and downstream of the 7953 mineral claim.

GEOLOGY

The area covered by P.7953 has been mapped as being underlain by the Klondike "Schist" (Map 1284A to accompany G.S.C. Memoir 364 by L.H. Green and J.A. Roddick, 1961). The Klondike "Schist" is described as "mainly buff weathering, light pale green quartz-muscovite-chlorite schist, and schistose, chloritic quartzite, with all intermediate rock types also present; minor silvery muscovite schist, fine-grained quartz-biotite gneiss, thinly laminated quartz-graphite-sericite schist and quartzite".

The surficial deposits within the Bonanza Creek valley are considered to be of (Quaternary) age. The origin of much of the unconsolidated material in the area is unknown and a great deal of speculation about the origin of the often productive "white channel" (highly quartz bearing) gravels has occurred. The writer has not observed "white channel" gravels in place on the claim, although the best gold values

obtained in the test samples are from the cleanest, most quartz abundant samples which are seen to contain red garnets and other resistates (see Table 3).

Note: Fineness of gold was not assayed for but data obtained from Mr. D. Jennings and acquired from the data of Mr. Geo. Gilbert, Geologist with the Department of Indian and Northern Affairs lists gold fineness for mid-Bonanza at 780.

Bedrock has not been observed on the property by the writer, but it may occur at the base of Trench T2. Approximately 1/4 mile north of the claim and on the Bonanza Creek side of the road to Dawson City, a recent bedrock prospect drill hole encountered some 50 feet of overburden gravels (personal communications between the writer and a technician on the drill crew). Bedrock is an extremely important factor in the overall economic consideration of the property and will be discussed further on in the report.

PREVIOUS WORK

The Bonanza Creek area has undergone many periods of mining and exploration since its' discovery in 1896. The early 1930's to 1966 was the "bucket" dredge period on Bonanza Creek and the smaller (27 foot vertical reach) dredge of Y.C.G.C. passed through the P.7953 claim on its' way up Eldorado Creek. It apparently did not make bedrock. The larger dredge which presently lies downstream of the claim did not work the ground. During 1981, a large area of the property was stripped and prepared for sampling. The eastern side of the property remained to be stripped and a large part of this was accomplished during the present program (see Photographs).

PRESENT WORK PROGRAM

During August and October of 1985, a stripping, trenching and sampling program was undertaken on the 7953 placer claim.

The bulldozer stripping was performed on the eastside of the Upper Bonanza Creek road and the creek (see Figure 2 and the Photographs). The area stripped was approximately 250' x 200' or 50,000 square feet which is about 1.15 acres. The depth of stripped material averages 2' which represents about 3700 cubic yards of overburden removed.

Four trenches were cut with the bulldozer and they are listed as follows with their respective average dimensions and volumes:

1) Trench 1 - 300' long x 50' wide x 12' deep.
   Volume = 6660 cubic yards.

2) Trench 2 - 50' x 12' x 10' = 220 cubic yards.

3) Trench 3 - 25' x 12' x 15' = 170 cubic yards.

4) Trench 4 - 200' x 25' x 4' = 740 cubic yards.

The total amount of material removed with the bulldozer during this program, including overburden and gravels equals 11,500 cubic yards.

SAMPLING PROCEDURE

The sampling portion of the program involved taking a total of 16 samples of which 15 were 1 cubic foot samples taken by hand through various sections of Trenches 1 - 3 inclusive (see Table 1, Figure 2 and the Photographs). One 11 cubic yard sample was taken from Trench 4 using the Caterpillar 950 loader and subsequent "longtomming" or sluicing of the sample was done at the facilities of the Hawk Mining Co. on Bonanza Creek.

The 15 - one cubic foot samples were taken from vertical sections within the various trenches which exhibited a) an overall uniformity of material or stratification and b) some indications of areal extent.

The trench wall was cleaned off to a depth of about 6" noting the general character of the composite material ie. colour, size of material, gravel, sand, clay, etc. The sample intervals were numbered and marked with spray paint (see Photographs).

The marked sections were then constant volume sampled, one cubic foot, over the length of the various sample intervals with particular care taken to only sample compositionally similar sections and to be consistant in sampling volumetrically over the whole section.

Prior to the samples being bagged for shipment, all material one inch and over was removed by hand from the sample and noted (see Table 1). The samples were placed in large, labelled, plastic sample bags. The samples were then crated and sent to the writer in Vancouver, B.C.

Note: Since some oversized material was discarded from some of the samples the size of some of the samples transported to Vancouver, B.C. for processing by the writer were somewhat less than one cubic foot in volume but nevertheless the samples were originally one cubic foot in size and therefore the gold recovered and reported in Table 3 is for that original volume.

SAMPLE CONCENTRATION PROCEDURE

The samples were then wet screened to give four sizes, +1/2", +1/4", +3/16" and -3/16". The sample sized fractions were examined for the presence of gold and for general features such as texture, composition, colour, etc. The volume of each fraction was determined by displacement of a measured volume of water (see Table 2).

The -3/16" fractions were hand panned to a concentrate. The panned tailings were periodically re-panned to check for loss of gold.

The concentrates were air dried and split into magnetic and non-magnetic fractions. Each fraction was examined under the binocular microscope and notes were made on its' content (see Table 3). The seperate concentrates were then re-panned to decrease the concentrate volume and those found to contain gold were isolated.

The gold bearing samples were placed under the microscope and the gold particles were removed with tweezers and subsequently weighed (see Table 3).

RESULTS

The following descriptions of Trenches 1 - 4 summarize features revealed by the fieldwork and subsequent sample analyses:

Trench 1 - The material exposed in this trench is generally clean, sandy gravel with abundant sub-angular particles. The top 9 feet of the exposed section appears to have a fairly uniform distribution of particle sizes. The lower 3 foot section is quite sandy and clay is abundant. Various organic material is found to occur throughout the exposed section, but is much more abundant toward the top. The gold content increases in the lowest sections from a depth of 5 feet to 12 feet.

Trench 2 - The material exposed in this trench has a very dirty top 4 feet. The material below 4 feet is quite clean with a bit of clay present which is probably a result of the weathering of a highly chloritic, but not sericitized host ie. the dark green mica schist. Good gold values were obtained from 4 feet to 7 feet.

Trench 3 - The top 12 feet of this trench contain little organics, an increasing amount of clay with depth and no gold was found in the samples. The lowest section contained a small amount of gold.

Trench 4 - The section exposed in this trench has a great deal of vertical extent. The material appears similar to that encountered in Trench 1, generally clean with only minor clay. The material is gold bearing with an indicated average from the 11 cubic yard sample of approximately 0.6 grams per cubic yard.

The purpose of this sampling program was to determine if sufficient, recoverable placer gold is present on Placer Claim 7953 to encourage initiation of production. A number of factors relating to such a decision are suggested by the current data. The following section of this report will summarize these factors and outline the writers' suggestions for approaching the production objective.

CONCLUSIONS AND RECOMMENDATIONS

The conclusions drawn from the results of the recently completed program on Placer Claim 7953, as well as, a number of opinions of the

writer about the potential of the general area are listed as follows:

1) The setting of Placer Claim 7953 is considered to be excellent in relation to past placer gold production. It lies just downstream of the junction of two of the most productive creeks in the Klondike area. A number of active placer gold operations occur very close to P.7953.

2) Placer gold has been recovered in significant quantities from a number of different locations on P.7953. These anomalous placer gold zones occur in a number of different stratigraphic horizons. There are indications of barren zones within the stratigraphic sequence which is common to all placer gold occurrences which the writer has examined.

3) The gold recovered was all found to occur as discrete nuggets of various sizes. The texture of the nuggets was sub-rounded, flattish with a ratio of length to width to thickness of 3 to 2 to 1. The nuggets were not a part of a mixture with any other material such as quartz which is often the case. These gold particles were found to seperate readily from the other constituents of the concentrate.

4) The placer gold recovered during the sampling program was not found to occur in the larger than -3/16" material size fraction, although at times there will probably be nuggets larger than this size encountered. The size of gold particles, as well as, the texture can be considered to be advantageous to a high volume, wet-gravity seperation process.

5) The material seperated and concentrated very easily by conventional wet- gravity separation. The gold bearing material was generally cleaner than the barren material.

6) There are indications, within the trenches sampled, that the grade of placer gold is increasing with depth. Only an ongoing pan-sampling program would verify this, but whichever the case, continuous pan-sampling is essential especially during production since barren ground must be determined and consequently discarded before it enters the processing system.

7) In the general area the best grades are often encountered at or near bedrock. This property has yet to render these results.

8) Bonanza Creek is classified by the regulatory authorities as an open creek. P.7953 lies in an environmentally favourable area.

9) Sufficient water for processing is available and drainage to the present creek level from the sides of the property is good.

The foregoing observations, results of the testing program and the more general opinions expressed about P.7953 lead the writer to recommend the following:

1) That the Company initiate a limited production testing program on the property, concurrent with an overburden drill sampling program to test for grade and depth to bedrock across the lowest portions of the property. It is most important to find out the location of bedrock and the grade of the overlying material to allow for the most advantageous mining and waste disposal plan. Waste will present a problem since selective processing of material is indicated. The initial limited production should proceed in the Trench 1 area because of the presence of a reasonable grade of material, sufficient indicated yardage to sustain a high volume operation and the best possibility of acquiring a good tailings disposal area. The test production should proceed at a rate of approximately 100 cubic yards per hour for 20 hours per day.

2) The Company should seek additional property adjacent to P.7953 for waste disposal. This should be previosly mined ground, preferably with bedrock exposed to prevent putting tailings or waste on material with economic potential. If property of this type is available it may not be too expensive.

3) The estimated time to accomplish the above program is 45 days, with a period of 30 days of continuous production included in the 45 days. In other words if favourable economics for the project are not attained within 30 days the program should be stopped and a current evaluation made. The following cost estimate is presented as two phases to reflect the possibility of capital equipment purchases after the 30 day lease to purchase period has expired.

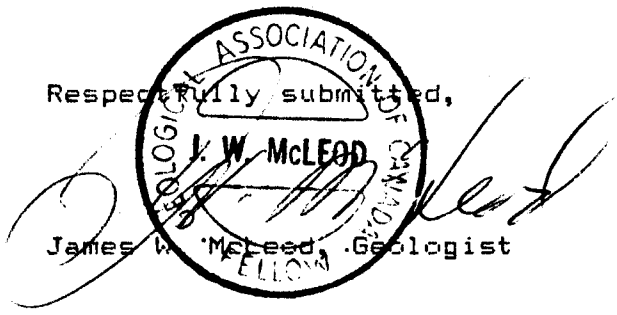
COST ESTIMATE

Note: (bracketed figures) denote outright purchase payments to be made at the end of the 30 test production period if the operation is continuing. The costs for this equipment have been determined by the writer for equipment owned by a public Company of which he is President.

	PHASE 1	PHASE 2
1000 feet of overburden drilling, with frequent flushing intervals, possible every 3 feet, using a drill equipped with a double-tube reverse circulation system. All inclusive cost of $30/foot.	$30,000	
Caterpillar D8 bulldozer with U-blade.	30,000	(50,000)
Caterpillar 966 loader with 3 yard		

bucket.	20,000	(20,000)
Pump and pipe.	5,000	(5,000)
Camp and supplies.	5,000	(10,000)
Transportation including trucks, air tickets, etc.	5,000	
Material sizing, wet-concentration system and tailings stacker.	20,000	(200,000)
Fuel and equipment.	20,000	
Room and board, 200 mandays @ $40/day.	8,000	
Wages for 5 men for 30 days plus compensation of 8.5%, etc.	20,000	
Supervisor.	5,000	
Reports, maps, etc.	2,000	
Contingencies.	10,000	
SUB - TOTAL	$180,000	(285,000)
TOTAL	$465,000	

Respectfully submitted,



James W. McLeod, Geologist

Revision:
Dated at Vancouver, B.C.
August 12, 1986

TABLE 1

* (B)= boulder which is greater than 4" in diameter; (C)= cobble which is 2" to 4" in diameter; (P)= pebble which is 1" to 2" in diameter.

SAMPLE NO.	DESCRIPTION
T1-1	Sandy sample containing some organic matter ie. "roothairs" and pieces of bark, etc. This material may be exotic or deposited from elsewhere. Discarded 3(C) and 41(P). Sample section 24".
T1-2	Sample coarser material than number 1 and with more rounded particles. Contains some organic matter. Discarded 7(C) and 88(P). Sample section 32".
T1-3	Very clean and coarse sample. Minor organic matter, pieces of wood. Discarded 3(B), 14(C) and 64(P). Sample section 48".
T1-4	Very sandy sample with some clay. Organics look like small 3/8" animal "scat". No discarded particles. Sample section 36".
T2-1	Dirty sample with abundant organics, bark and "roothairs". Angular particles. Discarded 4(C) and 16(P). Sample section 24".
T2-2	Dirty sample with abundant sand. No organics. Discarded one 10" boulder, 9(C) and 18(P). Sample section 20".
T2-3	Clean gravel sample. Discarded 3(B), 11(C) and 65(P). Sample section 32".
T2-4	Very clean, angular material. Discarded 3(B), 11(C) and 46(P).

T3-1	Dirty brown sample containing abundant organic matter. Discarded 1(B), 4(C) and 15(P). Sample section 36".
T3-2	Rusty sample, but no organics. Discarded 3(B), 12(C) and 24(P). Sample section 18".
T3-3	Sample contains,minor clay. Discarded 2(B), 5(C) and 45(P). Sample section 24".
T3-4	Moderately clayey sample. Discarded 1(C) and 3(P). Sample section 20".
T3-5	Sample contains abundant clay, some brown oxidized matter and sand. Sample section 48".
T3-6	Clean material to bottom of trench. Discarded 3(B), 22(C) and 30(P). Sample section 60".

TABLE 2

* NOTE : All samples are based on an original volume of one cubic foot of "bankrun" material.

SAMPLE NO.	% VOL. +1/2"	% VOL. +1/4"	% VOL. +3/16"	% VOL. -3/16"
T1-1	32.43	13.51	5.40	48.66
T1-2	42.10	15.80	7.89	34.21
T1-3	50.00	11.76	5.88	32.39
T1-4	3.33	1.67	1.67	93.33
T2-1	36.36	11.36	6.81	45.47
T2-2	53.85	11.53	3.85	30.77
T2-3	45.90	13.08	4.92	36.10
T2-4	60.37	9.43	3.79	26.41
T3-1	40.00	10.00	5.00	45.00
T3-2	54.16	12.50	4.17	29.17
T3-3	48.00	16.00	4.00	32.00
T3-4	21.43	14.29	7.14	57.14
T3-5	19.06	14.28	9.52	57.14
T3-6	44.45	11.11	11.11	33.33

TABLE 3

Note: The fineness of the gold recovered is taken to be 780 (see Geology Section). The placer gold recovered and reported in this Table is the amount of placer gold recovered from a one cubic foot sample of "bankrun" material.

SAMPLE NO.	DESCRIPTION OF -3/16" AND THE WEIGHT OF GOLD
T1-1	Angular to sub-rounded particles of bluish sericite schist (70%) and quartz (30%). Very little blacksand. 90% of material is flattish. Minor magnetite present. No gold was found in this sample.
T1-2	Angular to sub-angular quartz (40%); sub-angular blocky to flat mica schist (60%). Very little magnetite and red garnets present. No gold was found in this sample.
T1-3	Sub-angular quartz, 1:1 - blocky to flat (40%); sub-angular to sub-round flat schist (60%). Two small blue-white fluorescent particles present (scheelite)? This sample contained 12.277 mg. of placer gold. The gold particles were sub-rounded and flattish.
T1-4	Angular to sub-round quartz (50%); sub-angular to round acicular, flat mica schist particles (50%). This sample is very clayey. Very little blacksand. The sample contained 18.834 mg. of placer gold.
T1-4A	This sample is similar to sample T1-4 in that it is taken from the same section in Trench 1 but 60 feet to the east. This sample contained 59.513 mg. of placer gold.

T2-1 Sub-angular schist (95%); flattish, elongate, angular to sub-angular quartz (5%). No gold was found in this sample. Very little blacksand.

T2-2 Sub-rounded, flat schist (70%); sub-angular quartz and feldspar (1:1) in the amount of (30%). Very dirty sample. No gold was found in this sample. Some blacksand containing magnetite and red garnets.

T2-3 Rusty appearance to sample. Sub-round, flat schist (90%); angular to sub-angular quartz (10%). Red garnets present with abundant gold. **Placer gold found to occur in this sample is 80.131 mg.**

T2-4 Dark greenish appearance to -3/16" material due to chloritic alteration of micas. Angular to sub-angular schist (70%); angular to sub-angular quartz and feldspar (30%). Concentrate ratio of magnetics to non-magnetics (1:1). Non-magnetics composed of mainly dark red garnets and hematite. Magnetics mainly magnetite. Gold present as tiny nuggets. **The placer gold contained in this sample is 6.771 mg.**

T3-1 Soily sample. Sub-angular, acicular, flattish schist (95%); sub-angular quartz (5%). Very little magnetite, concentrate mainly hematite and mica. No gold found in this sample.

T3-2 Rusty, soily sample. Flat, light green schist (95%); sub-angular, blocky quartz (5%). No gold found in this sample. Very little magnetite or garnets present.

T3-3 Minor clay. Sub-angular, flattish schist (95%); sub-angular quartz (5%). Small amount of concentrate, very small magnetic fraction. No gold was found in this sample.

T3-4	Moderately clayey sample. Mica schist, sub-angular (95%); blocky, angular quartz (5%). Very light coloured concentrate containing small amount of magnetite and hematite. No gold was found in this sample.
T3-5	Abundant clay. Dark green, angular schist (85%); angular quartz (10%); angular to sub-angular, dark red limonitic (Fe-Mn?) particles (5%). Blue-green mica. Very little magnetite. Some red-brown garnets. No gold was found in this sample.
T3-6	Very clean sample containing no clays. Flat, elongate, sub-rounded, grey mica schist (90%); white and clear, sub-rounded quartz (5%). Abundant red garnets (almandine?), kyanite, hematite, magnetite and ilmenite? **The placer gold contained in this sample is 1.952 mg.**
T4-1	This is an 11 cubic yard bulk sample from Trench No. 4. **The placer gold recovered when this sample was processed through a "longtom" was 6.594 grams.**

Looking east into Trench #1

East profile of Trench #1

CERTIFICATE

I, JAMES W. McLEOD, of the Village of Ladner, Province of British Columbia, hereby certify as follows:

1) I am a Consulting Geologist with an office at 5303 River Road, Delta, B.C., V4K 1S8.

2) I am a Fellow of the Geological Association of Canada.

3) I graduated with a degree of Bachelor of Science, Major Geology, from The University of British Columbia in 1969.

4) I have practised my profession since 1969.

5) I do not own directly or indirectly, any interest in, nor do I expect to receive any interest in the P.7953 placer claim or the securities of Topaz Explorations, Ltd.

6) The above report is based on a personal field examination of the P.7953 placer claim during the summer of 1981 and from information gathered by other parties working under my supervision during the fall of 1985.

7) During the summers of 1979-81 inclusive, I examined a number of placer claims on Bonanza Creek and its' tributaries while working in the Klondike - Clear Creek - Sixtymile Creek areas of the Yukon Territory.

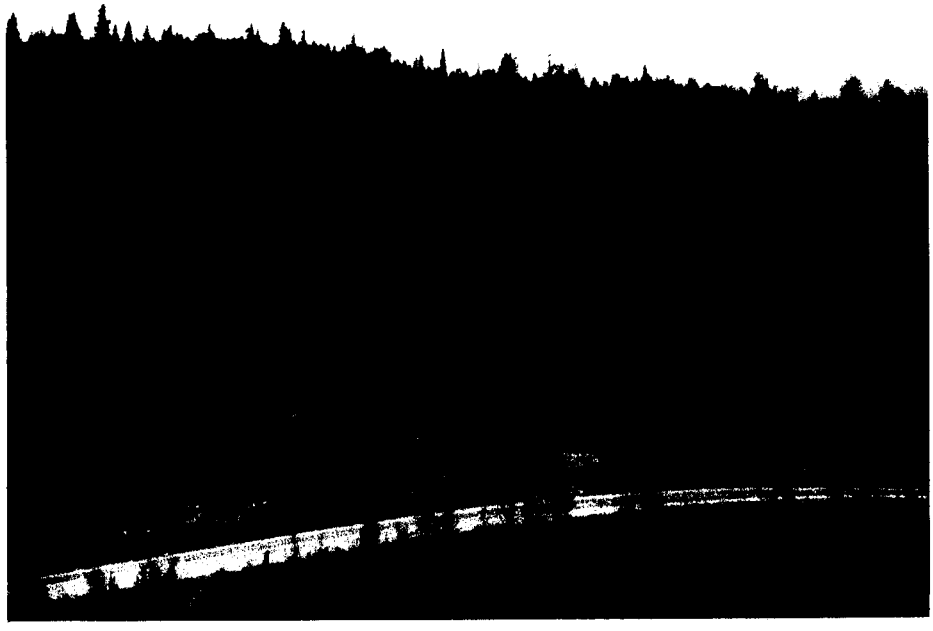
8) This report dated June 13, 1986 may be published in a Prospectus, Statement of Material Facts or Filing Statement.

DATED at Ladner, Province of British Columbia, this 12th day of August, 1986.

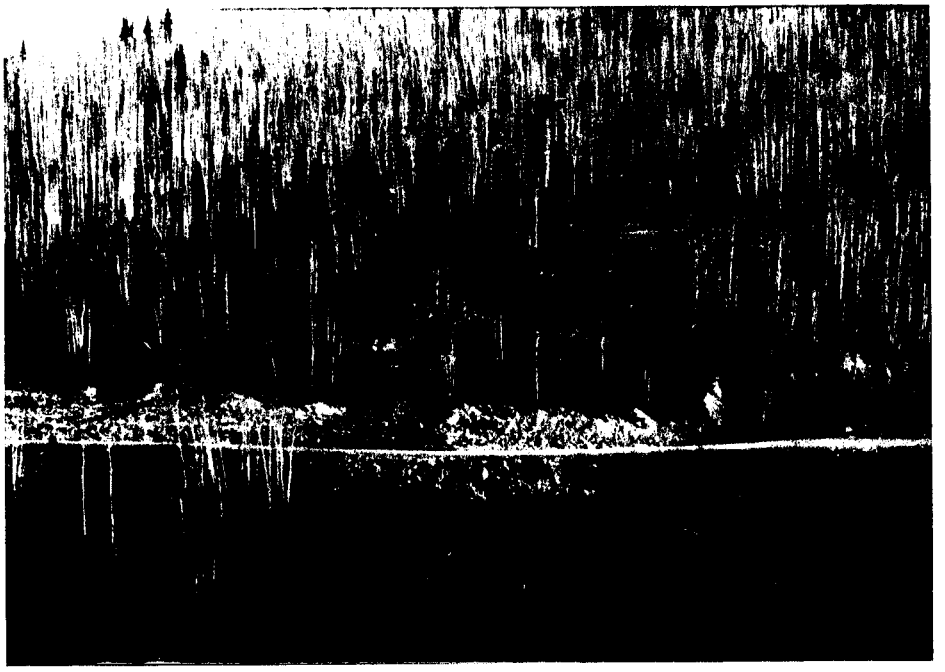
GEOLOGICAL ASSOCIATION OF CANADA 1969 J. W. McLEOD FELLOW

James W. McLeod, B.Sc.

Looking east up Bonanza Creek.
Trench #1 left centre and
Trench #4 in centre background



Front view of Trench #4 on left;
Trench #2 in centre



View to the east of large stripped zone, containing Trenches #2 and #3.

Bulldozer cutting Trench #2

Profile of Trench #2

Profile of Trench #3

CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER

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

DATED: SEPTEMBER 4, 1986.

MICHAEL FARRAGE,
President, Director
and Promoter

THEODORE PANCHUK,
Director

MARK PHILLIP LANDSBERGER,
Director

JAMES LEWIS BARRETT,
Director

DAVID FALK,
Director

CERTIFICATE OF THE AGENT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts.

DATED: SEPTEMBER 4, 1986.

YORKTON SECURITIES INC.

Per:

The following each own, directly or indirectly, in execess of 5% of each class of issued shares Yorkton Securities Inc.:

Allen Barry Van Stone, Stewart David Vorberg, Frank Giustra, Donald Risling, Lorne J. Levy, Arthur J. Thomas and Matthew Jong.