SUMMARY REPORT
ON THE
1990 FIELD WORK
ON THE
MONTROSE TOWNSHIP PROPERTY
OF
MONTROSE GOLD RESOURCES INC.

BY

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TAMWORTH, ONTARIO

OCTOBER 27, 1990

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1.0 SUMMARY

The Montrose Township property consists of a block of 10 contiguous claims situated in the Matachewan area in northeastern Ontario. The property is subject to an option agreement with Falcon Point Resources Limited, dated November 11, 1988.

The Matachewan area is underlain by Precambrian rocks of the Abitibi Subprovince in a poorly mapped section of the Abitibi greenstone belt. The area produced 1.0 million ounces gold from three former low to high grade mines in the mid 1930's including the Ashley Mine which is situated approximately 2.0 km to the east of the property. The mine produced 142,975 t grading 10.97 g Au/t from 1932-36.

Previous work on the property dates back to 1945 with the discovery of a silicified gold bearing zone (Main Zone area) uncovered by trenching. Subsequent drilling of the mineralized area returned gold intersections ranging up to 10.63 g Au/t across 3.0 m core length in x-ray hole number 4 (1945) and more recently, 7.89 g Au/t over 1.46 m core length in hole GB-1 (1973).

The 1990 field work formed part of an ongoing effort by Montrose Gold Resources Inc. to evaluate the mineral potential of the property. Work completed in 1990 consisted of an integrated program of stripping, mapping and channel sampling in the Main Zone area and ground geophysics and humus sampling over a previously cut property scale grid. Priority targets identified by the field work were subsequently followed up by a three hole (453 m) reconnaissance diamond drill program.

The property is underlain by a complex sequence of northwest-trending felsic to mafic volcanics and metasediments. Magnetic data suggests that three major stratigraphic packages cross the property. The central belt is best explored and consists of a complex sequence of intermediate to mafic and intermediate to felsic rocks measuring approximately 450 m wide. This terrain hosts all of the known gold mineralization which occurs within broad alteration zones that tend to straddle or are proximal to two major felsic/mafic stratigraphic interfaces.

Detail mapping in the Main Zone area indicates that the rocks in the area have undergone poly-phase deformation defined by two subparallel compressional strain systems. The earliest system (D1) produced the dominant regional foliation which is conformable to the trend of the known gold zones. The late system (D2) is less intense and has caused brittle offsets in the earlier fabric.

The Main Zone area straddles the northern felsic/mafic interface and consists of a 30-50 m wide zone of silicification with associated chloritization, sericitization and sulphidization. Mineralization occurs in three zones (A,B,C) which returned elevated gold values over narrow widths. These zones occur within a dilatant zone caused by an inflection of the D1 foliation and are open for extension down rake to the northeast. A weak IP anomaly extends to the northwest and southeast of the mineralized area for approximately 1200 m and remains poorly tested.

Drilling immediately to the southwest of the Main Zone area (M90-20, M90-21) has identified a new alteration zone that appears to straddle a second felsic/mafic interface. Hole M90-21 drilled at the northwest and of the alteration zone returned a gold value of 1.52 g Au/t across a 1.52 m core length. An 800 m long IP anomaly coincides in position with the alteration zone and remains untested over most of its strike length.

The presence of disseminated sulphides within the alteration zones along the two felsic/mafic interfaces suggest a possible syngenetic origin for the sulphur. Consideration should be given to exploring these areas for a volcanogenic massive sulphide type deposit.

Compilation of results has provided a better understanding of the structural - stratigraphic setting of the property and has identified new prospective targets for both gold and possibly base metal mineralization.

A program of stripping at regular intervals across the two IP zones followed by mapping and channel sampling is recommended. A deep penetrating EM survey to search for buried massive sulphide bodies should also be considered.

2.0 INTRODUCTION

An integrated program of stripping, mapping and channel sampling in the Main Zone area and ground geophysics and humus sampling was completed on the 10 claim Montrose Township property in the spring of 1990. Priority targets identified from the geophysical work were subsequently followed up in September by a three hole (453 m) reconnaissance diamond drill program.

Favourable alteration zones and gold mineralization recorded in previous drilling in the Main Zone area were exposed on surface by the stripping. These areas were systematically channel sampled and mapped in detail.

Techterrex Inc. was contracted to carry out a magnetic survey and limited IP survey over selected lines to provide a property scale investigation of bedrock stratigraphic and structural features. The geophysical program was augmented by humus sampling designed to test the geochemical expression over the Main Zone area and to provide a filter for targets identified by the geophysics.

Heath and Sherwood Drilling Ltd. carried out the follow-up drill program on three high priority gold targets including a fill-in hole in the Main Zone area.

The field work resulted in a revised interpretation of the structural-stratigraphic setting of the property and confirms not only the favourable gold potential of the area but also underlines its possible base metal potential.

3.0 PROPERTY, LOCATION & ACCESS

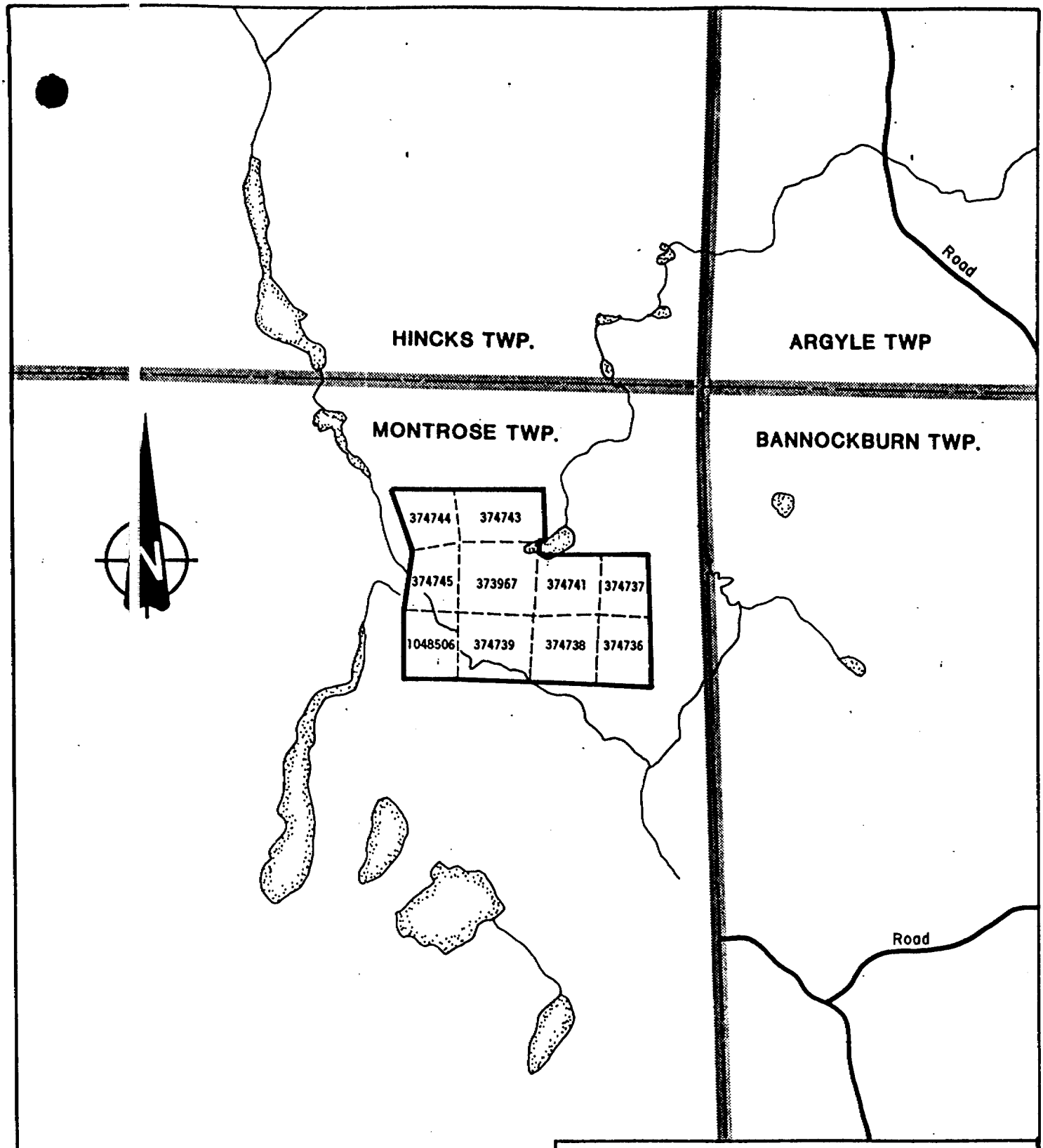
The property consists of a block of nine (9) leased and one unpatented mining claims situated in the northeast quadrant of Montrose Township, Larder Lake Mining Division, Ontario (Figure 1). The property is summarized as follows:

Table 1

LIST OF CLAIMS

Claim No.	Recorded Date	No. of Claims
L373967 (leased)	-	1
L374736-39 incl. (leased)	-	4
L374741 (leased)	-	1
L374743-45 incl. (leased)	-	3
L1048506	Dec. 12, 1988	1
	Total	10

The property straddles the Whitefish River in an area approximately 38 km west of the Town of Matachewan and 100 km south of the City of Timmins. Access to the property from Matachewan is west along Provincial Highway 566 for 23.5 km to the end of the highway, southwest along an ungraded road for approximately 4.6 km and then northwest along a bush road for approximately 6.5 km to claim L1048506 on the Whitefish River.



Metres
0 200 1000 2000
0 1000 2000 4000
Feet

Montrose Gold Resources Inc.

MONTROSE TOWNSHIP PROPERTY
District of Timiskaming, Ontario

CLAIM LOCATION MAP

Date: Sept. 90	Scale: 1" = 1/2 mile	FIG.#

4.0 PREVIOUS HISTORY

The exploration history of the property dates back to the early 1930's with the discovery of the Ashley gold showing in the northeast corner of Bannockburn Township located approximately 2.0 km to the east of the property. This discovery eventually lead to the production of the Ashley Mine which produced 142,975 t grading 10.97 g Au/t from 1932-36.

Trenching in the Main Zone area by E. Ames in 1945 discovered a silicified gold bearing zone which was subsequently drilled later that year by five x-ray holes totalling 180 m. Best intersection returned 10.63 g Au/t across 3.0 m core length in hole number 4.

In 1973, Golden Bounty Mining Company Limited acquired a block of 15 claims which included the current Montrose ground and carried out a program of linecutting, geological mapping and VLF-EM surveying. In 1974-75 the company drilled eight holes totalling 517 m centred in the Main Zone area. Best intersection was 7.89 g Au/t over 1.46 m core length in hole GB-1. A four hole, 329 m follow-up drill program completed in 1975-76 by Golden Bounty returned only broad zones of slightly anomalous gold values. Limited trenching carried out in the Main Zone area in 1977 returned elevated gold values.

In 1979, Golden Bounty completed soil sampling in the northwest part of the property. Anomalous gold values were subsequently followed up by a three hole (444 m) reconnaissance drill program.

The property was optioned from Falcon Point Resources Limited (formerly Golden Bounty) by Montrose Gold in 1988. The company completed a fluxgate magnetic survey in 1988 and a three hole (456 m) diamond drill program in 1989. The drilling centred on the Main Zone area and was designed to test the depth extension of the broad zones of elevated gold values previously outlined. Best intersection returned 3.57 g Au/t across 2.74 m core length in hole 89-18.

5.0 GEOLOGY OF THE PROPERTY

The property is underlain by Precambrian rocks of the Abitibi Subprovince in a poorly mapped section of the Abitibi greenstone belt. The most recent regional mapping of the area is reported on an Ontario Department on Mines geological map (Map 41a) dated 1932 which suggests that the area is underlain by acid and basic volcanic sequences with intercalated metasediments.

Mapping by the writer, combined with available drill hole information and an interpretation of the recently completed magnetic survey indicates that the property is underlain by a complex sequence of felsic intermediate and intermediate to mafic volcanic rocks and metasediments. These volcanic sequences have locally been injected by late felsic and mafic to ultramafic dykes and plugs.

Foliations, the magnetic grain and limited pillow top determinations suggest that the bedrock succession trends northwest-southeast, dips subvertically to steeply to the northeast and youngs to the northeast.

Available information in the central and northern parts of the property suggests that the oldest rocks consists of a complex sequence of mafic to intermediate volcanic, pyroclastic and tuffaceous units that can be traced from an area immediately north of the Whitefish River to about L36+00E;1+50S in the Main Zone area. This central belt is dominated by pyroclastics consisting of lapilli tuff flow breccias with minor interdigitated quartz-eye lapilli and lapilli tuffs, and felsic and mafic volcanics.

The upper portion of the belt consists of an intermediate to felsic volcanic, pyroclastic and tuffaceous sequence that extends from about L36+00E;1+50S to at least the collar of hole M90-19 located at L39+03E;0+30S, a cross sectional distance of about 90 m. The sequence is characterized by a lower felsic volcanic marker horizon and consists of a complex intercalated sequence of intermediate pyroclastic lapilli tuff breccias, and minor felsic ash tuffs and intermediate quartz-eye lapilli tuffs. Stratigraphically, the Main Zone area appears to be located at/near

the apparent transition of the more mafic units to the southwest and intermediate-felsic units to the northeast.

Strong linear magnetic units further to the northeast in the northeastern part of the property suggest the presence of lean magnetite - bearing iron formations in this area. The relatively subdued magnetic relief in this part of the property suggests that the area is underlain by rocks dominated by metasediments.

A strong "bull's eye" magnetic anomaly centred at L32+00E;8+00S is probably due to a mafic-ultramafic diapiric intrusive.

The apparent gross bimodal character of the sequence is analogous to the Blake River Group located further to the east in the Kirkland Lake and Rouyn-Noranda areas.

6.0 GEOPHYSICAL RESULTS

A program of ground magnetics and limited IP surveying was completed over the property in May, 1990 by Techterrex Inc. and the results compiled and interpreted by J.B. Boniwell (Boniwell 1990).

Magnetic readings were recorded at 15.24 m (50 foot) intervals over 121.9 m (400 foot) spaced imperial grid using a high sensitivity (1.nT) proton magnetometer. The survey totalled 12.2 line km of readings.

The pulse transient IP survey was carried out with a dipole-dipole electrode array using a 30.5 m (100 foot) "a" spacing and "na" distances between dipoles varying successively from n+1 to 4. The IP coverage totalled 5.5 line kms and focused on a corridor which forms the strike projection of the Main Zone area mineralization.

The geophysical results were integrated with known structural and stratigraphic data and presented on the appended Geophysical Interpretation map (Figure 2).

The magnetics delineated three broad northwest-trending terrains. The northeastern terrain is characterized by a parallel series of moderate-strong linear magnetic axes that extend from about L48+00E;3+00N to L4+00E;21+00N and incorporate magnetic axes M-4 and M-5. The strength of M-4 between lines 36+00E and 40+00E suggest the anomaly may be due to a lean magnetite-bearing banded iron formation.

The second magnetic regime abuts the first terrain to the southwest and extends from about L48+00E;7+00S to L0+00;22+00N. The terrain is characterized by a generally subdued magnetic relief. A weak to pronounced chargeability anomaly extending from about L36+00E to L12+00E (limit of IP coverage) demarcates the southwest contact. Golden Bounty hole GB-4 tested the northwest end of the IP anomaly on L12+00E and intersected a graphitic zone contained 2-5% disseminated pyrite from 25.0 - 26.1 m at the contact between a "rhyolite" to the south and a light grey carbonatized tuff to the north. The IP anomaly is interpreted to form

the contact between predominantly tuffaceous rocks to the northeast and an intermediate to felsic volcanic rocks to the southwest.

The third magnetic terrain extends from the IP zone described above to immediately southwest of magnetic axis M-6. The terrain is characterized a complex northwest-trending magnetic pattern which includes the interpreted mafic-ultramafic intrusive body centred at L32+00E;6+50S. Drill hole information (i.e., M90-19, M90-20) suggest that the area is underlain by an intermediate - mafic volcanic sequence in the southwest and an intermediate to felsic sequence to the northeast.

A number of property scale cross-cutting faults have been interpreted from the geophysics which are in part supported by changes in the direction of foliations in nearby outcrops.

7.0 HUMUS SAMPLING PROGRAM

A 361 sample geochemical humus sampling program was carried out over the central and southwest portions of the property. The objective of the program was to filter the various targets identified by the ground geophysics. The samples were submitted to Swastika Laboratories for atomic absorption gold determination using a proprietary sample preparation technique. Detection limited is 1 ppb gold and the certificates of analysis are appended (Appendix A).

Humus sample results ranged from 0 to 45 ppb gold and averaged 4.40 ppb gold. Contouring of values using an arbitrary lower threshold limit of 10 ppb gold (2.27 times background) produced a generally discontinuous distribution pattern (Figure 3). However, the contouring of higher values tends to concentrate on the prospective central volcanic sequence that hosts the Main Zone area gold mineralization. Furthermore, the cluster of higher values located in the southeastern portion of the property exhibits a preferred northwest orientation which conforms to both the regional stratigraphic grain and the trend of the Main Zone area mineralization.

The elongated humus anomaly overlying the Main Zone area conforms well with the position of mineralized Zones A, B and C and returned a maximum humus sample gold value 33 ppb (7.5 times background). The two gold values of 443 and 165 ppb Au for stations 0+50S and 1+50S respectively, on L38+00E are considered contaminated soil samples which were collected after the immediate area was stripped.

8.0 STRIPPING & CHANNEL SAMPLING OF THE MAIN ZONE AREA

An extensive area measuring approximately 50 m by 35 m was mechanically stripped and washed in May-June to expose the surface projection of the Main Zone area gold mineralization (Figure 4). The stripped area is centred at about 37+50E;1+50S and forms an extension of a large northeast-trending trench excavated by Golden Bounty in 1977. The exposed areas was subsequently mapped and channel sampled using a rock saw.

The host rock in the stripped area consists of a foliated fine to medium grained intermediate pyroclastic lapilli tuff breccia. The unit is weakly sericitized, pervasively silicified and contains tr-2% finely disseminated pyrite. The tuff breccia is cut by subordinately occurring quartz stringers and discontinuous lenses and boudins at varying orientations.

A weak to moderately strong foliation is present which trends approximately 300° and dips steeply (70-80°) to the northeast in the southeastern part of the exposed areas. The orientation of the foliation bends progressively to the north towards the northwest and dips become vertical. The change in attitude of the foliation may be the result of a transverse left-lateral displacement along a northeast-trending interpreted fault located to the northwest (Figure 2).

Kinematic indicators suggest a consistent right-lateral sense of displacement along 075°, 110°, and 032° trending fracture sets which is in contrast to the sinistral system which would be evoked by the interpreted northeast-trending fault. Rather, the dextral displacement along the fracture set is probably a late brittle deformational phase unrelated to the earlier D1 foliation. Drill holes M90-19 and 89-18 drilled immediately to the east of the stripped area intersected two closely spaced felsic intrusive dykes. Assuming that the dykes are correlative, a 070° strike is postulated which conforms to the 075° orientation measured in one of the dextral fracture sets. The dextral 032° and 075° trending fracture sets could form a conjugate system in a postulated NNW-SSE orientated direction of

maximum compressional strain (D2) resulting in 070-075° oriented direction of maximum extension.

Forty-seven (47) bedrock channel samples were collected at closely spaced line separations oriented at right angles to the D1 foliation. Sample intervals ranged from 0.70 to 2.19 m. Interpretation of results are summarized in Table 2.

Table 2 CHANNEL SAMPLING RESULTS

Zone	Sample No.	Gold Value (g/t)	Length (m)	Weighted Aver. Gold Value (g/t)	Combined Length (m)
A	81755-47	1.03	1.86	1.03	1.86
B	81725-17	1.42	1.07	1.42	1.07
	81737-29	3.80	1.62		
	81738-30	2.97	0.79	3.53	2.41
	81743-35	3.79	1.95		
	81744-36	3.77	1.95	3.78	3.90
	81745-37	1.59	1.83		
	81746-38	1.24	0.70	2.88	6.43
C	81719-11	2.33	1.83	2.33	1.83
	81728-20	1.27	1.95		
	81729-21	1.23	1.22	1.25	3.17

Mineralization appears to trend conformable to the earlier D1 dominant foliation with best results spatially related to the area of inflection between sections 37+00E and 38+00E. Three subparallel mineralized zones are recognized (A,B,C) which appear to decrease in significance away from this area of inflection.

Zone A is partially exposed at surface in the northeast corner of the stripped area where channel sample 81755-47 returned 1.03 g Au/t across 1.86 m. The zone contains 3-5% stringers and veinlets of quartz, approximately 1 cm wide which trend northwest-southeast and extend

under overburden along strike and to the northeast. Extrapolation of the zone along strike to the northwest and southeast returned only slightly elevated gold values in drill holes. For example, hole M90-19 drilled approximately 22 m to the southeast returned only 0.69 g Au/t over 1.52 m core length at a vertical depth of 51.8 m (Figure 5). A deeper cut of the projected down dip extension of the zone in hole 89-17 failed to find any evidence of the zone.

Channel sampling of Zone B returned a weighted average grade of 3.36 g Au/t based on 5 samples. Extrapolation of the zone to the southeast returned 2.16 g Au/t over 1.07 m core length in hole 89-17 at a vertical depth of 107 m. Fill-in hole M90-19 drilled on the same section failed to return any elevated gold values suggesting that the zone may possess a steep northeasterly rake. Drilling to the northwest returned only slightly elevated gold values in holes 89-16B and GB-6.

Channel sampling of Zone C returned a weighted average grade of 1.65 g Au/t based on 3 samples. Extrapolation of the zone to the southeast returned 3.43 g Au/t over 1.37 m core length in hole 89-17 at a vertical depth of 90 m. Fill-in hole M90-19 drilled on the same section returned 1.21 g Au/t over 1.52 m core length at a vertical depth of 70 m. Again, the results suggest a steep northeasterly rake to the higher grade values of the zone. Sectional drilling to the northwest returned only slightly elevated gold values.

9.0 RECONNAISSANCE DRILLING RESULTS

Two reconnaissance holes were drilled to test high priority gold targets outlined by the geophysics and geochemistry.

Hole M90-20 was collared at L32+00E;0+49S and designed to test a strong IP chargeability anomaly on L32+00E located at the inferred contact of two northwest-trending magnetic units (M-1 and M-2) near an interpreted northeast-trending cross-cutting fault. This, combined with a change in direction of D1 foliations in nearby outcrops is analogous to the Main Zone area setting. A weak humus gold anomaly flanks the target area to the northeast.

The hole collared in massive mafic flow from 7.32 to 15.00 m, followed by a complex sequence of intermediate quartz-eye lapilli tuff, lapilli tuffs and lapilli tuff breccias from 15.00 to 129.84 m and ended in massive mafic flow from 129.84 to 150.88 m (Figure 6). The more basic composition of the sequence is in marked contrast to the intercalated felsic horizons noted in drill hole M90-19 located up-section to the northeast.

A 32 m wide alteration zone consisting of weak to strong pervasive silicification with associated chloritization and sericitization within a mixed lapilli tuff breccia sequence was intersected from 44.62 to 88.70 m down the hole. The zone is characterized by scattered sections of secondary disseminated pyrite which locally ranges up to 10-15% abundance. The mass effect of the scattered sulphidization probably explains the IP chargeability response. Sampled sections returned background gold values. The best intersection is 0.04 g Au/t near the top of the alteration zone.

Hole M90-21 was collared at L21+42E;5+25N and designed to test a strong IP chargeability anomaly in an area where an interpreted north-south trending cross-cutting fault offsets the magnetic trend. Complex D1 foliation patterns measured in nearby outcrops and an associated humus sample anomaly underline the prospective nature of the target.

The hole intersected a felsic-intermediate lapilli tuff breccia from 7.62 to 35.05 m, followed a complex sequence of intermediate lapilli and ash

tuffs and lapilli tuff breccias to the bottom of the hole at 150.88 m (Figure 7). A broad zone of scattered minor secondary sulphidization was intersected which increased in abundance to 2-5% from 48.46 to 52.12 m. A sample collected from this section of increased sulphidization returned 1.63 g Au/t over 1.52 m core length from 50.29 to 51.81 m. The broad section of sulphidization described above straddles the felsic/intermediate transition contact noted at 35.05 m down the hole and may form the strike extension of the 32 m wide alteration zone found on the hanging wall side of the quartz-eye lapilli tuff intersected from 88.70 to 103.75 m in hole M90-20.

10.0 CONCLUSIONS & RECOMMENDATIONS

It is concluded that:

1) The property is underlain by a complex sequence of northwest-trending intermediate to mafic and intermediate to felsic volcanic, pyroclastic and tuffaceous rocks. These rocks have been subjected to poly-phase deformation consisting of an early northeast compressional strain (D1) which resulted in the dominant northwest-trending penetrative fabric and a late north-northeast compressional strain (D2) which brittly offset the earlier fabric. The D1 foliation dips steeply to the northeast, conformable to observed stratigraphic contacts.

2) Limited stratigraphic data suggests that the sequence youngs to the northeast.

3) Ground magnetic data revealed that three stratigraphic regimes cross the property. The central terrain is best explored and consists of a complex sequence of intermediate to mafic and intermediate to felsic rocks. The terrain is approximately 450 m wide and hosts all of the gold mineralization discovered to date. The known gold zones occur within alteration envelops that appear to straddle or are proximal to two major felsic/mafic stratigraphic contacts.

4) The Main Zone area straddles the northern felsic/mafic interface and consists of a 30-50 m wide zone of silicification with associated chloritization, sericitization and sulphidization. Mineralization is focused on three principal zones (A,B,C) which returned elevated gold values over narrow widths. Mapping of the stripped area indicates that the mineralized zones occur within dilatant zone caused by an inflection of the D1 foliation. Trenching, stripping, mapping, channel sampling and 960 m of diamond drilling in 9 holes have failed to appreciably expand the mineralization at shallow depths along strike. However, the zones remain open for extension down rake to the northeast.

5) A weak IP chargeability anomaly is associated with the Main Zone area mineralization that may reflect the secondary sulphide content at the

felsic/mafic interface. The IP zone can be traced 900 m to the northwest and 300 m to the southeast of the Main Zone area and remains unexplored.

6) Holes M90-20 and M90-21 intersected a broad alteration zone associated with a second major felsic/mafic stratigraphic contact that parallels the Main Zone area interface to the southwest. Hole M90-21 intersected a gold value of 1.63 g Au/t across 1.52 core length and confirms the gold potential of the newly discovered alteration zone.

A weak to strong chargeability anomaly appears to be associated with the sulphides in this alteration hole at the felsic/mafic interface. The IP zone can be traced for an untested strike length of 800 m.

7) The bimodal lithochemical nature of the central magnetic belt combined with the presence of sulphides at two major felsic/mafic interfaces suggest that these contacts offer potential for the discovery of a volcanogenic massive sulphide deposit.

It is recommended that future work focus on the two felsic/mafic interfaces defined by the IP chargeability anomalies. A program of stripping at regular intervals across the two IP zones followed by mapping and channel sampling is recommended. Consideration should also be given to carrying out a deep penetrating EM survey to search for buried massive sulphide bodies at these prospective contacts.

Respectfully submitted.

Harry Dowhaluk

DATED AT TAMWORTH, ONTARIO, THIS 27TH DAY OF OCTOBER, 1990

11.0 REFERENCES

Boniwell, J.B.

1990: Geophysical Survey Results; Montrose Township Claims; Montrose Township, Ontario for Techterrex Inc./Montrose Gold Ltd.; July 26, 1990.

Dowhaluk, H.

1989: Report on Montrose Gold Property of Montrose Gold Resources Inc.; Montrose Township; Timiskaming District, Ontario; May 10, 1989.

1989: Diamond Drill Logs 89-16A to 89-18 inclusive; Montrose Gold Resources Inc.; Montrose Township; 1989.

1975: Diamond Drill Logs GB-1 to GB-12 inclusive for Golden Bounty Mining Co. Ltd.; Montrose Township; District of Timiskaming,, Ontario; 1974-75.

Mazur, V.A.

1987: Falcon Point Resources Limited; Montrose Township Property; Matachewan Area, Ontario; September 14, 1987.

McBean, J.W.

1945: Ames Group; Montrose Township; Resident Geologist report dated December 1, 1945.

McCannell, J.

1980: Diamond Drill Logs GB-13 to GB-15 inclusive for Golden Bounty Mining Co. Ltd.; Montrose Township, Ontario; 1979-80.

MERQ-OGS

1983: Lithostratigraphic map of the Abitibi Subprovince; Ontario Geological Survey/Ministere de l'Energie et des Ressources, Quebec; 1:50,000; catalogued as "Map 2484" in Ontario and "DV 83-16" in Quebec.

Rickaby, H.C.

1932: Bannockburn Gold Area; Ontario Department of Mines; Vol. XLI, Pt. II, 1932.

12.0 CERTIFICATE OF QUALIFICATIONS

I, Harry, Dowhaluk, of the Village of Tamworth in the County of Lennox and Addington, Ontario, do hereby delcare:

1) That I am a consulting geologist and reside in the Village of Tamworth, Ontario.

2) That I am a graduate of the University of Western Ontario with a degree of B.A. (1965). I have been engaged in geological and related engineering work (mine surveying, diamond drill supervision, geophysical work) for some 37 years which includes 9 years underground, 5 years of Cordilleran geology and 4 years outside of Canada in the U.S.A. and Mexico. I have been a fellow of the Geological Association of Canada since 1970.

3) That I have no interest either directly or indirectly nor do I expect to receive any interest directly or indirectly in the property discussed in this report or in the securities of Montrose Gold Resources Inc. or Falcon Point Resources Limited or of any affiliate thereof.

4) That the information contained in the foregoing report is based in part on published reports and maps of the Ontario Geological Survey and in part on personal and company files. I have personally supervised most of the work carried out by Golden Bounty Mining Company Limited from 1974 to 1977, and by Montrose Gold Resources Inc. from 1988-90.

Harry Dowhaluk, B.A., F.G.A.C.

)ATED AT TAMWORTH, ONTARIO, THIS 27TH DAY OF OCTOBER, 1990

APPENDIX A

Geochemical Analysis Certificates

Swastika Laboratories

A Division of Assayers Corporation Ltd.

Established 19 8

Assaying - Consulting - Representation

Geochemic al Analysis Certificate

0W-0699-SG1

Company: **MC NTROSE GOLD RES. INC.**

Date: JUN-04-90

Project:

Attn:

Copy 1. MONTROSE GOLD RES. INC. REXDALE
2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby ce ify the following Geochemical Analysis of 14 HUMUS samples submitted M/ Y-29-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-1	9	
M-2	3	
M-3	Nil	
M-4	Nil	
M-5	7	7
M-6	Nil	
M-7	5	
M-8	2	
M-9	Nil	
M-10	3	
M-11	Nil	
M-12	2	
M-13	Nil	
M-14	2	

Certified by G. Lebel

G. Lebel / Manager

P.O. Box 10, Swastika, Ontario P0K 1T0

Telephone (705)642-3244 FAX (705)642-3300

Established 928

Swastika Laboratories

A Division of Assayers Corporation Ltd.

Assaying - Consulting - Representation

Geochemical Analysis Certificate

0W-0722-SG1

Company: MONTROSE GOLD RES. INC.

Date: JUN-11-90

Project:

Attn:

Copy 1. MONTROSE GOLD REXDALE
2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby certify the following Geochemical Analysis of 74 HUMUS samples submitted JUN-01-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-15	15	18
M-16	16	
M-17	Nil	
M-18	10	
M-19	Nil	
M-20	10	
M-21	Nil	
M-22	7	
M-23	Nil	
M-24	Nil	
M-25	Nil	
M-26	5	
M-27	Nil	
M-28	Nil	
M-29	5	
M-30	10	
M-31	5	
M-32	5	
M-33	14	12
M-34	3	
M-35	5	
M-36	Nil	
M-37	Nil	
M-38	10	
M-39	Nil	
M-40	Nil	
M-41	Nil	
M-42	Nil	
M-43	Nil	
M-44	2	

Certified by G. Lebel

G. Lebel / Manager

P.O. Box 10, Swastika, Ontario P0K 1T0

Telephone (705)642-3244 FAX (705)642-3300

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Assaying - Consulting - Representation

Geochem cal Analysis Certificate

0W-0722-SG1

Company: MONTROSE GOLD RES. INC.

Date: JUN-11-90

Project:

Attn:

Copy 1. MONTROSE GOLD REXDALE
2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby certify the following Geochemical Analysis of 74 HUMUS samples submitted JUN-01-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-45	5	
M-46	9	5
M-47	3	
M-48	9	
M-49	2	
M-50	Nil	
M-51	5	
M-52	2	
M-53	Nil	
M-54	Nil	
M-55	Nil	
M-56	7	11
M-57	Nil	
M-58	Nil	
M-59	Nil	
M-60	Nil	
M-61	2	
M-62	2	
M-63	Nil	
M-64	2	
M-65	3	
M-66	Nil	
M-67	5	
M-68	2	
M-69	5	
M-70	Nil	
M-71	2	
M-72	3	
M-73	Nil	
M-74	Nil	

Certified by G. Lebel

G. Lebel / Manager

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Geochem[ical] Analysis Certificate

0W-0722-SG1

Company: M[ONTROSE] GOLD RES. INC.

Date: JUN-11-90

Project:

Attn:

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2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby c[ertify] the following Geochemical Analysis of 74 HUMUS samples submitted JU[N]-01-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-75	5	
M-76	7	
M-77	5	
M-78	2	
M-79	9	
M-80	7	
M-81	10	
M-82	7	
M-83	12	12
M-84	7	
M-85	7	
M-86	9	
M-87	2	
M-88	Nil	

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G. Lebel / Manager

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0W-0723-SG1

Company: MC NTROSE GOLD RES. INC.

Date: JUN-14-90

Project:

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2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby ce tify the following Geochemical Analysis of 68 HUMUS samples submitted JU l-01-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-89	9	
M 90	2	
M-91	5	
M-92	7	
M-93	7	
M-94	8	
M-95	Nil	
M-96	Nil	
M-97	Nil	
M-98	Nil	
M-99	4	
M-100	Nil	
M-101	Nil	
M-102	Nil	
M-103	3	
M-104	7	
M-105	3	
M-106	3	
M-107	5	
M-108	11	
M-109	Nil	
M-110	6	
M-111	3	
M-112	5	3
M-113	Nil	
M-114	9	
M-115	3	
M-116	Nil	
M-117	5	
M 118	7	

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G. Lebel / Manager

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Geochemi al Analysis Certificate

0W-0723-SG1

Company: **M)NTROSE GOLD RES. INC.**

Date: JUN-14-90

Project:

Attn:

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2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby c rtify the following Geochemical Analysis of 68 HUMUS samples submitted JU N-01-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-119	10	
M-120	9	
M-121	5	
M-122	2	
M-123	7	
M-124	7	
M-125	5	
M-126	7	
M-127	10	
M-128	5	
M-129	7	
M-130	8	4
M-131	3	
M-132	3	
M-133	17	
M-134	3	
M-135	2	
M-136	Nil	
M-137	Nil	
M-138	3	
M-139	3	
M-140	Nil	
M-141	Nil	
M-142	Nil	
M-143	Nil	
M-144	3	
M-145	Nil	
M-146	Nil	
M-147	7	
M-148	Nil	

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G. Lebel / Manager

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0W-0723-SG1

Company: MONTROSE GOLD RES. INC.

Date: JUN-14-90

Project:

Attn:

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2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby certify the following Geochemical Analysis of 68 HUMUS samples submitted JUN-01-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-149	5	
M-150	2	
M-151	5	
M-152	3	
M-153	39	45
M-154	3	
M-155	Nil	
M-156	5	

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Geochemic l Analysis Certificate

0W-0738-SG1

Company: MC NTROSE GOLD RES. INC.

Date: JUN-14-90

Project:

Attn:

Copy 1. 50 FASKEN DR.#22,REXDALE, M9W 1K5
2. 33 CHADWICK DR. AJAX L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby ce ify the following Geochemical Analysis of 16 HUMUS samples submitted JUl -04-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-157	20	
M-158	36	
M-159	10	
M-160	9	
M-161	5	
M-162	13	
M-163	15	22
M-164	7	
M-165	7	
M-166	5	
M-167	3	
M-168	5	
M-169	3	
M-170	3	
M-171	3	
M-172	2	
M-173	5	7

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G. Lebel / Manager

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Geochem :al Analysis Certificate

0W-0782-SG1

Company: M)NTROSE GOLD RES. INC.

Date: JUN-19-90

Project:

Attn:

Copy 1. 50 FASKEN DR.UNIT 22,REXDALE,ONT.M9W1K5
2. 33 CHADWICK DR., AJAX,ONT. L1S 5W3
3. BOX 118, TAMWORTH, ONT. K0K 3G0

We hereby c rtify the following Geochemical Analysis of 32 HUMUS samples submitted JU N-11-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-174	5	
M-175	3	
M-176	9	5
M-177	2	
M-178	2	
M-179	5	
M-180	5	
M-181	3	
M-182	5	
M-183	7	
M-184	5	
M-185	9	
M-186	14	10
M-187	5	
M-188	9	
M-189	10	
M-190	5	
M-191	9	
M-192	14	12
M-193	2	
M-194	7	
M-195	9	
M-196	7	
M-197	2	
M-198	7	
M-199	3	
M-200	3	
M-201	5	
M-202	5	
M-203	3	

Certified by G. Lebel

G. Lebel / Manager

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Geochemi al Analysis Certificate

0W-0782-SG1

Company: **M)NTROSE GOLD RES. INC.**

Date: JUN-19-90

Project:

Attn:

Copy 1. 50 FASKEN DR.UNIT 22,REXDALE,ONT.M9W1K5
2. 33 CHADWICK DR., AJAX,ONT. L1S 5W3
3. BOX 118, TAMWORTH, ONT. K0K 3G0

We hereby c rtify the following Geochemical Analysis of 32 HUMUS samples submitted JU N-11-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-204	7	5
M-205	3	

Certified by G. Lebel

G. Lebel / Manager

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0W-0780-SG1

Company: MC NTROSE GOLD RES. INC.

Date: JUN-20-90

Project:

Attn:

Copy 1. 50 FASKEN DR.UNIT 22,REXDALE,ONT.M9W1K5
2. 33 CHADWICK DR. AJAX,ONT.L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby ce[illegible]ify the following Geochemical Analysis of 33 HUMUS samples submitted JUl -11-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-206	10	
M-207	3	
M-208	10	9
M-209	Nil	
M-210	Nil	
M-211	2	
M-212	9	
M-213	Nil	Nil
M-214	5	
M-215	Nil	
M-216	Nil	
M-217	Nil	
M-218	Nil	
M-219	Nil	
M-220	2	
M-221	Nil	
M-222	3	
M-223	Nil	
M-224	Nil	
M-225	Nil	
M-226	5	
M-227	Nil	
M-228	Nil	
M-229	Nil	
M-230	7	6
M-231	2	
M-232	Nil	
M-233	Nil	
M-234	Nil	
M-235	Nil	

Certified by G. Lebel

G. Lebel / Manager

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Geochemical Analysis Certificate

0W-0780-SG1

Company: MONTROSE GOLD RES. INC.

Date: JUN-20-90

Project:

Attn:

Copy 1. 50 FASKEN DR.UNIT 22,REXDALE,ONT.M9W1K5
2. 33 CHADWICK DR. AJAX,ONT.L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby certify the following Geochemical Analysis of 33 HUMUS samples submitted JUN-11-90 by HARRY DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-236	Nil	
M-237	Nil	
M-238	Nil	

Certified by G. Lebel

G. Lebel / Manager

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Assay Certificate

0W-0815-RA1

Company: MONTROSE GOLD RESOURCES INC. Date: JUN-22-90

Project:

Attn:

Copy 1. REXDALE
2. AJAX
3. TAMWORTH & HOLD

We hereby certify the following Assay of 35 HUMUS, 2 ROCK samples submitted UN-15-90 by H.DOWHALUK.

Sample Number	Au ppb	Au check ppb	
M-239	3		
M-240	10		
M-241	10	6	
M-242	2		
M-243	5		
M-244	3		
M-245	7		
M-246	5		
M-247	Nil		
M-248	9		
M-249	7		
M-250	10		
M-251	Nil		
M-252	Nil		
M-253	Nil		
M-254	Nil		
M-255	2		
M-256	Nil		
M-257	Nil		
M-258	5		
M-259	2		
M-260	7	9	
M-261	3		
M-262	5		
M-263	Nil		
M-264	3		
M-265	2		
M-266	5		
M-267 **	162	165	} SOILS
M-268 **	443	435	}

** Indicates where rock samples were received

Certified by G. Lebel

G. Lebel / Manager

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Assay Certificate

0W-0815-RA1

Company: MONTROSE GOLD RESOURCES INC. Date: JUN-22-90

Project:

Attn:

Copy 1. REXDALE
2. AJAX
3. TAMWORTH & HOLD

We hereby certify the following Assay of 35 HUMUS, 2 ROCK samples submitted JUN-15-90 by H.DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-269	10	
M-270	2	
M-271	10	
M-272	12	7
M-273	3	
M-274	10	
M-275	7	

** Indicates where rock samples were received

Certified by G. Lebel

G. Lebel / Manager

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Geochemic al Analysis Certificate

0W-0816-SG1

Company: **MC NTROSE GOLD RESOURCES INC.** Date: JUN-26-90

Project:

Attn:

Copy 1. REXDALE
2. AJAX
3. TAMWORTH & HOLD

We hereby ce. ify the following Geochemical Analysis of 56 HUMUS samples submitted JUl -15-90 by H. DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-276	Nil	
M-277	9	
M-278	Nil	
M-279	33	24
M-280	5	
M-281	12	
M-282	9	
M-283	2	
M-284	3	
M-285	2	
M-286	Nil	
M-287	5	7
M-288	5	
M-289	5	
M-290	2	
M-291	3	
M-292	5	
M-293	5	
M-294	3	
M-295	10	
M-296	7	
M-297	5	
M-298	3	
M-299	10	
M-300	14	14
M-301	10	
M-302	5	
M-303	3	
M-304	3	
M-305	2	

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G. Lebel / Manager

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Geochemical Analysis Certificate

0W-0816-SG1

Company: MONTROSE GOLD RESOURCES INC. Date: JUN-26-90

Project:

Attn:

Copy 1. REXDALE
2. AJAX
3. TAMWORTH & HOLD

We hereby certify the following Geochemical Analysis of 56 HUMUS samples submitted JUN 15-90 by H. DOWHALUK.

Sample Number	Au ppb	Au check ppb
M-306	2	
M-307	2	
M-308	Nil	
M-309	5	2
M-310	2	
M-311	3	
M-312	Nil	
M-313	2	
M-314	2	
M-315	7	
M-316	3	
M-317	2	
M-318	5	
M-319	7	
M-320	3	
M-321	12	9
M-322	10	
M-323	5	
M-324	2	
M-325	2	
M-326	3	
M-327	3	
M-328	5	
M-329	2	
M-330	Nil	
M-331	Nil	

Certified by G. Lebel

G. Lebel / Manager

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Geochem cal Analysis Certificate

0W-1436-SG1

Company: M ONTROSE GOLD RES. INC. Date: OCT-01-90

Project:

Attn: HARRY DOWHALUK

Copy 1. REXDALE
2. 33 CHADWICK DR.,AJAX,ONT. L1S 5W3
3. BOX 118, TAMWORTH,ONT. K0K 3G0

We hereby c rtify the following Geochemical Analysis of 12 HUMUS samples submitted S P-24-90 by HARRY DOHALUK.

Sample Number	Au ppb
LO-100S	Nil
LO-200S	3
LO-300S	5
LO-400S	Nil
LO-500S	Nil
LO-600S	5
LO-700S	5
LO-800S	2
LO-900S	7
LO-1000S	5
LO-1100S	5
LO-1200S	3

CLAIM 1048506

3.333

Certified by G. Lebel

G. Lebel / Manager

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Geochemical Analysis Certificate

0W-1437-SG1

Company: MONTROSE GOLD RES. INC.

Date: OCT-01-90

Project:

Attn: HARRY DOWHALUK

Copy 1. REXDALE
2. 33 CHADWICK DR. AJAX, ONT. L1S 5W3
3. BOX 118, TAMWORTH, ONT. K0K 3G0

We hereby certify the following Geochemical Analysis of 20 HUMUS samples submitted SEP-24-90 by HARRY DOWHALUK.

Sample Number	Au ppb
L-400 100S	3
L-400 200S	Nil
L-400 300S	Nil
L-400 400S	Nil
L-400 500S	Nil
L-400 600S	Nil
L-400 700S	Nil
L-400 800S	5
L-400 900S	5
L-400 1000	Nil
L-400 1100	5
L-400 1200	Nil
L-800 500S	Nil
L-800 600S	Nil
L-800 700S	Nil
L-800 800S	Nil
L-800 900S	Nil
L-800 1000	Nil
L-800 1100	Nil
L-800 1200	14/17

CLAIM 1048506

Certified by G. Lebel

G. Lebel / Manager

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APPENDIX B

Channel Sample Data

MONTROSE GOLD RESOURCES INC.

CHANNEL SAMPLE DATA LISTING OF THE MAIN ZONE AREA

Sample Number	Length (m)	Gold Value (g/t)
81709-1	1.89	0.24
81710-2	2.01	nil
81711-3	2.19	0.27
81712-4	1.77	0.21
81713-5	2.07	0.14
81714-6	1.95	nil
81715-7	1.95	0.21
81716-8	2.01	0.07
81717-9	1.65	0.07
81718-10	2.13	0.55
81719-11	1.83	2.33
81720-12	1.98	0.14
81721-13	0.76	0.14
81722-14	1.77	0.07
81723-15	1.95	0.14
81724-16	2.01	0.69
81725-17	1.07	1.42
81726-18	2.13	0.55
81727-19	1.92	0.65
81728-20	1.95	1.27
81729-21	1.22	1.23
81730-22	1.89	0.27
81731-23	1.83	0.14
81732-24	1.95	0.21
81733-25	1.92	nil
81734-26	2.01	0.21
81735-27	1.95	1.42
81736-28	1.92	0.69
81737-29	1.62	3.80
81738-30	0.79	2.97
81739-31	2.16	0.21
81740-32	1.40	0.69
81742-34	2.13	0.21
81743-35	1.95	3.79
81744-36	1.95	3.77
81745-37	1.83	1.59
81746-38	0.70	1.24
81747-39	2.04	0.25
81748-40	1.95	0.35
81749-41	1.07	0.41
81750-42	1.83	0.02
81751-43	1.95	0.62
81752-44	1.95	0.34
81753-45	2.04	0.88
81754-46	1.98	0.27
81755-47	1.86	1.03

APPENDIX C

Diamond Drill Logs

M90-19
M90-20
M90-21

Hole No.	M90-19		Northing	0+36S	Grid Orient.	000	Depth	Dip	Azimuth	Test	Depth	Dip	Azimuth	Test
Property	MONTROSE	TWP.	Easting	39+03E	DH Grid Az.	25	495.0	- 45		ACID				
Location	ONTARIO		Elevation	000	Length (Feet)	495 feet								
Claim No.	374736		Surv. E.		Dip-Collar	-45								
Section	39+03E		Surv. N.		DH Comp.Bear	205								
Started	12-SEPT-	0	Logged by	H. DOWHALUK	Drill No.	1								
Finished	13-SEPT-	0	Checked by	H. DOWHALUK	Foreman									
Target	MAIN ZON	AREA	Core	BQ	Drill Co.	HEATH & SHER								
Comments														

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne

SUMMARY

0.00	16.00	CASING:
16.00	34.00	INTERMEDIATE QUARTZ-EYE LAPILLI TUFF:
34.00	75.20	ALTERED ZONE:
75.20	77.70	INTERMEDIATE QUARTZ-EYE LAPILLI TUFF:
77.70	98.00	ALTERED BRECCIA :
98.00	100.80	INTERMEDIATE QUARTZ-EYE LAPILLI TUFF:
100.80	115.10	ALTERED BRECCIA:
115.10	119.60	INTERMEDIATE QUARTZ-EYE LAPILLI TUFF:

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
119.60	155.00	ALTERED BRECCIA:						
155.00	245.10	ALTERED BRECCIA:						
245.10	254.50	FELSIC LAPILLI TUFF:						
254.50	265.50	ALTERED TUFF BRECCIA:						
265.50	268.00	FELSIC VOLCANIC:						
268.00	270.30	INTERMEDIATE-FELSIC PYROCLASTIC TUFF BRECCIA:						
270.30	271.60	FELSIC VOLCANIC:						
271.60	285.00	FELSIC-INTERMEDIATE PYROCLASTIC TUFF BRECCIAS:						
285.00	287.10	INTERMEDIATE LAPILLI TUFF:						
287.10	363.00	FELSIC-INTERMEDIATE PYROCLASTIC TUFF BRECCIA;						
363.00	371.50	INTERMEDIATE LAPILLI TUFF:						
371.50	478.30	INTERMEDIATE-FELSIC PYROCLASTIC TUFF BRECCIA:						
478.30	486.00	FELSIC DYKE:						
486.00	489.00	INTERMEDIATE PYROCLASTIC TUFF BRECCIA:						
489.00	490.80	FELSIC DYKE:						
490.80	495.00	INTERMEDIATE PYROCLASTIC TUFF BRECCIA:						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
0.00	16.00	CASING:						
16.00	34.00	INTERMEDIATE QUARTZ-EYE LAPILLI TUFF: light-medium grey; fine grained; 0.1 - 0.2 inch dia. (1 - 2%) quartz augen; 0.1 - 0.3 inch dia. (1 - 2%) irregular shaped lapillis including occasional scattered chloritized fragment\shard;						
16.00	19.00	Weakly sericitized section;minor brittle fracturing with trace - 1% finely diss. py;						
19.00	32.00	Moderately sericitized section; light grey; weakly fractured with scattered 0.1 inch wide quartz-carb stringers at approx. 70 degrees to c.a.(1 - 2%); 1.0 inch wide 'mariposite' green sericite fragment at 29.0 feet;	122401	16.00	21.00	5.00		0.20
			122402	21.00	26.00	5.00		0.04
			122403	26.00	31.00	5.00		0.09
32.00	34.00	Weakly sericitized section; medium grey colour as 16.0 - 19.0 feet;	122404	31.00	34.00	3.00		0.07
34.00	75.20	ALTERED ZONE: complex section of light grey to light green-grey brittle fractured and micro-brecciated, mod-strongly sericitized ('mariposite' green colour), mod-strongly silicified intermediate-felsic lapilli tuff(?); trace - 1% diss. blebby py concentrated primarily along fracture planes; 5 - 8% quartz-carb veinlets (0.1 - 0.2 inches wide) along late brittle fractures at varying angles to c.a.; occasional scattered section (patch) of red-brown sideritic staining throughout section (3 - 5% abundance; 1 - 6 inches in size); upper contact sharp at approx. 80 degrees to c.a.;						
			122405	34.00	38.00	4.00		0.03
38.50	41.00	Strongly brecciated section (tuff breccia(?)) with 5 - 8% blebby py along fracture planes; At41.8feet: kinematics show possible S-C fabrics- 0.1 inch wide quartz-carb veinlet trending 80 degrees to c.a. (C fabric) offsets the sericitized flow(?) banding (S fabric) which trends at 45 degrees to c.a.; At 51.8 feet: 2 inch wide siderite patch centred on a 0.1 inch wide quartz vein at approx. 75 degrees to c.a.; At 52.0: foliation at approx. 55 degrees to c.a.; At 52.6 feet: 4 inch wide siderite patch;	122406	38.00	41.00	3.00		0.81

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
		At 56.6 feet: 1 inch wide siderite patch centred on cross cutting fracture approx. 35 degrees to c.a.;						
		At 58.0 feet: foliation\banding approx. 40 degrees to c.a.;						
		At 60.4 feet: 5 inch wide siderite patch;						
		At 61.2 feet: 2 inch wide irregular shaped felsic fragment;						
		At 61.5 feet: 2 inch wide sideritic zone centred on a cross-cutting fracture at approx. 50 degrees to c.a.;						
		At 70.3 feet: 8 inch wide sideritic patch;						
		At 72.5 feet: 8 inch wide sideritic patch centred on a hairline fracture conformable to foliation at approx. 30 degrees to c.a.; increase in finely diss. py to 1 - 2% near fracture;						
			122407	41.00	45.00	4.00		0.04
			122408	45.00	50.00	5.00		0.01
			122409	50.00	55.00	5.00		0.04
			122410	55.00	60.00	5.00		0.01
			122411	60.00	65.00	5.00		0.03
			122412	65.00	70.00	5.00		0.03
72.00	72.50	Strongly brecciated (tuff breccia(?)) and silicified section;						
			122413	70.00	75.00	5.00		0.03
75.20	77.70	INTERMEDIATE QUARTZ-EYE LAPILLI TUFF: light grey; fine-medium grained; scattered (less 1%) quartz augen and lapilli size shards in a sericitized matrix; contacts sharp; upper contact 45 degrees to c.a.; lower contact irregular and exhibits flame structure; trace finely diss. py; minor scattered quartz-carb stringers;						
77.70	98.00	ALTERED BRECCIA : is 34.0 -75.2; light 'mariposite' green (sericitization) and locally silicified tuff breccia ; trace - 1% blebby and stringer py; late brittle fractures with quarz-carb at varying angles to c.a.; foliation at approx. 50 degrees to c.a.; local sections of convoluted flow banding;						
77.70	79.00	Strongly silicified section; 2 - 3% finely diss. py;						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
			122414	75.00	80.00	5.00		0.04
			122415	80.00	85.00	5.00		0.00
			122416	85.00	90.00	5.00		0.01
			122417	90.00	95.00	5.00		0.07
98.00	100.80	NTERMEDIATE QUARTZ-EYE LAPILLI TUFF: s 75.2 - 77.7 feet; light grey; fine-medium grained; 1% (less 0.1 inch dia.) quartz augen and chloritized lapilli size fragments in a strongly sericitized ight buff-grey matrix; contacts sharp at 60 degrees to c.a.;						
			122418	95.00	100.00	5.00		0.04
100.80	115.10	LTERED BRECCIA: s above; light 'mariposite' green sericitized and silicified tuff breccia; race - 1% blebby and stringer py-po; 5 -10% cross cutting quartz-carb einlets; minor local patches of sideritic alteration centred on cross cutting airline fractures;						
			122419	100.00	105.00	5.00		0.04
			122420	105.00	110.00	5.00		0.04
			122421	110.00	115.00	5.00		0.04
115.10	119.60	NTERMEDIATE QUARTZ-EYE LAPILLI TUFF: s 75.2 - 77.7 feet; strongly sericitized; buff-brown colour; 2 - 4% (0.1 - .2 inch wide) quartz-carb veinlets at 20 degrees to c.a.; contacts sharp nd irregular at approx. 30 degrees to c.a.; trace - 1% finely diss. py;						
119.60	155.00	LTERED BRECCIA: ight-medium grey; medium grained; tuff breccia; mod-strongly silicified; trong 'mariposite'green sericitization disappears after about 124.0 feet and nit grades into a weakly foliated, mod. sericitized tuff breccia; foliation pprox. 60 degrees to c.a.; 1 - 2% blebby py;						
			122422	115.00	120.00	5.00		0.05
			122423	120.00	125.00	5.00		0.08
			122424	125.00	130.00	5.00		0.00

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
			122425	130.00	135.00	5.00		0.02
			122426	135.00	140.00	5.00		0.01
			122427	140.00	145.00	5.00		0.03
			122428	145.00	150.00	5.00		0.05
			122429	150.00	155.00	5.00		0.02
155.00	245.10	ALTERED BRECCIA: mottled 'mariposite' green-buff grey; mod-strongly sericitized; moderately silicified; foliation variable approx. 45 - 50 degrees to c.a.; scattered cross cutting (0.1 inch wide) quartz veinlets; trace - 2% finely diss. py; scattered sideritic patches from 154.0 - 158.0 feet;						
			122430	155.00	160.00	5.00		0.05
			122431	225.00	230.00	5.00		0.27
			122432	230.00	235.00	5.00		0.47
			122433	235.00	240.00	5.00		0.69
			122434	240.00	245.00	5.00		0.35
245.10	254.50	FELSIC LAPILLI TUFF: buff-brown; fine grained; 2 - 4% (less 0.1 - 0.2 inch dia.) irregular shaped chloritized shards in a f.g. matrix; upper contact brecciated; slightly fractured with trace - 1% py ; minor scattered hairline fractures with quartz-carb at mod angles to c.a.; lower contact sharp at 45 degrees to c.a. with 2 - 3% py from 254.5 - 256.0 feet;						
			122435	245.00	250.00	5.00		0.40
254.50	265.50	ALTERED TUFF BRECCIA: as above at 155.0 - 245.1 feet; mottled light ('mariposite') green to buff-grey ; sericitized; silicified; brecciated with 3 - 5% late cross cutting quartz-carb veinlets; trace - 1% diss. py;						
			122436	250.00	255.00	5.00		0.08
			122437	255.00	260.00	5.00		0.02
262.00	265.50	chloritic section: increased chloritization with depth; 1 - 3% diss. py; 5 - 8% (0.1 inch wide) quartz veinlets at approx. 45 - 70 degrees to c.a.;	122438	260.00	265.00	5.00		0.04

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
265.50	268.00	FELSIC VOLCANIC: buff-brown; fine grained; 1 - 2% (less 0.1 inch dia.) chlorite porphyroblasts; upper contact at approx. 15 degrees to c.a.; lower contact at approx. 45 degrees to c.a.; trace diss. py along hairline fractures;						
268.00	270.30	INTERMEDIATE-FELSIC PYROCLASTIC TUFF BRECCIA: as 254.5-265.5 feet; green-grey; chloritic; 5 - 20% quartz-carb veinlets; 5 - 6% diss. py as blebs and along stringers; minor hematitic staining;	122439	265.00	270.00	5.00		0.17
270.30	271.60	FELSIC VOLCANIC: as 265.5 - 268.0 feet; buff red-brown; fine grained; slightly mottled with chlorite pseudomorphs; contacts sharp at approx. 45 degrees to c.a.;						
271.60	285.00	FELSIC-INTERMEDIATE PYROCLASTIC TUFF BRECCIAS: as 254.5 - 265.5 feet; pale green-grey; mixed zone of tuff breccias and minor ash tuffs; mod. silicified; sericitized ('mariposite' green colour); 1 - 3% finely diss. py;	122440	270.00	275.00	5.00		0.41
			122441	275.00	280.00	5.00		0.05
283.50	284.20	Felsic Volcanic: fine grained; light grey-grey brown; porphyroblastic chlorite and minor quartz augen; trace - 1% finely diss. py; contacts at approx. 50 degrees to c.a.;						
285.00	287.10	INTERMEDIATE LAPILLI TUFF: grey-green; fine to medium grained; minor scattered cross cutting (less 0.1 inch wide) quartz-carb veinlets; contacts at approx. 50 - 55 degrees to c.a.; trace - 1% py;	121682	280.00	285.00	5.00		0.09

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
287.10	363.00	FELSIC-INTERMEDIATE PYROCLASTIC TUFF BRECCIA; green to green-grey tuff flow breccia; banding 30 - 50 degrees to c.a.; minor intercalated ash tuff bands; weakly chloritic to about 292.0 feet; weakly silicified; occasional scattered cross cutting 0.1 inch wide quartz-carb veinlet; after approx. 345.0 feet unit becomes more chloritic and talcose (mottled dark grey-buff); trace - 1% py;						
315.00	316.00	Felsic volcanic unit: contacts ground; trace - 1% finely diss. py; At 320.0 feet: 5 inch wide strongly silicified section;						
			122442	317.00	322.00	5.00		0.39
323.00	326.00	2 - 4% diss. py along flow bands; At 330.0 feet: 10 inch wide silicified section;						
			122443	322.00	327.00	5.00		1.21
			122444	327.00	332.00	5.00		0.28
			122445	355.00	360.00	5.00		0.08
363.00	371.50	INTERMEDIATE LAPILLI TUFF: dark green-grey; chloritic; talcose at upper contact; contact ground; increased py (1 - 2%) from 355.0 - 363.0 feet; lower contact approx. 80 degrees to c.a. with 0.1 inch wide talc schist;						
			122446	360.00	365.00	5.00		0.11
371.50	478.30	INTERMEDIATE-FELSIC PYROCLASTIC TUFF BRECCIA: mottled grey-dark grey\buff white ; flow banding at approx. 70 - 80 degres to c.a.; moderately carbonatized; trace blebby py; biotitic units become increasingly chloritic with depth and grade into a mixed zone of intermediate ash and lapilli tuffs;						
478.30	486.00	FELSIC DYKE: red-brown; fine grained; trace - 1% finely diss. py; minor scattered (less 0.1 inch wide) quartz-carb veins at moderate angles to c.a.; contacts at approx. 75 degrees to c.a.;						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
			122447	476.00	481.00	5.00		0.06
			122448	481.00	486.00	5.00		0.02
486.00	489.00	INTERMEDIATE PYROCLASTIC TUFF BRECCIA: as above; mottled dark green-grey fragments in a buff-white matrix;						
			122449	486.00	489.00	3.00		0.03
489.00	490.80	FELSIC DYKE: as above; red-brown; contacts at approx. 75 degrees to c.a.; trace - 1% finely diss. py;						
490.80	495.00	INTERMEDIATE PYROCLASTIC TUFF BRECCIA: as 486.0 - 489.0 feet;						
			122450	489.00	494.00	5.00		0.03
495.00	0.00	EOH						

Hole No.	M90-20	Northing	0+49S	Grid Orient.	000	Depth	Dip	Azimuth	Test	Depth	Dip	Azimuth	Test
Property	MONTROSE TWP.	Easting	32+00E	DH Grid Az.	180	495.0	- 45		ACID				
Location	ONTARIO	Elevation	000	Length (Feet)	495								
Claim No.	374738	Surv. E.		Dip-Collar	-45								
Section	32+00E	Surv. N.		DH Comp.Bear	180								
Started	13-SEPT- 0	Logged by	H. DOWHALUK	Drill No.	1								
Finished	15-SEPT- 0	Checked by	H. DOWHALUK	Foreman									
Target	IP ANOMA Y	Core	BQ	Drill Co.	HEATH & SHER								
Comments													

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
SUMMARY								
0.00	24.00	CASING						
24.00	49.20	MAFIC VOLCANIC						
49.20	84.70	INTERMEDIATE PYROCLASTIC TUFF BRECCIA:						
84.70	120.40	INTERMEDIATE LAPILLI TUFF:						
120.40	137.40	INTERMEDIATE PYROCLASTIC TUFF BRECCIA:						
137.40	146.40	INTERMEDIATE LAPILLI TUFF:						
146.40	261.80	INTERMEDIATE PYROCLASTIC TUFF BRECCIA:						
261.80	268.70	INTERMEDIATE LAPILLI TUFF:						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
268.70	291.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF:						
291.00	340.40	INTERMEDIATE QUARTZ-EYE CRYSTAL LAPILLI TUFF:						
340.40	426.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF:						
426.00	495.00	MAFIC VOLCANIC:						
495.00	0.00	END OF HOLE						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
0.00	24.00	CASING						
24.00	49.20	MAFIC VOLCANIC green; fine grained; massive occasional scattered cross cutting qtz-carb vein (less 0.1 inch dia.) at varying angles to c.a.; veins commonly contain 1-2% diss. py; weak epidotic alteration adjacent to qtz veinlets and fractures; lower contact irregular approx. 65-75 degrees toc.a.; increased sulphides from 48.0-49.2 feet (1% diss. py);						
49.20	84.70	INTERMEDIATE PYROCLASTIC TUFF BRECCIA: 0.1-2.0 inch angular to subrounded grey to dark grey ash and lapilli tuff fragments ina buff-white (carb-dolomite) matrix; local evidence of flow banding; est. 80-85% fragments and 15-20% matrix; occasional scattered cross cutting (less 0.1 inch wide) qtz-carb veinlets at varying angles to c.a.; lower contact sharp at 35 degrees to c.a.; increased dolomitization and weak sericitization ('mariposite'green) at lower contact from 84.5-84.7 feet;						
84.70	120.40	INTERMEDIATE LAPILLI TUFF: grey; fine grained; massive looking; occasional scattered less 0.1 inch dia. chloritized shards\fragments; minor scattered (less 0.1 inch) qtz-carb veinlets at varying angles toc.a.; weakly sericitized;						
90.00	101.00	weak pervasive hematitic alteration, contacts arbitrary and gradational; lower contact approx. 45 degrees to c.a.;						
120.40	137.40	INTERMEDIATE PYROCLASTIC TUFF BRECCIA: dark grey-green angular fragments (0.1-2.0 inch dia) in a siliceous-dolomitic matrix; est. 85-90% fragments and 10-15% matrix; flow banding normally 60-70 degrees to c.a. but locally becomes subparallel; chloritized fragments; weak epidotic alteration locally present; lower contact sharp approx. 50 degrees to c.a.;						
137.40	146.40	INTERMEDIATE LAPILLI TUFF: grey-dark grey; fine grained; massive looking; lapilli size shards are						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
		chloritized giving the unit a weakly 'speckled' appearance; trace-1 blebby and finely diss. py; weak sericitization after about 145.0 feet; lower contact sharp approx. 45 degrees to c.a.;						
146.40	261.80	INTERMEDIATE PYROCLASTIC TUFF BRECCIA: epidotized (light green) 90-95% fragments (0.1-2.0 inch dia.) in a dark green chloritic matrix (5-10%); flow banding is variable; qtz-dolomite vein (10 in.) at upper contact conformable to contact;						
146.40	166.00	Epidotized section: increased silicification after approx. 164.0 feet;	121651	145.00	148.00	3.00		0.02
166.40	177.00	Stong matrix silicification: tuff fragments become grey to green-grey in	121652	164.00	167.00	3.00		0.00
		colour; dark green chloritic matrix;	121653	167.00	170.00	3.00		0.04
		166.0-167.0: 1-2% diss. py	121654	170.00	175.00	5.00		0.04
		167.0-174.5: 10-15% diss. py						
		174.5-177.5: 2-4% blebby diss. py						
177.00	235.80	Weak-moderate matrix silicification:	121655	175.00	180.00	5.00		0.00
		177.5-200.0: 1-2% blebby diss. py	121656	180.00	185.00	5.00		0.00
		200.0-202.0: 2-5% blebby diss. py	121657	185.00	190.00	5.00		0.00
		202.0-224.0: 1-3% blebby and euhedral diss. py	121658	190.00	195.00	5.00		0.00
		224.0-254.0: trace-1% py	121659	195.00	200.00	5.00		0.01
			121660	200.00	205.00	5.00		0.02
			121661	205.00	210.00	5.00		0.00
			121662	210.00	215.00	5.00		0.00
235.80	242.70	Strong matrix silicification:	121663	235.00	240.00	5.00		0.00
242.70	261.80	Weak-moderate matrix silicification:	121664	240.00	245.00	5.00		0.02
		254.0-259.0: 2-4% blebby and euhedral diss. py	121665	245.00	250.00	5.00		0.00
		259.0-261.8: trace-1% diss. py	121666	250.00	255.00	5.00		0.00
			121667	255.00	260.00	5.00		0.01
261.80	268.70	INTERMEDIATE LAPILLI TUFF: grey-green; fine grained; massive looking; contacts irregular and somewhat arbitrary; trace py;						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
			121668	260.00	265.00	5.00		0.01
268.70	291.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF: grey-green (0.1-4.0 inch dia.) angular fragments (90-95%) within a dark green-black chloritic matrix; after approx. 280 feet matrix becomes non-chloritic and strongly,siliceous; trace-2% blebby and euhedral diss. py; flow banding is variable- at 282.0 feet (45 degrees to c.a.);						
291.00	340.40	INTERMEDIATE QUARTZ-EYE CRYSTAL LAPILLI TUFF: grey-green lapilli tuff; fine grained; massive looking;minor scattered (less 0.5 inch dia.) quartz augen; trace-1% diss. py; upper contact is arbitrary;local patches of epidote alteration at\adjacent to cross cutting hairline fractures;						
304.00	305.00	Moderate-strong matrix silicification: trace py;						
340.40	426.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF: grey-green (0.1-2.0 inch dia.) fragments (90-95%) within a lighter grey-green matrix; minor local patches of epidote alteration; occasional scattered cross cutting qtz-carb veinlets at varying angles to c.a.; trace-1% diss. py with local sections of increased sulphides; weak local pervasive carbonatization; 347.0-349.0: 2-4% blebby diss. py; 355.0-360.0: 3-5% blebby diss. py; section becomes increasingly epidotized after approx. 407.5 feet ; 415.0-426.0: 2-4% diss. py;						
			121669	355.00	360.00	5.00		0.02
			121670	415.00	420.00	5.00		0.01
			121671	420.00	426.00	6.00		0.00
				0.00	0.00	0.00		
				0.00	0.00	0.00		
				0.00	0.00	0.00		
				0.00	0.00	0.00		
				0.00	0.00	0.00		
			HOLE #:	M90-20				

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
				0.00	0.00	0.00		
				0.00	0.00	0.00		
426.00	495.00	MAFIC VOLCANIC: dark green; fine-medium grained; massive; weak carbonate along hairline fractures; upper contact approx. 55 degrees to c.a.; medium grained section from 426.0-463.0 feet; trace diss. py;						
495.00	0.00	END OF HOLE						

Hole No.	M90-21	Northing	5+25N	Grid Orient.	000	Depth	Dip	Azimuth	Test	Depth	Dip	Azimuth	Test
Property	MONTROSE TWP.	Easting	21+42E	DH Grid Az.	235								
Location	ONTARIO	Elevation	000	Length (Feet)	495								
Claim No.	373967	Surv. E.		Dip-Collar	-45								
Section	21+42E	Surv. N.		DH Comp.Bear	235								
Started	15-SEPT-)	Logged by	H. DOWHALUK	Drill No.	1								
Finished	17-SEPT-)	Checked by	H. DOWHALUK	Foreman									
Target	IP ANOMA /	Core	BQ	Drill Co.	HEATH & SHER								

Comments
-495.0 - 46 ACID

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne

SUMMARY

0.00	25.00	CASING:
25.00	115.00	FELSIC-INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA:
115.00	116.00	MAFIC-INTERMEDIATE TUFF:
116.00	138.40	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA:
138.40	140.00	INTERMEDIATE LAPILLI TUFF:
140.00	148.90	INTERMEDIATE LAPILLI TUFF:
159.00	221.40	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA:
221.40	241.40	INTERMEDIATE LAPILLI TUFF:

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
241.40	272.70	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA:						
272.70	316.60	INTERMEDIATE LAPILLI TUFF:						
316.60	357.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA:						
357.00	383.50	INTERMEDIATE ASH TUFF:						
383.50	495.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA:						
495.00	0.00	END OF HOLE						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
0.00	25.00	ASING:						
25.00	115.00	ELSIC-INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA: uff-white to grey-green variable size fragments (70-90%) in a buff coloured atrix; local sections of either large chloritized mafic-intermediate tuff ragments or bands; flow banding is variable; trace diss. py; section lternates between more altered buff coloured (bleached looking) fragments rom 25.0-74.0, 85.0-95.0 and 106.5-110.0 feet and more chloritized sections rom 74.0-85.0, 95.0-106.5 and 110.0-115.0 feet;						
115.00	116.00	AFIC-INTERMEDIATE TUFF: ark army green ; chloritic; highly friable; gouged contacts at approx. 40 egrees to c.a.;2 inch wide conformable qtz-dolomite vein at lower contact;						
116.00	138.40	NTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA: ngular (0.1-4.0 inch dia.) chloritized and epidotized fragments (90-95%) n a buff-white matrix (5-10%); 1% blebby diss. py;						
138.40	140.00	NTERMEDIATE LAPILLI TUFF: rey-green; massive looking; fine grained with 15-20% chloritized lapilli hards (less 0.1 inch dia.); upper contact is irregular approx. 20 degrees o c.a.; lower contact 75-80 degrees to c.a.;						
140.00	148.90	NTERMEDIATE LAPILLI TUFF: ight grey-green angular fragments in a weakly silicified matrix; weakly hloritic; becomes increasingly chloritic after 148 feet; trace diss. py;						
148.90	159.00	NTERMEDIATE LAPILLI TUFF: ight green; massive looking; epidotized; 5-15% lapilli size shards and inor scattered chloritic exsolution patches which gives the unit a 'spotted' ppearance; trace-1% py; upper contact zone to about 148.5 feet is strongly hloritized; upper contact approx. 35-40 degrees to c.a.; 53.3-155.0: tuff breccia section with increased sulphides (to 1% blebby py);						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
159.00	221.40	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA: grey-green angular fragments (95%) in a buff-white siliceous-dolomitic(?) matrix; local patches of epidotization; occasional scattered cross cutting qtz-carb veinlets at varying angles to c.a.; trace - 1% diss. py; 159.0-171.0: 2-5% blebby py; weak matrix silicification;						
			121672	160.00	165.00	5.00		0.07
			121673	165.00	170.00	5.00		1.63
			121674	170.00	175.00	5.00		0.03
221.40	241.40	INTERMEDIATE LAPILLI TUFF: grey; fine grained; massive looking; very weakly silicified; occasional scattered cross cutting qtz-carb veinlets at varying angles to c.a.; trace-less than 1% diss. py; upper contact approx. 45 degrees to c.a.;						
241.40	272.70	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA: variable light grey-green and dark green-black lapilli tuff fragments (90%) in a buff-white siliceous-dolomitic(?) matrix (10%); flow banding variable to c.a.; trace -1% diss. py; lower contact approx. 65 degrees to c.a.;						
241.40	247.00	silicified section; fragments are light grey-green in colour;	121675	240.00	245.00	5.00		0.01
247.00	272.70	chloritic section: fragments are dark green-black in colour and texture becomes medium grained; tuff fragments exhibit a 'salt and pepper' texture; @267.5 feet- 3.0 inch wide band of chlorite schist (fault); foliation approx. 0 degrees to c.a.;	121676	245.00	250.00	5.00		0.02
			121677	250.00	255.00	5.00		0.02
			121678	255.00	260.00	5.00		0.02
			121679	260.00	265.00	5.00		0.01
			121680	265.00	270.00	5.00		0.01
272.70	316.60	INTERMEDIATE LAPILLI TUFF: grey-dark green; fine grained; massive looking with coarser grained sections exhibiting 'salt and pepper' textures; trace -1% blebby diss. py; occasional epidotized patch; scattered qtz-carb (1-2%) veinlets and veins (0.1-1.0 inch wide) at moderate angles to c.a. (approx. 5% abundance); dominant vein trends are 35-40 degrees to c.a. and subnormal to c.a.;						

FROM	TO	DESCRIPTION	SAMPLE	FROM	TO	WIDTH	Au oz_ton	Au g_tonne
			121681	270.00	275.00	5.00		0.01
				0.00	0.00	0.00		
316.60	357.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA: grey-green lapilli tuff angular fragments (0.1-2.0 inch dia.) (90-95% abund.) in a buff-white siliceous-dolomitic(?) matrix (5-10% abundance); fragments are weakly chloritized; stronger chloritization from 336-342 feet; fault gouge at 325.0 feet (4 inch wide) and at 333.0 feet (6 inch wide); increased qtz veining near lower contact; trace diss. py;						
357.00	383.50	INTERMEDIATE ASH TUFF: grey-dark grey; fine grained; massive looking; scattered lapilli tuff sections; upper contact 65 degrees to c.a.;						
383.50	495.00	INTERMEDIATE PYROCLASTIC LAPILLI TUFF BRECCIA: dark grey lapilli tuff angular fragments (0.1-3.0 inch dia.) (95% abundance) in a buff-white siliceous-dolomitic(?) matrix; strongly chloritic; talcose fault gouge (2 inch wide) at 418.0 feet; flow banding predominantly at 50-60 degrees to c.a.;						
495.00	0.00	END OF HOLE						

Swastika Laboratories

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A Division of Assayers Corporation Ltd.

Assaying - Consulting - Representation

Assay Certificate

0W-1435-RA1

Company: MONTROSE GOLD RES. INC.

Project:

Attn: HARRY DOWHALUK

Date: SEP 27 90

Copy 1. 50 EASKEN DR #22, REXDALE M9W 1E5
2. 33 CHADWICK DR. AJAX, ONT. L1S 5W1
3. BOX 118, TAMWORTH, ONT. K0K 3G0

We hereby certify the following Assay of 32 SPLIT CORE samples submitted SEP-24-90 by HARRY DOWHALUK.

Sample Number	Au g/tonne	Au check g/tonne	
121651	0.02		↑ HOLE N90-20
121652	Nil		
121653	0.04		
121654	0.04	0.06	
121655	Nil		
121656	Nil		
121657	Nil		
121658	Nil		
121659	0.01		
121660	0.02	0.01	
121661	Nil		
121662	Nil		
121663	Nil		
121664	0.02		
121665	Nil		
121666	Nil		↓
121667	0.01		
121668	0.01		
121669	0.02		
121670	0.01		
121671	Nil		↑ HOLE N90-21
121672	0.07		
121673	1.62	1.55	
121674	0.03		
121675	0.01		
121676	0.02		
121677	0.02		
121678	0.02		
121679	0.01		
121680	0.01		

Certified by _____

G. Lebel / Manager

P.O. Box 10, Swastika, Ontario P0K 1T0

Telephone (705)642-3244 FAX (705)642-3300

Establishe 1928

Swastika Laboratories

A Division of Assayers Corporation Ltd.

Assaying - Consulting - Representation

Assay Certificate

0W-1435-RA1

Company: M ONTROSE GOLD RES. INC.
Project:
Attn: H RRY DOWHALUK

Date: SEP-27-90

Copy 1. 50 FASKEN DR #22, REXDALE M9W 1K5
2. 33 CHADWICK DR. AJAX, ONT. L1S 5W3
3. BOX 118, TAMWORTH, ONT. K0K 3G0

We hereby c rtify the following Assay of 32 SPLIT CORE samples submitted S P-24-90 by HARRY DOWHALUK.

Sample Number	Au g/tonne	Au check g/tonne
121681	0.01	
121682	0.09	

Certified by G. Lebel / Manager

P.O. Box 10, Swastika, Ontario P0K 1T0
Telephone (705)642-3244 FAX (705)642-3300

Swastika Laboratories

Established 1 98

A Division of Assayers Corporation Ltd.

Assaying - Consulting - Representation

Assay Certificate

OW-1434-RA1

Company: MONTROSE GOLD RES. INC.

Date: SEP-28-90

Project:

Attn: H. DOWHALUK

Copy 1. REXDALE
2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby certify the following Assay of 50 SPLIT CORE samples submitted SEP-24-90 by HARRY DOWHALUK.

Sample Number	Au g/tonne	Au check g/tonne
122401	0.20	
122402	0.04	
122403	0.09	
122404	0.07	
122405	0.03	
122406	0.81	0.80
122407	0.04	
122408	0.01	
122409	0.04	
122410	0.01	
122411	0.03	
122412	0.03	
122413	0.03	
122414	0.04	0.03
122415	Nil	
122416	0.01	
122417	0.07	
122418	0.04	
122419	0.04	0.04
122420	0.04	
122421	0.04	
122422	0.05	
122423	0.08	
122424	Nil	
122425	0.02	
122426	0.01	
122427	0.03	
122428	0.05	
122429	0.02	
122430	0.05	

HOLE M90-19

Certified by G. Lebel

G. Lebel / Manager

P.O. Box 10, Swastika, Ontario P0K 1T0

Telephone (705)642-3244 FAX (705)642-3300

Swastika Laboratories

Established 1928

A Division of Assayers Corporation Ltd.

Assaying - Consulting - Representation

Assay Certificate

0W-1434-RA1

Company: MONTROSE GOLD RES. INC.

Date: SEP-28-90

Project:

Attn: H. DOWHALUK

Copy 1. REXDALE
2. 33 CHADWICK DR. AJAX,ONT. L1S 5W3
3. BOX 118,TAMWORTH,ONT. K0K 3G0

We hereby certify the following Assay of 50 SPLIT CORE samples submitted SEP-24-90 by HARRY DOWHALUK.

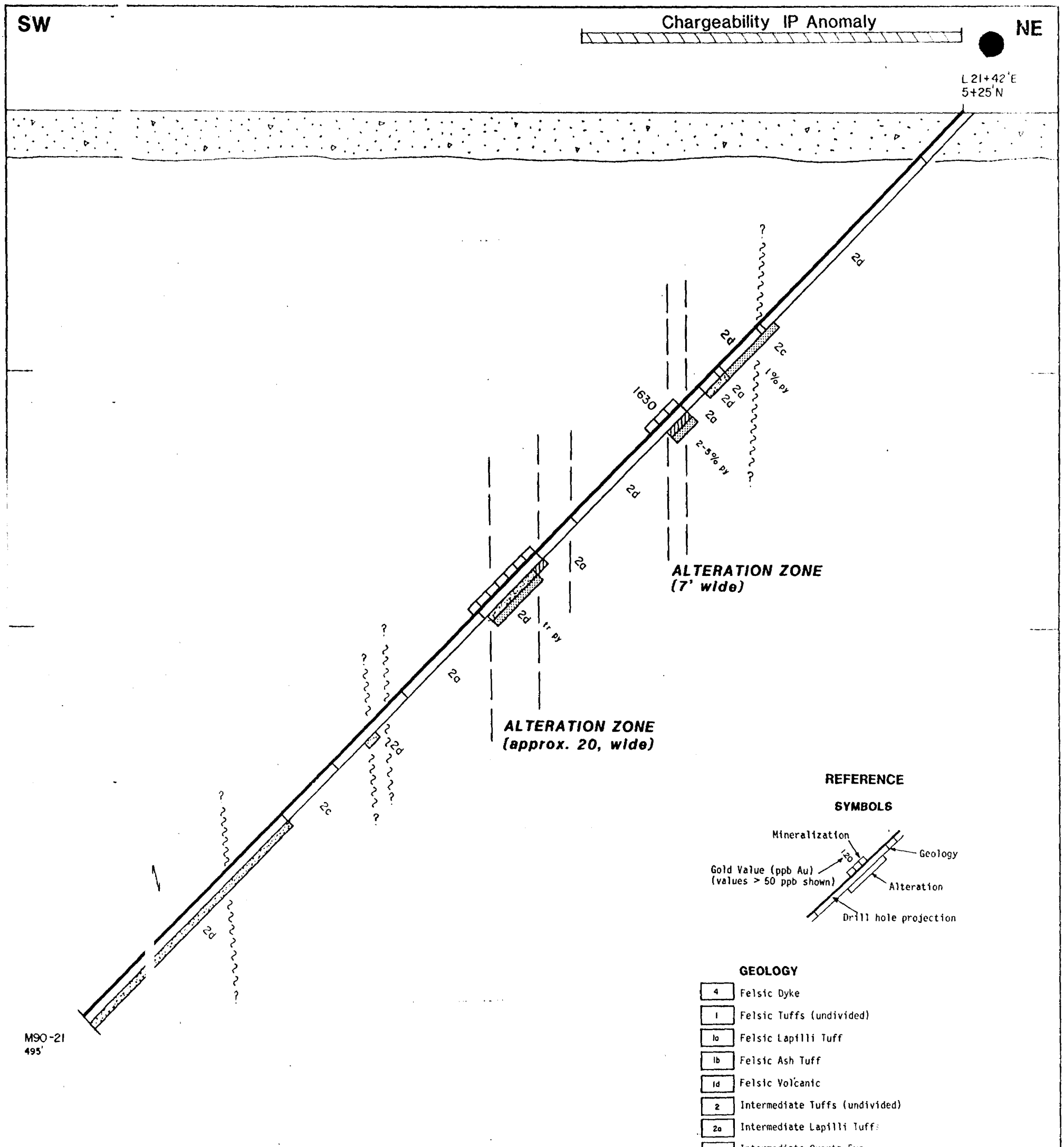
Sample Number	Au g/tonne	Au check g/tonne	
122431	0.27		↑
122432	0.47		
122433	0.69	0.80	
122434	0.35		
122435	0.40		HOLE M90-9
122436	0.08		
122437	0.02		
122438	0.04		
122439	0.17	0.21	
122440	0.41		
122441	0.05		
122442	0.39		
122443	1.21	1.09	
122444	0.28		
122445	0.08		
122446	0.11		
122447	0.06		
122448	0.02		
122449	0.03		
122450	0.03		↓

Certified by _____

G. Lebel / Manager

P.O. Box 10, Swastika, Ontario P0K 1T0

Telephone (705)642-3244 FAX (705)642-3300



LINE : 21+42 E
STATION : 5+25 N
AZIMUTH : 235°
DIP : -45°
LENGTH : 495'
DRILLED : Sept. 15-17/90

Metres
8 0 8 16 24 32
20 0 20 40 60 80 100
Feet

REFERENCE

SYMBOLS

GEOLOGY

- 4 Felsic Dyke
- 1 Felsic Tuffs (undivided)
- 1a Felsic Lapilli Tuff
- 1b Felsic Ash Tuff
- 1d Felsic Volcanic
- 2 Intermediate Tuffs (undivided)
- 2a Intermediate Lapilli Tuff
- 2b Intermediate Quartz-Eye Lapilli Tuff
- 2c Intermediate Ash Tuff
- 2d Intermediate Pyroclastic Lapilli Tuff Breccia
- 3d Mafic Volcanic

ALTERATION/MINERALIZATION

- Silicification
- Sericitization
- 'Mariposite-green' Sericitization
- Chloritization
- Carbonatization
- Sulphidization

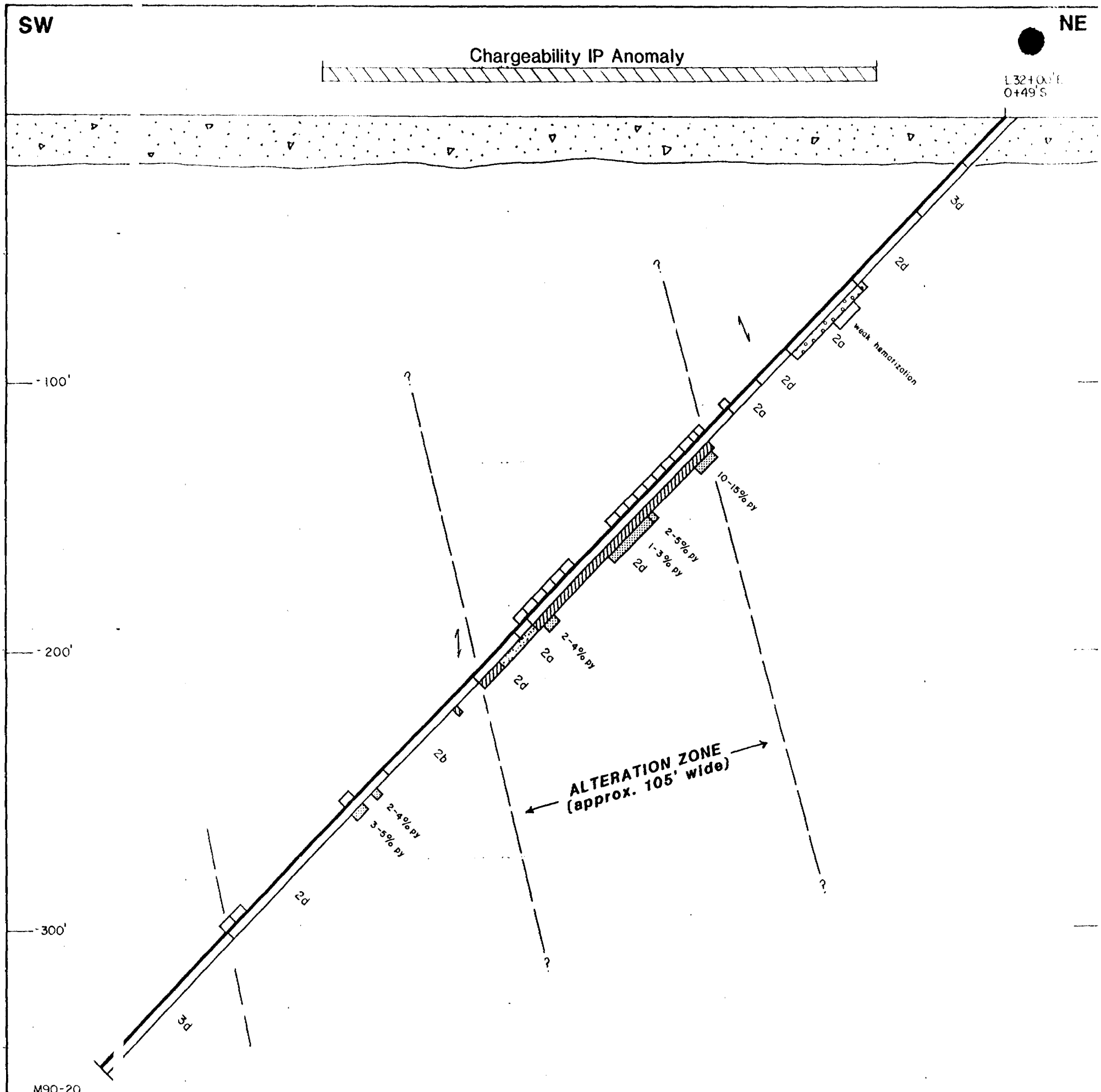
Montrose Gold Resources Inc.

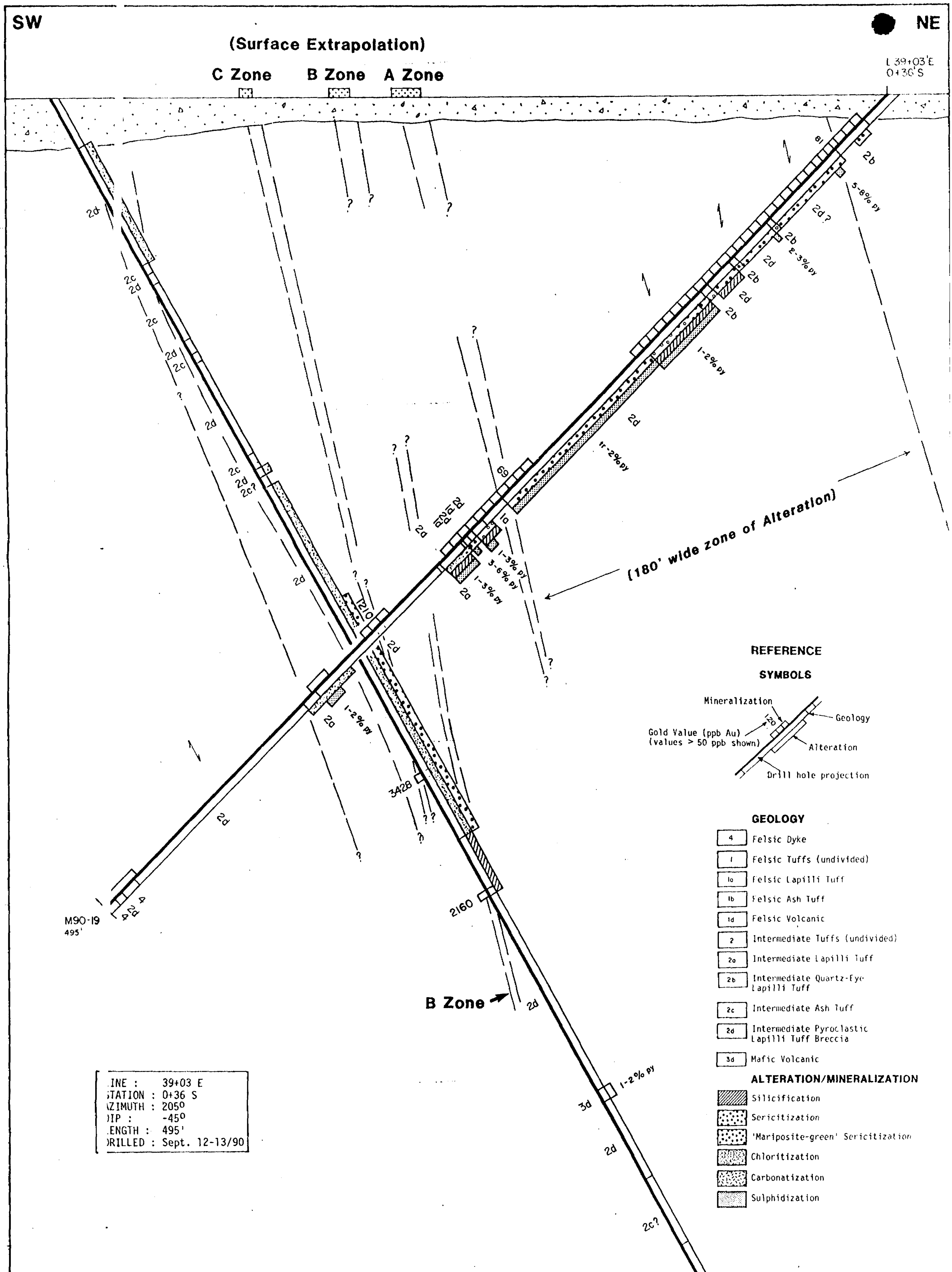
MONTROSE TOWNSHIP PROPERTY
District of Timiskaming, Ontario

CROSS-SECTION 21+42 E HOLE M90-21

Date: Sept. 90 | Scale: 1"=40' | FIG # 7

H.D.


SW
NE
Chargeability IP Anomaly
L 32+00 E
0+49 S
-100'
-200'
-300'
-400'
3d
2d
2a
weak hematization
2d
2a
10-15% py
2-5% py
1-3% py
2d
2a
2-4% py
2d
2b
2-4% py
3-5% py
2d
3d
ALTERATION ZONE
(approx. 105' wide)
?
M90-20
495'
LINE : 32+00 E
STATION : 0+49 S
AZIMUTH : 180°
DIP : -45°
LENGTH : 495'
DRILLED : Sept. 13-15/90
REFERENCE
SYMBOLS
Mineralization
1.0
Geology
Gold Value (ppb Au)
(values > 50 ppb shown)
Alteration
Drill hole projection
GEOLOGY
4 Felsic Dyke
1 Felsic Tuffs (undivided)
1a Felsic Lapilli Tuff
1b Felsic Ash Tuff
1d Felsic Volcanic
2 Intermediate Tuffs (undivided)
2a Intermediate Lapilli Tuff
2f Intermediate Quartz-Eye Lapilli Tuff
2b Intermediate Ash Tuff
2c Intermediate Pyroclastic Lapilli Tuff Breccia
3c Mafic Volcanic
ALTERATION/MINERALIZATION
Silicification
Sericitization
'Mariposite-green' Sericitization
Chloritization
Carbonatization
Sulphidization
Metres
8 0 8 16 24 32
20 0 20 40 60 80 100
Feet
Montrose Gold Resources Inc.
MONTROSE TOWNSHIP PROPERTY
District of Timiskaming, Ontario
CROSS-SECTION
32+00 E
HOLE M90-20
Date: Sept. 90
Scale: 1"=40'
FIG.# 6



Montrose Gold Resources Inc.

MONTROSE TOWNSHIP PROPERTY

District of Timiskaming, Ontario

CROSS-SECTION 39+03 E HOLE M90-19

Date: Sept 90	Scale: 1"=40'	FIG.# 5

H.D.

Metres

8 0 8 16 24 32

20 0 20 40 60 80 100

Feet

GEOPHYSICAL SURVEY RESULTS

MONTROSE TWP. CLAIMS

MONTROSE TOWNSHIP,

ONTARIO

for

TECHTERREX INC./MONTROSE GOLD LTD.

by

J. B. Boniwell

Exploration Geophysical Consultant

July 26, 1990

LIST OF CONTENTS

IN RODUCTION

A perceived favouring geology for gold occurrence in Mo trose Township, west of Matachewan, Ontario, has recently been ge physically surveyed for evidence of the structure and su phides which could signify an important new mineral lo alization in the area. Low grade lenses of gold mi eralization have been revealed in earlier trenching and dr lling within the property area.

The present reporting presents the freshly obtained ge physical results and assesses their contained worth. Re ommendations are consequentially made with respect to fo low-up action, including the advisability of drilling.

DESCRIPTION OF PROPERTY

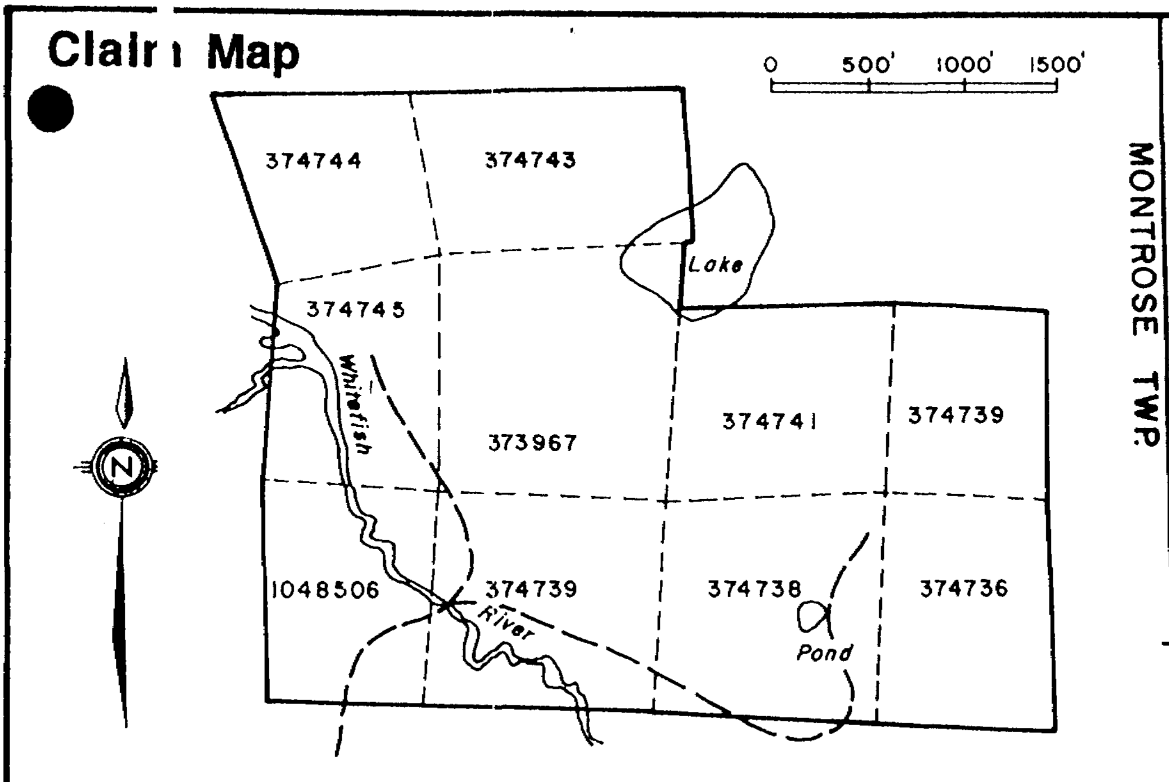
The property comprises 10 mineral claims, 9 taken to lease, 1 unpatented. They form a contiguous group in the NE quadrant of Montrose Township, District of Timiskaming, Ontario. The claims are specifically identified as:

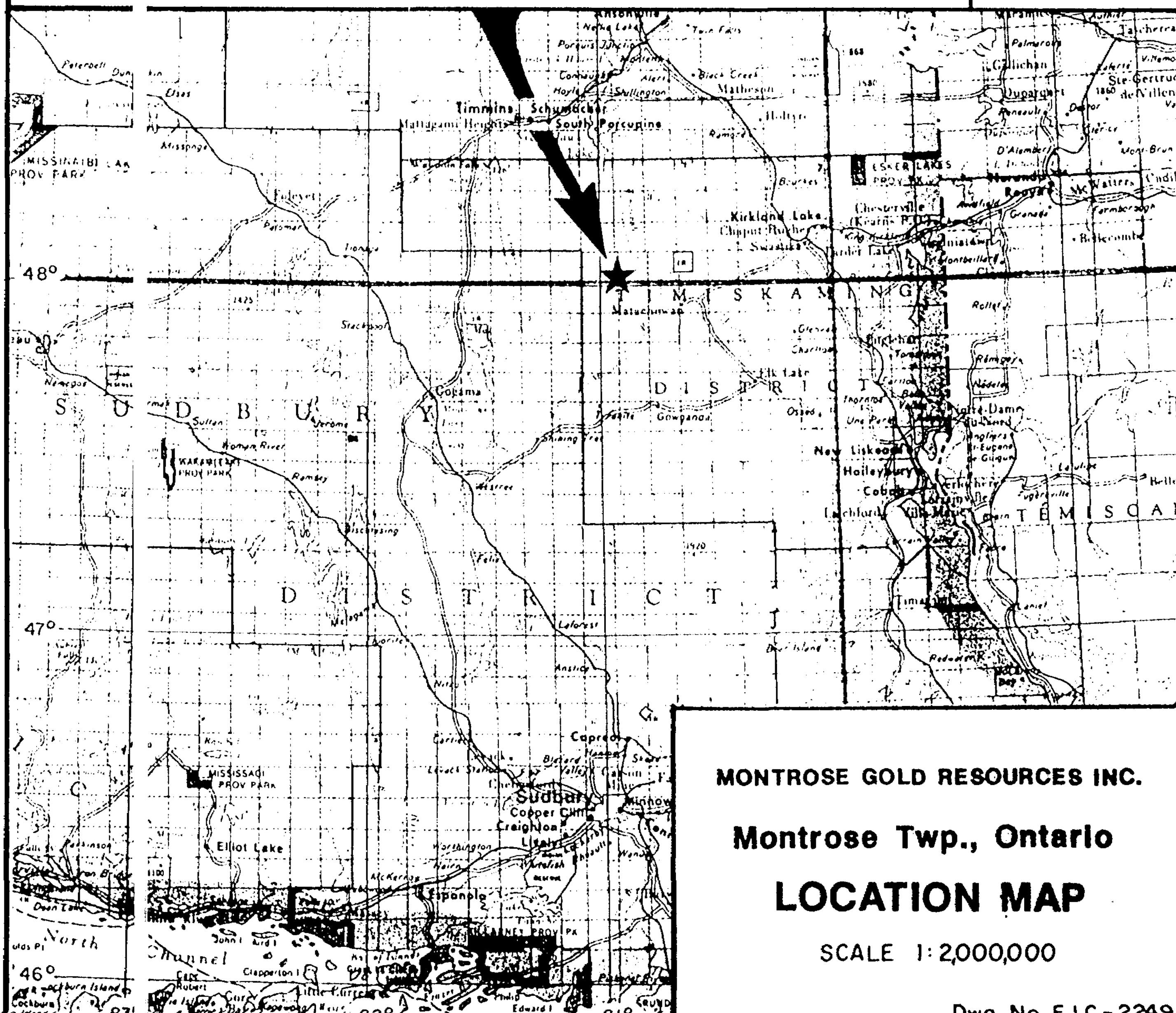
Lease Claims	No. of Claims	Unpatented Claim
L373967	2	L1048506
L374736-39 incl.	4	
L374741	1	
L374743-5 incl.	3	
	10	

These 10 claims are registered in the name of Falcon Point Resources Limited, 67 Richmond St. W., Toronto, Ontario, M5H 1Z5.

Access to the claims is readily had overland by highway (Ont. Road 566 heading west from Matachewan) and by bush road

Claim Map





MONTROSE GOLD RESOURCES INC.

Montrose Twp., Ontario

LOCATION MAP

SCALE 1: 2,000,000

Dwg. No. E.I.C.- 2249

leading off therefrom. The distance by this route from Machewan is approximately 38 kms., from Kirkland Lake 92 kms.

The property lies within a broad, rolling sand plain and is forested with typical taiga growth. The Whitefish River meanders across its southern reaches on a general NW to SE course.

DE AILS OF SURVEY

Grid lines 400' apart oriented true N-S, put in for past re ent exploration, were utilized for the present geophysics. Bo h magnetic and IP/resistivity surveys were conducted in this pr gramme of work.

The magnetic readings were collected at 50' intervals wi h an EDA model PPM375 nuclear precession magnetometer pr viding total field measurements to a sensitivity of 1 nT. An es imated 3 nT accuracy has been achieved by the concurrent de loyment of a base station magnetometer, EDA model PPM350, set up at a fixed site in the area to monitor diurnal change every 15 se onds.

The induced polarization (IP) traversing carried out was ef: ected with a dipole-dipole electrode array with an 'a' spacing of 100', the 'na' distance between dipoles varied successively th ough the equivalents of n=1 to 4. The equipment employed was of the pulse transient type, viz. a 2 kw Phoenix ITP1 transmitter su plying a current cycle of 2 secs ON, 2 secs OFF, coupled to a Hu tec MK IV receiver with 240 ms initial delay time, and a 100 ms integration time during the period of measurement. It is

cor sidered the data are accurate to within 10% of the posted val ies. Readings have been acquired at stations every 100' along tra verse.

DATA PRESENTATION

The grid shown for the data presentations herein is idealized.

The magnetic data, following standard corrections for diurnal shift, have been posted in plan and contoured at a fundamental contour interval of 5 nT. The presented plan is machine generated biased in the direction of the dominant schistosities.

The IP/resistivity data have been assembled in the customary pseudo-sections and contoured. The computed metal factor parameter is also included. All 9 sections of the survey have been likewise machine generated, without in their case any imposed bias. The contour interval for both the apparent chargeability and metal factor presentations is essentially linear, for the apparent resistivities, logarithmic.

DISCUSSION OF RESULTS

A. General

The property is underlain by Archean rocks of the Superior Province, Abitibi Subprovince. They are composed of metavolcanics, flows and allied sediments variously intruded. The regional strike of the formational units is broadly E-W, although schistosities locally measured in the area trend more WNW-ESE.

B. Magnetics

Magnetics results manifestly confirm a WNW grain to the country. The more pronounced magnetic relief stems from intrusions, specifically mafic to ultramafic dykes and plugs, and from iron formations.

The intrusions are dominated by one or two ultramafic bodies in the south centre of the area. They appear about 200' wide, oriented NW-SE, and overtly are separated by an interceding

fau .t zone striking broadly N-S. It seems they represent a cen .re of multi-phase intrusion providing satellite plugs and dyk :s of more gabbroic material in the surrounding environment. Cer .ainly several of these are suggested as shown (Dwg. No. EIC -2250). In the NE corner of the property a diabase dyke is pos .ulated, entering the grid area from the NNW.

Other iron-rich features in the area generally follow the for .ational trend. Outcrops adjacent to them mostly show them to be .orizons within the volcanic suite. They thus promise to ser 'e as useful markers. The most outstanding of these horizons str .kes across the northern reaches of the area. It is perceived to :e a weak oxide iron formation.

The further changes and disruptions in magnetic patterns whi :h appear from place to place across the area allow the del .neation of transecting faults. There are a number of these. The most impelling bear either E-W or N-S roughly. Some prior VLF information from this grid has been used to help pin these par .icular features down. A major regional fault along the gen :ral course of Whitefish River is presumed and it strikes NW- :E. Since this hews uncomfortably close to the direction of sch .stosity, it and others like it are more difficult to discern mag .etically. Shears paralleling formational trends are of

course the most difficult of all to see, and really can not be distinguished for themselves by magnetics alone.

C. IP/Resistivity

Nine IP cross-sections have been completed and there is polarization anomaly on all of them. Backgrounds tend to be high throughout; in fact 9.0 msecs is considered threshold anomaly. A thin cover is intimated thereby, and a good current penetration into bedrock achieved. The companion resistivities fortify this judgement.

The most startling outcome amid all this response is that the trenched mineralization in the vicinity of 250S/3600E supplies no anomaly whatsoever, either in chargeability or resistivity. Geophysically, this setting is basically neutral. The amount of metallics present thus must be deemed very minor, at least in volumetric terms. By contrast, the IP anomalies detected in the coverage, and which lie elsewhere, can be quite strong, up to five times background, and on occasion they can be broad. On the odds, then there is a lot of sulphides beyond the prospect locality which have yet to be sampled and screened.

However much of the stronger polarization recorded in the ae a relates to the ultramafic intrusion. Some correlates di ectly with its centres, but the strongest responses have been de ected along its northern flank and off the ends. In these ci cumstances, a mixture of sulphides, magnetite, graphite, -- an talc from serpentinization, -- can be expected.

What is particularly intriguing here is the way these an malies are sometimes distributed. Rather than following the pu ported formational grain, the alignment of response from tr verse to traverse in a couple of instances bears just south of we t, or that is in a distinctly cross-cutting direction. This ca be taken to infer either that the schistosities do not cl sely reflect bedding altogether in this area, or that the an malies are structurally controlled. The likelihood is the la ter in these cases.

The resistivities by themselves shed no particular light. T ey naturally trend in much the same manner as the polarization wh rever a recognizable feature can be traced through. In the ma n however, resistivity anomaly occurrence appears irregular, an l not very descriptive of either lithology, structure or mi eralization. For this reason, the so-called metal factor

pa ameter is down-graded for the area; it ought in fact only be sp ringly used.

Some measured resistivities are quite high, in excess of 20 000 ohm-metres, and evidently indicate massive unfractured be rock, potentially silicified. The most notable locale for th s kind of possibility lies across the north of the area. Qu te definite resistivity contacts have been noted here, but on th basis of the mapped outcrops do not appear to signify any di tinctive lithologic change. The iron formation tends to be re istive (cherty) and polarizable in a very minor way only. In th neighbourhood of the known mineralization there is only one hi h value, and it lies at depth (below 300S/4000E) and has no ad acent line support.

D. Mineral Considerations

Given that the trenched mineral zone has provided very li tle in the way of ore-grade material, it can be fairly said th it the property potential has been enhanced by the present ge physics which clearly discounts the known mineralization in fa our of a range of other possibilities.

One of the most outstanding results of the survey is a string of IP anomaly along line 2400E. All these events are genuine anomalies of fair order, apparently occurring in some depth; moreover they, as an aggregation, are uniquely disposed. There is not much question as a result that they are related to the N-S faulting which parallels their vicinity; that is to say, this particular fault zone is mineralized. At approximately 30C's, this structure is intersected by what is taken to be a cross-fault which strikes into the general trench area. In the locality of the intersection, an unusual magnetic low exists. This is not a normal low, rather instead in relative terms, an abatement of the iron-rich environment it sits in. Such condition is an indication of hydrothermal alteration (magnetic depletion) locally focussed by the two interacting structures. For gold, it is a highly favouring circumstance.

Other possibilities suggest themselves. They are shown as prospective localities on the map (Dwg. No. EIC-2250) accompanying this report. Each similarly involves intersecting structure, magnetic abatement or low, and IP anomaly.

CO CLUSIONS AND RECOMMENDATIONS

It is concluded that the completed geophysics has su cessfully provided a new series of exploration target within th grid area, and in so doing has effectively raised the po ential of the property. Most especially it is concluded that se eral prospective localities exist therein beyond the known mi eralization which can be drill tested as they stand.

It is recommended in consequence that a programme of di mond drilling be planned for the immediate furtherance of ex loration on this holding. Some cross-sectional drilling is ad ocated within this proposal. Suitable holes would be:

DDH #90-20: Collar at 75S/3200E
to be drilled grid S at -45° for 400'

DDH #90-21: Collar at 250W/2800E
to be drilled grid S at -45° for 500'

DDH #90-22: Collar at 50S/2800E
to be drilled grid S at -45° for 600'

DDH #90-23: Collar at 600S/2800E
to be drilled grid S at -45° for 350'

DDH #90-24: Collar at 350N/2400E
to be drilled grid S at -45° for 450'

DDH #90-25: Collar at 835N/2800E
to be drilled grid S at -45° for 450'

DDH #90-26: Collar at 250N/4400E
to be drilled grid S at -45° for 500'

DDH #90-27: Collar at 150S/4400E
to be drilled grid S at -45° for 350'

These holes total 3600'. They are designed to test in an initial way all the new gold system possibilities evoked by the geophysical results. Future exploration will depend on the findings obtained.

JBI:sb
July 26, 1990

J. B. Boniwell
Exploration Geophysical Consultant

CERTIFICATE

I, JOHN B. BONIWELL, residing at 1522 Clearwater Dr., in th City of Mississauga, County of Peel in the Province of On ario do hereby certify:

i) that I am an exploration geophysical consultant ho ding office at 10 Hurontario St., Mississauga, Ontario.

ii) I am a graduate of the University of Tasmania holding th degree of Bachelor of Science in physics, maths and geology, an that I have been practising my profession of exploration ge physics continuously for the last 41 years;

iii) I am a Fellow of the Geological Association of Ca ada, an active member of the Canadian Institute of Mining and Me allurgy, AIME, SEG, KEGS, and the Australian Society of Ex loration Geophysicists;

iv) that this report is based on information supplied by Mo trose Gold Resources Inc. and by the contractor, Techterrex In .;

v) that I have no interest, direct or indirect, in Mo trose Gold Resources Inc. or any of its affiliates, nor in the pr perty discussed herein, nor do I expect to receive any such in erest;

vi) that permission is given to Montrose Gold Resources In . to reproduce this report in whole for use in any statement of material facts.

Signed this 30th day of July, 1990.

J. B. Boniwell
Exploration Geophysical Consultant

Ministry of Northern Development and Mines

Ontario

Geophysical-Geological-Geochemical Technical Data Statement

File _____

TO BE ATTACHED AS AN APPENDIX TO TECHNICAL REPORT
FACTS SHOWN HERE NEED NOT BE REPEATED IN REPORT
TECHNICAL REPORT MUST CONTAIN INTERPRETATION, CONCLUSIONS ETC.

Type of Survey(s) Geophysical

Township or Area Montrose Township

Claim Holder(s) Falcon Point Resources Limited

67 Richmond St. W., Toronto, Ont.M5H 1Z5

Survey Company Techterrex Inc.

Author of Report J. B. Boniwell

Address of Author 10 Hurontario St., Mississauga,Ont.L5G 3G7

Covering Date of Survey May 1990 (linecutting to office)

Total Miles of Line Cut N/A

SPECIAL PROVISIONS CREDITS REQUESTED

ENTER 40 days (includes line cutting for first survey.

ENTER 20 days for each additional survey using same grid.

	DAYS per claim
Geophysical	
-Electromagnetic	
-Magnetometer	20
-Radiometric	
-Other (IP)	20
Geological	
Geochemical	

AIRBORNE CREDITS (Special provision credits do not apply to airborne surveys)

Magnetometer _____ Electromagnetic _____ Radiometric _____
(enter days per claim)

DATE: 31 July '90 SIGNATURE: _____
Author of Report or Agent

Res. Geol. _____ Qualifications _____

Previous Surveys

File No.	Type	Date	Claim Holder

MINING CLAIMS TRAVERSED
List numerically

(prefix)	(number)
L	1048506
L	373967
	374736
	374737
	374738
	374739
	374741
	374743
	374744
	374755

TOTAL CLAIMS 10

If space insufficient, attach list

837 (85/12)

EXCALIBUR INTERNATIONAL CONSULTANTS LTD.

APPENDIX

ASSESSMENT INFORMATION

A. Magnetic Survey

No. of line kms	:	12.2 (7.6 miles)
No. of stations	:	809
Instrumentation	:	EDA PPM 375, 350

B. IP/Resistivity Survey

No. of line kms	:	5.5 (3.5 miles)
No. of readings	:	637
Instrumentation	:	Phoenix ITP1, Huntec MK IV

C. Date of Survey : May 1990

D. Contractor : Techterrex Inc.
55A Port St. E.,
MISSISSAUGA, Ontario
L5G 4P3.

E.	Data Processing	:	Tesla-10 Ltd. 55A Port St. E., MISSISSAUGA, Ontario L5G 4P3.
F.	Interpretation, reporting	:	Excalibur International Consultants Ltd. 10 Hurontario St., MISSISSAUGA, Ontario L5G 3G7. Author: J. B. Boniwell

030

BOTH SIDES.

DECEMBER 18, 1989

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Initial Public Offering

MONTROSE GOLD RESOURCES INC.

(a mining exploration company)

$1,160,000
2,900,000 Common Shares
Price: $0.40 PER COMMON SHARE

	No. of Common Shares	Offering Price to the Public	Underwriter's Discount (1)	Net Proceeds to the Company (2)
Per Common Share	1	$0.40	$0.153	$0.247
Total	2,900,000	$1,160,000	$443,700	$716,300

(1) The Company has also granted to the Underwriter a non-assignable option (the "Compensation Option") to purchase 290,000 Common Shares exercisable on or before the third anniversary of the date upon which the Ontario Securities Commission issues its final receipt for this prospectus (the "Acceptance Date"), at a price of $0.40 per share. See "Description of the Offering - Underwritten Offering".

(2) Before deducting costs of issue estimated at $50,000. The Selling Shareholder will pay his pro rata share of the costs of issue estimated at approximately $6,450 in respect of the secondary shares offered by him.

The offering price was established by negotiation between the Company and the Underwriter. There is currently no market for the Common Shares of the Company, however the Underwriter will act as market maker on the Canadian Over-the-Counter Automated Trading System. **The offering price of each Common Share exceeds the net tangible book value thereof, as at August 25, 1989, after giving effect to this offering, by $0.258 representing dilution of 64.5% (see "Dilution"). An investment in shares should be regarded as speculative. None of the mining claims in which the Company may earn an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.** See "Risk Factors".

GORDON-DALY GRENADIER SECURITIES

SECONDARY OFFERING - 430,000 COMMON SHARES

A total of 430,000 Common Shares will be offered at a price of $0.40 per share pursuant to this prospectus through the Underwriter acting as agent on behalf of the Selling Shareholder. Details of the secondary offering are as follows:

	No. of Shares	Offering Price to the Public	Underwriter's Commission	Net Proceeds to the Selling Shareholder
Per Common Share	1	$0.40	$0.153	$0.247
Total	430,000	$172,000	$65,790	$106,210

Selling Shareholder	No. of Common Shares Owned	No. of Common Shares to be Offered	No. of Common Shares to be Owned after the Offering (1)
Gordon R. Wilton	2,231,944	430,000	1,801,944

(1) Assumes that all of the Common Shares offered by the Selling Shareholder are sold.

The proceeds from the sale of these Common Shares will accrue to the benefit of the Selling Shareholder and not to the Company. None of the secondary shares will be sold until all of the underwritten shares have been sold. See "Selling Shareholder". See "Prior Issuances of Securities" and "Selling Shareholder" for details of the dates and costs of acquisition of the shares to be offered by the Selling Shareholder.

This prospectus also qualifies an option (the "Promoter's Option") granted to Gordon R. Wilton to purchase 580,000 Common Shares at the price of $0.40 per Common Share. For particulars of the terms of the option and the exercise thereof see "Promoter" and "Common Shares Subject to Issuance".

We, as principal, conditionally offer the 2,900,000 underwritten Common Shares, subject to prior sale, if, as and when issued by the Company and accepted by us, in accordance with the conditions contained in the Underwriting Agreement referred to under "Description of the Offering-Underwritten Offering" and subject to approval of certain legal matters on our behalf and on behalf of the Company by Armstrong, Schiralli & Dunne, Toronto. We, as agent, conditionally offer the 430,000 Common Shares comprising the Secondary Offering on behalf of the Selling Shareholder in accorance with the conditions contained in the agency agreement referred to under "Description of the Offering - Secondary Offering".

GORDON-DALY GRENADIER SECURITIES
224 Richmond Street West
Toronto, Ontario
M5V 1V6

purposes ($264,151). At August 25, 1989 the Company had a working capital deficiency of $16,746.

to be speculative due to such factors, amongst others, as the nature of the mineral exploration business in which the Company is engaged and the limited extent of the Company's assets.

None of the mining claims in which the Company may earn an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore. Mining exploration involves a high degree of risk which even a combination of experience, knowledge and careful evaluation might not be able to overcome. The Company has limited sources of funds to engage in additional exploration and development, which may be necessary to exploit its mineral properties, and the marketability of its properties will be influenced by factors beyond the control of the Company, such as the additional capital requirements of the Company in the period of time required before such mineral prospects may be brought into production.

The Company has been granted an option to earn a 70% interest in the Montrose Township Property upon making certain cash payments and incurring certain exploration expenditures. If the Company fails to make all such payments and incur all such exploration expenditures, the option will terminate and the Company will earn no interest in the Montrose Township Property. The Company has limited resources to make such payments and incur such expenditures.

VEUILLEZ LIRE IMMÉDIATEMENT CET AVIS DE LA COMMISSION DES VALEURS MOBILIÈRES DE L'ONTARIO

CONCERNANT LES ACTIONS OFFERTES DANS LE PROSPECTUS D'ACCOMPAGNEMENT

RISQUES

CES ACTIONS SONT SPÉCULATIVES. LA COMPAGNIE NE DÉTIENT ACTUELLEMENT AUCUN TITRE DE PROPRIÉTÉ NI AUCUN DROIT SUR UN GISEMENT DE MINERAI CONNU. LES POSSIBILITÉS DE DÉCOUVERTE D'UN GISEMENT RENTABLE SONT FAIBLES.

REVENTE

CES ACTIONS NE SONT PAS COTÉES EN BOURSE. VOUS POUVEZ, PAR CONSÉQUENT, VOUS TROUVER DANS L'IMPOSSIBILITÉ DE LES REVENDRE. VOTRE COURTIER N'EST PAS TENU DE VOUS LES RACHETER.

DILUTION

LE MONTANT VERSÉ À LA COMPAGNIE ET UTILISÉ POUR LA PROSPECTION NE CONSTITUE QU'UNE PARTIE DU PRIX QUE VOUS PAYEZ POUR CES ACTIONS. CE MONTANT EST INDIQUÉ SUR LA PREMIÈRE PAGE DU PROSPECTUS.

ANNULATION

VOUS N'ÊTES PAS TENU D'ACHETER CES ACTIONS. SI VOUS AVEZ DÉJÀ ACHETÉ OU CONVENU D'ACHETER DES ACTIONS, VOUS POUVEZ ANNULER CET ACHAT EN ENVOYANT OU EN REMETTANT UN AVIS D'ANNULATION AU COURTIER QUI VOUS A VENDU LESDITES ACTIONS. CET AVIS DOIT ÊTRE REÇU PAR LE COURTIER AU PLUS TARD À MINUIT, LE SURLENDEMAIN DU JOUR OÙ VOUS AVEZ REÇU LE PROSPECTUS D'ACCOMPAGNEMENT (EXCLUSION FAITE DES DIMANCHES ET JOURS FÉRIÉS).

PROSPECTUS SUMMARY

The information given below is intended to provide a summary only of the principal features of the offering. Reference is made to the more detailed information appearing elsewhere in this prospectus.

The Offering

Issuer:	Montrose Gold Resources Inc. (the "Company")
Amount:	$1,160,000
Offering Price:	$0.40 per share
Issue:	2,900,000 Common Shares (the "Underwritten Shares")
Secondary Offering:	There is a secondary offering of 430,000 Common Shares (the "Secondary Shares") which will take place at the price of $0.40 per share. None of the Secondary Shares will be offered until all of the Underwritten Shares have been sold. None of the proceeds of the secondary offering will accrue to the Company.
Market Maker:	The Underwriter will act as market maker on the Canadian Over-the-Counter Automated Trading System in respect of the Common Shares for at least 18 months from the Acceptance Date.
Use of Proceeds:	The net proceeds of the underwritten offering, after deducting the Underwriter's discount and the Company's estimated pro rata share of the costs of issue, will be approximately $672,750. Such proceeds will be used to carry out the first phase of the recommended exploration program on the Company's mineral property ($320,000), to pay an option payment ($10,000), to pay accounts and loans payable ($33,599, of which $10,000 is owed to Gordon R. Wilton, the promoter of the Company), to pay administrative and management expenses ($45,000) and for general working capital

YOU SHOULD READ THIS NOTICE FROM THE ONTARIO SECURITIES COMMISSION IMMEDIATELY

THIS RELATES TO THE SHARES OFFERED BY THE ACCOMPANYING PROSPECTUS

RISK

THESE SHARES ARE SPECULATIVE. THE COMPANY DOES NOT NOW OWN OR HAVE ANY RIGHT TO A KNOWN BODY OF ORE. THE CHANCES OF FINDING A PROFITABLE ORE BODY ARE SMALL.

RESALE

THESE SHARES ARE NOT LISTED ON A STOCK EXCHANGE. ACCORDINGLY, YOU MAY NOT BE ABLE TO RESELL THEM. YOUR DEALER DOES NOT HAVE TO PURCHASE THESE SHARES BACK.

DILUTION

ONLY A PORTION OF THE PRICE PAID BY YOU FOR THE SHARES IS RECEIVED BY THE COMPANY AND IS AVAILABLE FOR EXPLORATION. THAT AMOUNT IS SHOWN ON THE FACE PAGE OF THE PROSPECTUS.

CANCELLATION

YOU ARE NOT REQUIRED TO PURCHASE THESE SHARES. IF YOU HAVE ALREADY PURCHASED OR AGREED TO PURCHASE SHARES, YOU MAY CANCEL THE PURCHASE BY SENDING OR DELIVERING NOTICE OF YOUR CANCELLATION TO THE DEALER FROM WHOM YOU PURCHASED THE SHARES. THIS NOTICE MUST BE RECEIVED BY THE DEALER NOT LATER THAN MIDNIGHT ON THE SECOND DAY AFTER YOUR RECEIPT OF THE ACCOMPANYING PROSPECTUS (NOT INCLUDING SUNDAYS AND HOLIDAYS).

The only source of funds presently available to the Company is through the sale of equity shares.

Subscribers are entitled to receive a risk factor statement accompanying this Prospectus. Such statement, if not already received, is available from the Underwriter or the Company.

See "Risk Factors".

MONTROSE GOLD RESOURCES INC.

PROSPECTUS INDEX

CERTIFICATES

DATED: December 18, 1989

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [illegible] Act (Nova Scotia) and the respective regulations thereunder.

GORDON R. WILTON (Signed)
Chief Executive Officer

MURRAY COOPER (Signed)
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS
OF THE COMPANY

LAWRENCE J. McKAY (Signed)
Director

JOHN E. LONDRY (Signed)
Director

P R O M O T E R

GORDON R. WILTON (Signed)

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 XIV of the Securities Act (Ontario) and by the Securities Act (Nova Scotia) and the respective regulations thereunder.

GORDON-DALY GRENADIER SECURITIES

Per: HARRY BREGMAN (Signed)

THE COMPANY

Montrose Gold Resources Inc. is a corporation incorporated under the laws of the Province of Ontario by Articles of Incorporation effective October 26, 1988. By Articles of Amendment effective August 31, 1989 the Company ceased to be a "private company" and its name was changed to its present name. The address of the registered and principal office of the Company is Suite 500, 67 Richmond Street West, Toronto, Ontario, M5H 1Z5. None of the mining claims in which the Company may earn an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.

BUSINESS OF THE COMPANY

The Company was formed to acquire interests in, and to explore and develop mineral prospects in Canada.

The Company intends to carry out its objectives by exploring its own properties and by acquiring, either alone or jointly with others, interests in other resource properties.

MONTROSE TOWNSHIP PROPERTY

Acquisition by the Company

Pursuant to an option agreement made as of the 1st day of November, 1988, as amended December 18, 1989 (collectively, the "Option Agreement") with Falcon Point Resources Limited (the "Optionor"), Suite 500, 67 Richmond Street West, Toronto, Ontario, M5H 1Z5, the Company was granted an option to acquire a 70% working interest in nine (9) leased and one (1) unpatented mining claims located in Montrose Township, Larder Lake Mining Division, Ontario (the "Montrose Township Property").

Pursuant to the terms of the Option Agreement, in order to exercise the option the Company:

(a) committed to pay $10,000 on execution of the agreement (which amount has been paid);

(b) committed to pay an additional $10,000 within 30 days after the Acceptance Date;

5. Management agreement:
By an agreement dated December 18, 1989, the company is to pay $2,000 per month to its promoter for managing and supervising the company's affairs. These payments will commence in the month following the acceptance date as defined in Note 2. The term of the agreement ends December 31, 1994 unless terminated earlier by either party.

(a) Promoters' shares and loans:
On November 8, 1989, one of the promoters of the company sold all of his common shares (1,115,971.5 shares) to the other promoter and ceased to be a promoter. In addition, a loan of $5,000 payable to the former promoter by the company was assigned by him to the remaining promoter.

(b) Underwriting agreement:
By an agreement dated December 18, 1989, an underwriter has agreed to purchase 2,900,000 common shares of the company's capital stock at $0.247 per share (net of underwriter's fee of $0.153 per share) for a total purchase price of $716,300 payable in two equal instalments of $238,767 and one of $238,766, each due within 30, 60 and 90 days respectively of the acceptance date as defined in Note. 2

It is estimated that the company's costs in connection with the above underwriting will amount to $43,550.

As further consideration for the above purchase, the underwriter was granted an option to purchase an additional 290,000 shares a t $0.40 per share, exercisable on or before the third anniversary of the acceptance date, subject to a limit on a cumulative basis, of 72,500 shares for each six-month period after the acceptance date.

(c) Promoter's option:
By an agreement dated December 18, 1989, the promoter of the company was granted an option to purchase all or any part of an aggregate 580,000 common shares of the company's capital stock at $0.40 per share, exercisable on or before three years from the acceptance date, provided that no options may be exercised during the first year.

3. Recovery of carrying value:

Recovery of the carrying value of the mining claims and deferred exploration expenditures is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the exploration and development, and the attainment of future profitable production or the disposition of the claims for proceeds in excess of their carrying value.

4. Capital stock:

(a) Summary of stated capital:

	Number of shares	Amount
Common shares issued for cash:		
To incorporators	4	$ 1
To promoters of company	2,231,943	61,999
	2,231,947	$62,000

(b) Flow-through shares:

Included in the 2,231,943 common shares issued to the promoters are 60,303 "flow-through shares" for which the promoters paid $15,076 ($0.25 per share) pursuant to an agreement dated October 26, 1988 and 179,697 "flow through shares" for which the promoters paid $44,924 ($0.25 per share) pursuant to an agreement dated January 1, 1989. As required by the agreements, the $60,000 proceeds from the issue of these shares were expended by the company on its mining claims on Canadian Exploration Expenses ("CEE") qualifying for Mineral Exploration Depletion Allowance ("MEDA") (the terms CEE and MEDA having the meanings respectively given thereto in the Income Tax Act (Canada) and regulations thereto).

The company is not eligible for the income tax benefits relating to these expenditures, which benefits are flowed through to the promoters.

(c) Shares subject to escrow:

2,000,004 common shares are subject to escrow. For full particulars relating to the escrow terms and release criteria, refer to this prospectus under the heading "Escrowed Securities".

(c) committed to expend $125,000 of exploration expenditures on the property on or before June 30, 1990 (of which $64,036 has been spent);

(d) may, at its election, on or before July 1, 1990, pay to the Optionor $20,000 and irrevocably commit to spend $175,000 on exploration expenditures after July 1, 1990 and prior to December 31, 1990 (failing which the option will terminate);

(e) may, at its election, on or before January 1, 1991, pay to the Optionor $20,000 and irrevocably commit to spend $200,000 on exploration expenditures prior to December 31, 1991 (failing which the option will terminate); and

(f) may, at its election, on or before January 1, 1992, pay to the Optionor $40,000.

Upon making all of the above payments (totalling $100,000) and incurring all of the above exploration expenditures (totalling $500,000) within the times limited therefor, the Company shall have exercised the option and a joint venture will thereupon be established between the Company and the Optionor governing the further exploration and development of the Montrose Township Property. All expenditures on the Montrose Township Property incurred by the joint venture will be incurred by the Company and the Optionor proportionately to their respective participating interests therein, from time to time. The Company will act as operator of the programs carried out on the property during the option period and will remain operator of the joint venture so long as it has a participating interest of at least 50%. In the event that a party's participating interest in the property is reduced to 10%, its interest will be converted into a 10% net profits royalty interest in the Montrose Township Property.

Should the Company elect not or be unable to make any of the required payments or incur any of the above exploration expenditures, the option will terminate and the Company will earn no interest in the property.

In entering into the Option Agreement, the Company was dealing on an arm's-length basis with the Optionor.

Location and Access

The Montrose Township Property consists of a block of ten contiguous mining claims located in the Matachewan Area in the northeast quadrant of Montrose Township in the District of Timiskaming, in the Mining Division of Larder Lake. The Montrose Township Property, for the most part, lies to the north of Whitefish River. The ten claims are listed as follows:

Claim No.	No. of Claims	Status	Expiry Date
L-373967	1	Leased	July 31, 2006
L-374736 - 374739	4	Leased	July 31, 2006
L-374741	1	Leased	July 31, 2006
L-374743 - 374745	3	Leased	July 31, 2006
L-1048506	1	Unpatented	Dec. 11, 1990

The nine leased claims were surveyed in 1984 and consist of 309.91 acres. The unpatented claim consists of approximately 40 acres.

The Montrose Township Property is located approximately 100 kilometers west of Kirkland Lake and 72 kilometers southeast of Timmins. Highway 66 leads from Kirkland Lake to Matachewan after which Road 566 continues westward to the Ashley Mine site from which the Montrose Township Property can be accessed by logging road.

History and Previous Work

In the early 1930's, the Matachewan Area saw gold production from three mines, namely:

Mine	Years of Production	Production
Ashley Mine	1932 - 1936	50,113 ounces gold from 157,636 tons at 0.32 ounces per ton

MONTROSE GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS
AUGUST 25, 1989

1. Accounting policies:

   (a) Deferred exploration expenditures:

   The company is in the exploration stage and does not derive any income from its mining operations. It is the company's policy to defer expenditures related to the exploration and development of its mining properties (including direct administrative expenditures, if any) until such time as they are brought into production or are deemed economically unfeasible. Upon commencement of commercial production, the cost of acquiring the mining property and all related deferred exploration and development expenditures will be amortized on a unit-of-production basis.

   Should an entire group of mining claims be disproven or abandoned, the acquisition cost and related deferred exploration and development expenditures will be expensed.

   All administrative expenditures (net of sundry revenue) that do not directly relate to exploration and development activities, are expensed as incurred.

2. Mining claims held under option:

   By an agreement dated November 1, 1988, as amended, the company as granted an option to acquire a 70% working interest in ten mining claims (nine leased and one unpatented) in Montrose Township, Larder Lake Mining Division, Ontario.

   The company paid the optioner $10,000 and, in order to fully exercise the option must pay an additional $90,000 and expend a total of $500,000 in exploration of the claims pursuant to the following timetable:

Cash payment	Expenditure requirement	Due date
$10,000		Within 30 days of the date a final receipt is issued by the Ontario Securities Commission for this prospectus (the "acceptance date")
	$125,000*	By June 30, 1990
20,000		By July 1, 1990
	175,000	By December 31, 1990
20,000		By January 1, 1991
	200,000	By December 31, 1991
$40,000		By January 1, 1992
$90,000	$500,000	

*Includes $64,036 expenditures incurred to August 25, 1989.

Mine	Years of Production	Production
Matachewan Consolidated Mine	1934 - 1953	370,427 ounces gold from 3,525,200 tons at 0.11 ounces per ton
Young Davidson Mine	1934 - 1956	585,690 ounces gold from 6,128,272 tons at 0.10 ounces per ton

Gold was first reported on ground forming part of the Montrose Township Property in the early 1930's during the prospecting rush that followed the discovery of the Ashley Gold showing in the northeast corner of Bannockburn Township. The first discovery was reported near what is now the number one post of claim L-1048506 and consisted of large pieces of gold-bearing highly sheared and carbonated float. Some trenching and a limited amount of diamond drilling was carried out.

In the early 1940's, further surface work was carried out, largely in the form of trenching and located a second gold-bearing zone near what is the north boundary of present claim 374738. In addition to the trenching, five diamond drill holes were completed for a total footage of 591 feet. Almost all the core from this drilling was assayed and reports show a considerable number of samples to have returned low gold values with one assay of 0.3 ounces of gold per ton for a core length of 10 feet. Values of from 0.14 to 0.20 ounces of gold per ton were reported from grab samples taken of rock exposed in the trenches. This gold-bearing belt warranted further prospecting.

The Montrose Township Property was acquired in 1973 by a predecessor of the Optionor. The fifteen claims making up the Montrose Township Property at that time were numbered 373967 and 374735 to 374748 inclusive. In the spring of 1974, lines were cut at 400 foot intervals and a VLF electromagnetic (EM-16) survey was carried out.

MONTROSE GOLD RESOURCES INC.

STATEMENT OF INCOME AND DEFICIT FROM INCEPTION (OCTOBER 26, 1988) TO AUGUST 25, 1989

Expenses:	
Incorporation and organization	$1,500
Accounting and corporate services	3,210
Net loss and deficit, end of period	$4,710

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES FROM INCEPTION (OCTOBER 26, 1988) TO AUGUST 25, 1989

Diamond drilling	$38,501
Linecutting and geophysical survey	5,348
Geologist's fees and expenses	18,228
Miscellaneous	1,959
	$64,036

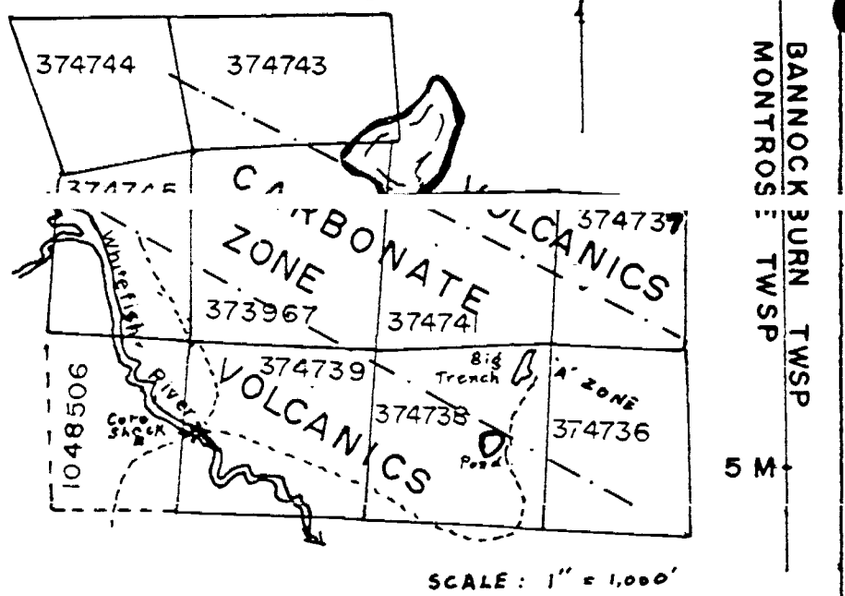
See accompanying notes.

MONTROSE GOLD RESOURCES INC.

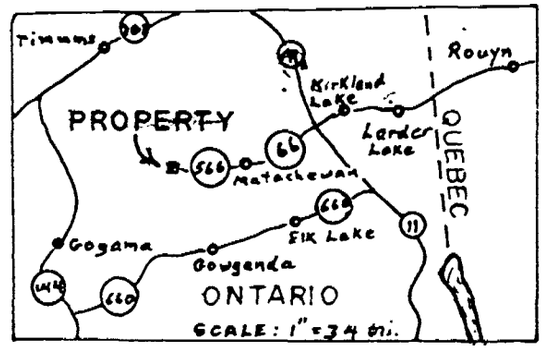
STATEMENT OF CHANGES IN CASH RESOURCES FROM INCEPTION (OCTOBER 26, 1988) TO AUGUST 25, 1989

Cash provided by (used in):	
Operating activities:	
Net loss for period	($ 4,710)
Exploration expenditures	(64,036)
Accounts payable	22,099
	(46,647)
Financing activities:	
Proceeds from sale of shares (Note 4)	62,000
Loans from promoters of company	10,000
Accounts payable	1,500
	73,500
Investment activity:	
Payment re option on mining claims	(10,000)
Cash, end of period	$16,853

See accompanying notes.



BANNOCKBURN TWSP
MONTROSE TWSP



MONTROSE GOLD RESOURCES INC.

MONTROSE TOWNSHIP, TIMISKAMING DIST.

ONTARIO

right to the A zone. Since the core shack was built on ground open for staking, one claim (L-1048506) was staked to cover the site. Lines were cut and the magnetometer survey was extended to cover this claim. Diamond drilling was carried out in March of 1989. Three holes (89-16, 89-17 and 89-18) were drilled to 500, [illegible] feet respectively, for a total of 1,999 feet. These holes went deeper than previous holes. A great deal of carbonate was traversed but only 89-18 cut a substantial gold-bearing zone, namely 0.078 ounces of gold per ton over 19.0 feet.

Economic Geology

Intermittent exploration programs since the early 1930's have repeatedly turned up low gold values which are stratigraphically confinedto the middle (carbonate) horizon. The horizon strikes N 60 degrees W, dips vertically more or less and is over 1,000 feet wide. All of the known diamond drilling has been confined to this horizon. The main effort has been on the A zone where the best section grades 0.051 oz/ton gold over an average true width of 22.1 feet for a length of 550 feet. Values occur over substantial widths but are characteristically low. Gold has been demonstrated by diamond drilling to occur over a strike length of 1,400 feet in zones that have a true width of up to 40 feet. Drilling in the northwest end of the Montrose Township Property showed the presence of minor gold values (0.05 oz/ton gold over 1.5 feet and 0.01 oz/ton gold over 5.0 feet) in hole GB-13 at a point which is an additional 1,800 feet to the northwest. Tying on the northwest, Canamex Resources Inc. has a similar carbonate property.

A tabulation of the gold intersections in the diamond drilling follows:

Hole	Intersection (Feet)	Width (Feet)	Assay (oz. gold/ton)
GB-1	6.5 - 54.1	47.6	0.051
	07.5 - 117.8	10.3	0.144
GB-2	35.0 - 55.0	20.0	0.182
	16.4 - 112.2	95.8	0.044
	45.6 - 49.3	3.7	0.600

AUDITORS' REPORT

To the Directors of
Montrose Gold Resources Inc.

We have examined the balance sheet of Montrose Gold Resources Inc. as at August 25, 1989 and the statements of income and deficit, deferred exploration expenditures, and changes in cash resources for the period from inception (October 26, 1988) to August 25, 1989. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at August 25, 1989 and the results of its operations and the changes in its cash resources for the period from inception (October 26, 1988) to August 25, 1989 in accordance with generally accepted accounting principles.

Toronto, Ontario
December 18, 1989

LAVENTHOL & HORWATH
Chartered Accountants

MONTROSE GOLD RESOURCES INC.

(Incorporated under the laws of Ontario)

BALANCE SHEET — AUGUST 25, 1989

ASSETS

Current:	
Cash	$16,853
Mining claims held under option (Notes 2 and 3)	10,000
Deferred exploration expenditures (Note 3)	64,036
	$90,889

LIABILITIES

Current:	
Accounts payable	$23,599
Loans payable to promoters of company, non-interest bearing, due on demand	10,000
	33,599

SHAREHOLDERS' EQUITY

Capital stock (Note 4):	
Authorized:	
Unlimited number of common shares	
Stated capital (Note 4(a))	62,000
Deficit	(4,710)
	57,290
	$90,889

On behalf of the Board:

"Gordon R. Wilton" (Director)
"Murray Cooper" (Director)

In the fall and winter of 1974-1975, eight holes were diamond drilled for a total of 1,697 feet. This work was largely concentrated on the A Zone and covered a length of 600 feet on the carbonate zone with substantial widths of silicified breccias, mariposite and low-grade gold values (i.e. 0.05 ounces of gold per ton over 47.0 feet and 0.102 ounces of gold per ton over 21.2 feet). The highest value, 0.24 ounces of gold per ton over 4.8 feet, occurred in the first hole.

A second diamond drilling program in the fall and winter of 1975-1976 consisted of four holes (#9 to #12) for a total of 1,079 feet. These holes extended the A Zone to the northwest and to the southeast. Rather low values were obtained but the length of the zone was now extended to 1,400 feet. At the southeast end, hole GB-9 showed 0.016 ounces of gold per ton over 66.2 feet.

In December of 1977, a large trench was excavated on the A Zone using a backhoe. The trench is 320 feet long, 30 feet wide and about 7 feet deep. The earth removed was 3,373 cubic yards. In this large trench, two smaller rock trenches were drilled and blasted out. Sampling of the rock trench walls showed an average of 0.038 oz/ton gold over 14.2 feet in the south trench and 0.028 oz/ton gold over 26.9 feet in the north trench.

In the fall of 1979, a soil survey for gold in the northwest part of the Montrose Township Property was carried out, followed up by diamond drilling. Three holes (GB-13 to GB-15) were drilled as a cross section for a total of 1,457 feet. Only a few samples were taken. One of these showed 0.05 ounces of gold per ton over 1.5 feet.

A perimeter land survey was carried out in 1984 on nine claims. Six of the original fifteen claims were dropped to leave the following nine claims: L-373967, L-374736-39, L374741 and L374743-45 inclusive. These nine claims were brought to lease in August, 1985.

In December of 1988, another round of work on the claims was commenced. The original lines were recut and a magnetometer survey of the Montrose Township Property was completed. A core shack was built on the south side of the Whitefish River, the crossing at the river was repaired and the road was opened up

Hole	Intersection (Feet)	Width (Feet)	Assay (oz. gold/ton)
89-18	316.0 - 335.0	19.0	0.078
	326.0 - 335.0	9.0	0.104

There are some scattered high values such as 0.24 oz/ton gold over 4.8 feet in GB-1, 0.60 over 3.7 feet in GB-2, 0.15 oz/ton over 2.9 feet, 0.14 oz/ton over 5.0 feet and 0.12 oz/ton over 5.0 feet in GB-3, 0.16 oz/ton over 5.0 feet in GB-6, 0.12 oz/ton over 5.0 feet and 0.105 oz/ton over 5.0 feet in GB-8 and 0.104 oz/ton over 9.0 feet in 89-18. These indicate that a slight "nugget effect" may be present.

The best part of the A zone stretches from 150-W to 400-E, a distance of 550 feet. Using diamond drill intersections for the main band, calculations show that the 550 foot length grades 0.051 oz/ton gold over an average true width of 22.1 feet, or, 1,068 tons per vertical foot at this grade. This preliminary calculation gives some idea of how the A zone is emerging.

Work on the large trench, which was dug up in early December, 1977, had to be abandoned because of snow and ice. Nevertheless, two rock trenches, each about 10 feet by 30 feet and 4 feet deep, were drilled, blasted and sampled before the work was terminated. Twenty-five chip samples and small muck samples were taken. Most values are above 0.01 oz/ton gold and the highest assay was 0.24 ounces of gold per ton over 4.0 feet. The sampling results are summarized as follows:

South Trench

East wall (top)	0.037 oz/ton gold over 15.0 feet
East wall (bottom)	0.039 oz/ton gold over 13.5 feet
Muck (43 tons)	0.075 oz/ton gold and 0.06 oz/ton silver over 14.2 feet

North Trench

West wall	0.012 oz/ton gold over 27.0 feet
East wall	0.044 oz/ton gold over 26.8 feet
Muck (81 tons)	0.021 oz/ton gold over 27.0 feet

(02/80 to 02/86), Red Rocket Explorations Inc. (06/81 to 09/86), Seeley Lake Resources Inc. (05/87 to 06/88), Shediac Bay Resources Inc. (05/85 to 09/88), Southern Eagle Enterprises Inc. (03/86 to 11/87), Tritex Petroleum Corp. (12/82 to 12/87), Victoria County Explorations Inc. (05/84 to 10/87) and Whitney Bay Resources Inc. (07/87 to 03/89) and Field Resources Limited [illegible], Newmex Gold Resources Inc. (08/83 to 09/86) and Vista Explorations Inc. (05/85 to 09/86) amalgamated to form Golden Trio Minerals Ltd. (09/86) and Dixie Oil & Gas Corporation (09/80 to 06/87), Oneida Energy & Resources Corporation (05/79 to 06/87) and Rockmere Lake Exploration Ltd. (05/83 to 06/87) amalgamated to form Consolidated Dixie Resources Inc. (06/87) and Dewey Oil & Gas Inc. (07/84 to 05/87) and Southern Eagle Petroleum Corp. (01/84 to 05/87) amalgamated to form Southern Eagle Enterprises Inc. (05/87).

Of the companies listed above and during the time Mr. Cooper was associated with such companies, there are no companies which either had their charters cancelled or whose securities were the subject of a cease-trade order issued by the Ontario Securities Commission having a duration longer than 60 days.

Mr. Wilton has been a promoter of the following junior resource companies from the dates indicated to the present: Twin Star Energy Corporation (06/85), Lucas Gold Resources Corp. (09/86), Monk Gold & Resources Limited (06/83), Brightwest Resource Explorations Inc. (06/87) and Sungold Resources Inc. (08/87).

Of the companies listed above and during the time Mr. Wilton has been associated with such companies, none of such companies have either had their charters cancelled or securities subject of a cease-trade order issued by the Ontario Securities Commission having a duration longer than 60 days.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

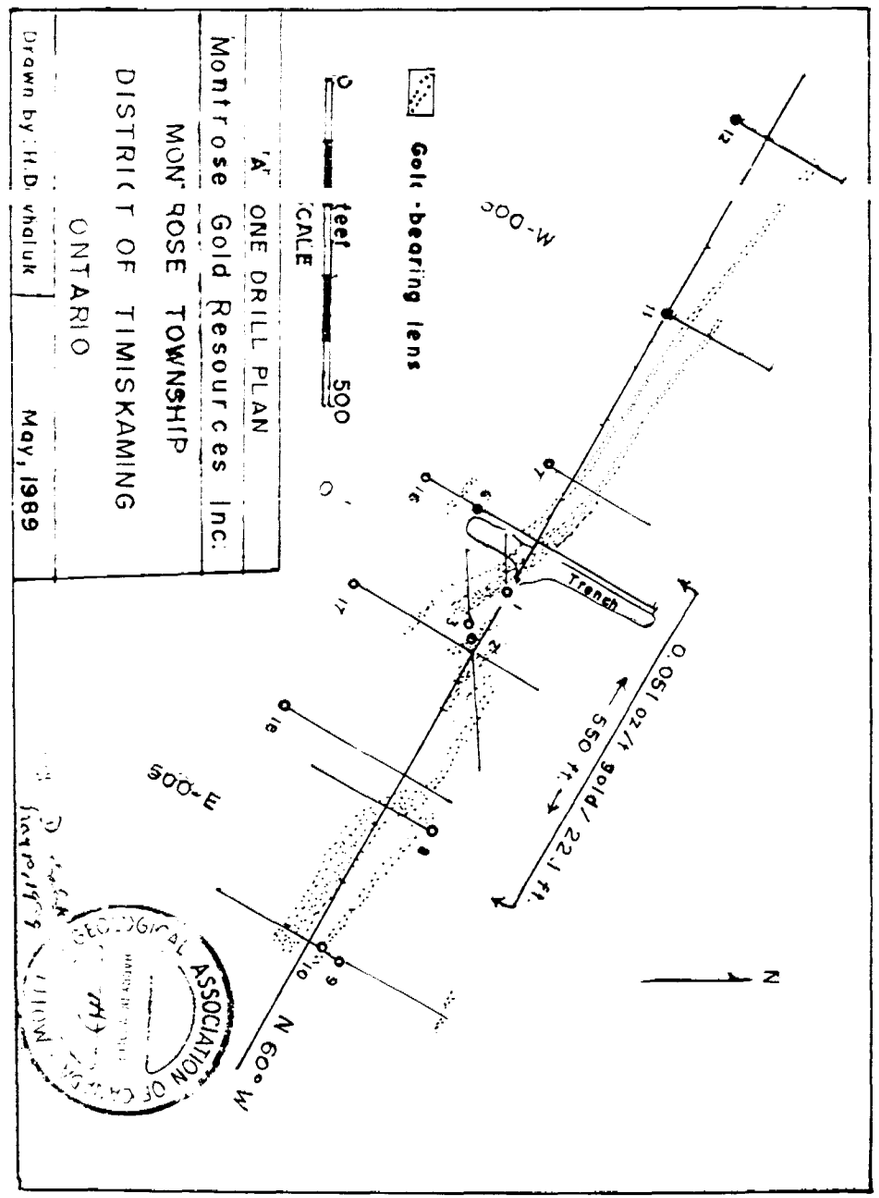
Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories securities legislation further

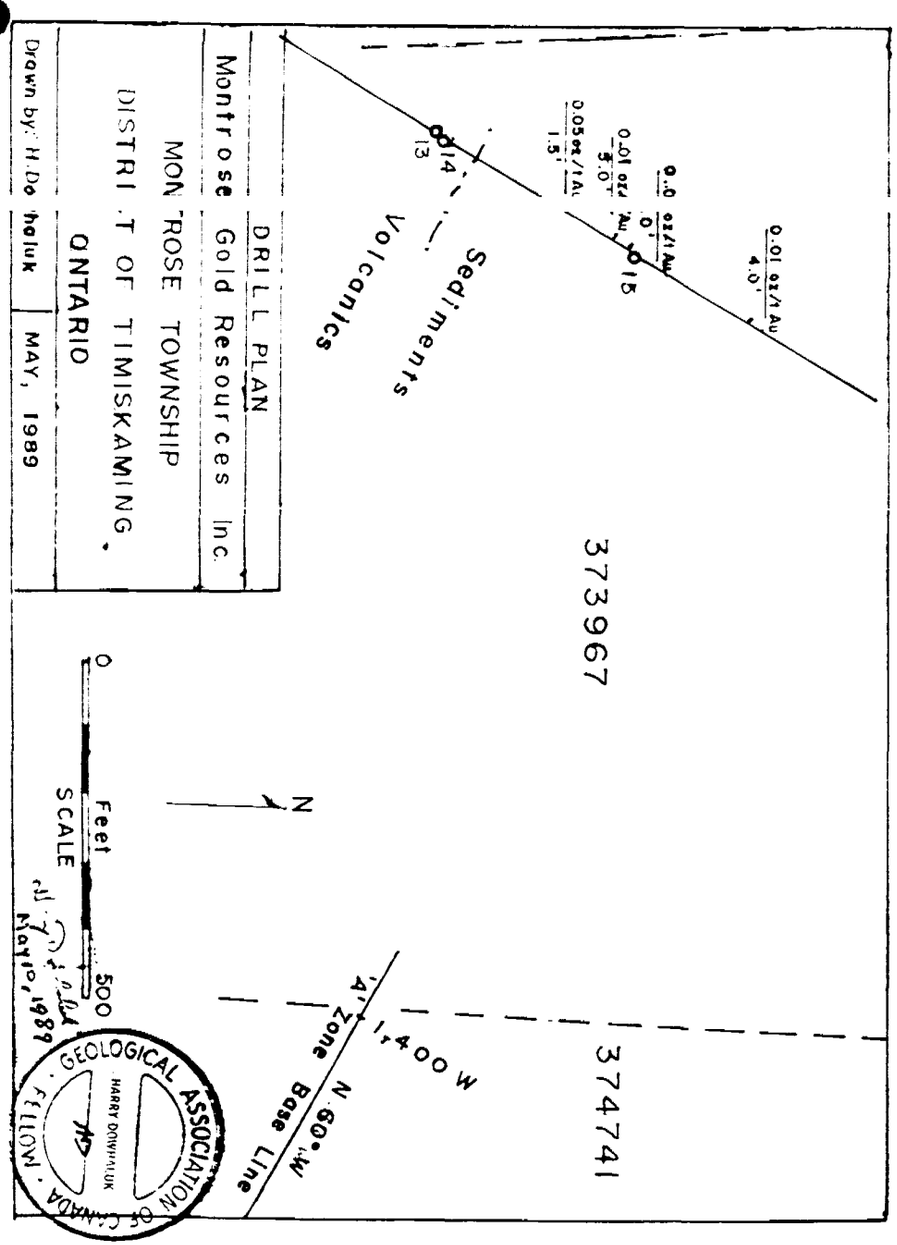
provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of his province or territory. The purchaser should refer to any applicable provisions of the securities legislation of his province or territory for the particulars of these rights or consult with a legal adviser.

Hole	Intersection (Feet)	Width (Feet)	Assay (oz. gold/ton)
GB-3	97.1 - 105.0	7.9	0.100
	80.0 - 105.0	25.0	0.041
	149.7 - 156.0	12.3	0.015
	175.0 - 200.0	25.0	0.078
	171.0 - 210.0	39.0	0.054
GB-6	111.0 - 119.3	8.3	0.020
	125.0 - 180.0	55.0	0.045
GB-7	61.3 - 80.0	18.7	0.029
	94.0 - 128.8	34.8	0.017
GB-8	24.5 - 35.0	9.5	0.012
	55.0 - 120.0	65.0	0.048
GB-9	25.0 - 35.0	10.0	0.012
	52.8 - 60.0	7.2	0.010
	80.0 - 146.2	66.2	0.016
GB-10	276.6 - 289.0	12.4	0.020
GB-11	35.0 - 50.0	15.0	0.010
	65.0 - 75.0	10.0	0.010
	118.0 - 120.0	2.0	0.010
	125.0 - 128.0	3.0	0.020
GB-12	190.0 - 196.8	6.8	0.01
GB-13	299.0 - 300.5	1.5	0.05
	430.0 - 435.0	5.0	0.01
	485.0 - 490.0	5.0	0.01
GB-15	265.0 - 269.0	4.0	0.01
89-16	86.2 - 96.0	9.8	0.032
	86.2 - 91.0	4.8	0.060
89-17	386.0 - 406.0	20.0	0.022
	395.5 - 399.0	3.5	0.063

Resources Inc. (11/88), Primrose Gold Resources (8/87), Red Fox Resources Inc. (12/87), Regent Rock Resources Inc. (08/87), Royal Crest Resources Inc. (10/87), Stockgold Resources Inc. (08/86), Sungold Resources Inc. (08/87), Tejas Petroleum Resources Ltd. (07/81), Transgold Resources Inc. (6/86), Traveler Petroleum Exploration Ltd. (07/81), Twin Star Energy Corporation (06/85), Unigold Resources Ltd. (03/86), Western D'Eldona Resources Ltd. (09/84) and Windy Mountain Exploration Ltd. (12/88).

Mr. Cooper was a director and/or officer of the following junior resource companies during the periods indicated: Balfour Channel Resources Inc. (02/85 to 09/86), Blazedale Resources Inc. (09/83 to 03/86), Brunex Gold Resources Ltd. (01/87 to 09/88), Bunker Hill Resources Inc. (10/85 to 05/87), Butte Canyon Resources Inc. (03/87 to 09/88), CME Capital Inc. (08/80 to 05/88), Casabar Resources Inc. (04/87 to 02/89), Cindy Mae Resources Inc. (07/84 to 10/87), Claremont Mines Limited (07/81 to 04/86), Coburn Mining Corporation (10/87 to 09/88), Dallas Petroleum Resources Inc. (05/81 to 02/87), Dorchester Resources Inc. (10/87 to 05/89), Dovercliff Minerals Ltd. (09/82 to 02/87), Fairfax Bay Resources Inc. (12/84 to 07/87), Falconcrest Resources Inc. (01/86 to 09/88), First Canadian Gold Corporation (06/86 to 02/87), Gandy Resources Corp. (01/87 to 11/88), Glencannon Resources Inc. (11/85 to 3/88), Global International Energy Inc. (09/85 to 11/87), Golden Bear Explorations Inc. (02/81 to 06/86), Golden Caribou Explorations Inc. (03/83 to 10/87), Golden Spirit Resources Inc. (03/84 to 08/87), Golden Transit Resources Inc. (08/84 to 09/86), Goldun Age Resources Inc. (05/85 to 10/87), Gracefield Explorations Inc. (02/86 to 04/89), Green Diamond Oil Corporation (12/82 to 06/86), Guardsman Resources Inc. (08/85 to 07/86), Hardiman Bay Resources Inc. (05/87 to 02/89), International Thunderwood Explorations Ltd. (11/81 to 04/87), Isaac's Harbour Gold Explorations Inc. (04/83 to 01/87), Little Abitibi River Resources Inc. (10/86 to 06/89), Lobo Gold & Resources Limited (06/83 to 11/88), Lombard Consolidated Resources Inc. (08/86 to 11/88), Maple Mountain Resources Ltd. (11/86 to 12/86), Maradona Resources Inc. (07/86 to 09/88), McArthur Mill Explorations Ltd. (11/87 to 10/88), Nartico Resources Ltd. (08/86 to 08/87), Newbrun Resources Ltd. (08/86 to 09/88), Nickeldale Resources Inc. (05/86 to 09/88), Oreco Mines & Energy Corp. (01/87 to 10/87), PPC Oil & Gas Corp. (11/87 to 06/89), Parflo Mines & Energy Corp. (04/86 to 10/87), Penyork Energy Resources Inc.





issued by the Ontario Securities Commission having a duration longer than 60 days.

Mr. Londry is presently a director and/or officer of the [illegible] present: Aurlot Explorations Ltd. (02/88), Blue Regal Resources Ltd. (7/87), Dewey Oil & Gas Inc. (7/84), Ekersval Resources Ltd. (2/88), Golden Penguin Resources Ltd. (12/87), Great Fortress Resources Inc. (09/87), Home Lake Resources Ltd. (02/88), Markbridge Resources Ltd. (02/88), Mountain Frontier Explorations Ltd. (8/84), North Hawk Resources Ltd. (7/87), Red Fox Resources Inc. (12/87), Thunder Valley Resources Ltd. (6/86), Torogold Resources Inc. (6/86) and Wizard Lake Petroleum Corp. (3/88).

Mr. Londry was associated as a director and/or officer with the following company during the period indicated: Citadel Gold Mines Inc. (7/80 to 2/86).

Of the companies listed above and during the time Mr. Londry was associated with such companies, there are no companies which either had their charters cancelled or whose securities were the subject of a cease-trade order issued by the Ontario Securities Commission having a duration longer than 60 days.

Mr. Cooper is presently a director and/or officer of the following junior resource companies from the date indicated to the present: Aldona Mines Limited (68), Astwood Park Resources Inc. (08/86), Aurlot Explorations Ltd. (06/88), Blake River Explorations Ltd. (12/88), Blue Regal Resources Ltd. (07/87), Brightwest Resource Explorations Inc. (05/87), Burgess Point Resources Inc. (10/85), Canlorm Resources Inc. (06/86), Cochise Resources Inc. (10/88), Consolidated Dixie Resources Inc. (06/87), Daniel Resources Inc. (07/87), Falcon Point Resources Limited (08/82), Fire River Gold Corp. (02/88), Goldbrook Explorations Inc. (05/83), Golden Penguin Resources Ltd. (12/87), Golden Trio Minerals Ltd. (09/86), Gowest Amalgamated Resources Ltd. (11/80), Great Fortress Resources Inc. (09/87), July Resources Corp. (02/88), The Lithium Corporation of Canada, Limited (01/87), Lucas Gold Resources Corp. (09/86), Mangrove Bay Resources Inc. (07/87), Match Capital Resources Corporation (04/89), Mountain Beave[illegible] Resources Ltd. (12/88), Neighbors Resources Inc. (09/85), Orfor[illegible] Resources Ltd. (07/87), Pamax Resources Ltd. (06/87), Peter Island

pyrite and considerable graphite were intersected but with only traces of gold.

A weaker anomaly on claim 374736 shows the conductor axis to be striking northwesterly along what is probably the stratigraphic bottom of the middle carbonate zone. There is a similar small anomaly on 374737, the next claim north. These small anomalies may be very important; quite often,the strongest anomalies merely reflect graphite. The anomalies along the Whitefish River are thought to be caused by swamp deposits.

Magnetometer Survey

In 1988 - 1989 the original lines on the Montrose Township Property were recut and a magnetometer survey was carried out. Altogether, 8.6 miles were surveyed for a total of 447 stations. A very interesting anomaly starts at the edge of the small pond and extends N 60 degrees W in an oval-shaped configuration for a distance of 1,500 feet. Since the anomaly may be regarded as occurring along the floor of the middle carbonate unit, it could represent a depression into which metals may have been concentrated by sedimentary processes.

Two anomalies occur at the north end of the Montrose Township Property north of the small lake. Such anomalies could reflect small lenses of iron formation.

Geochemistry

Humus sampling for gold was carried out in the fall of 1979. Work was started late in the year and as the snows came early the work was confined mostly to claim 373967. Samples of humus were taken every 100 feet on the picket lines. There were 54 samples taken in total. The mode was 14 parts per billion ("ppb"); the weighted average was 13 ppb. The two highest values were 40 and 47 ppb which are on strike of the A zone.

Three diamond drill holes (GB-13, GB-14 and GB-15) were drilled for a total of 1,457 feet on a section 1,800 feet northwest of hole GB-12 on the west part of claim 373967. GB-14 remained in massive volcanics, while GB-13 and GB-15 traversed sediments and small amounts of carbonate. Three samples from

DILUTION

The following table sets out the immediate dilution to subscribers for Common Shares purchased under this offering, assuming the Underwriter does not exercise the Compensation Option. The calculation of the dilution is based upon the net tangible assets of the Company per Common Share reflected on the Company's balance sheet as at August 25, 1989.

Dilution per share

Offering Price		$0.40
Net tangible book value per share as at August 25, 1989	$0.026	
Increase of net tangible book value attributable to this offering	$0.116	
Net tangible book value per share after this offering		$0.142
Dilution to subscribers per share		$0.258
Percentage of dilution in relation to the Offering Price		64.5%

PROMOTER

Gordon R. Wilton may be considered to be the promoter of the Company for the purposes of the Securities Act (Ontario).

Reference is made to "Remuneration of Management" for particulars of a management agreement made between the Company and Mr. Wilton.

Reference is made to "Prior Issuances of Securities" for particulars of the issuances of Common Shares to the promoter.

Pursuant to an option agreement dated December 18, 1989 the Company granted to Mr. Wilton a non-assignable option to purchase 580,000 Common Shares at the price of $0.40 per share exercisable on or after the first anniversary of the Acceptance Date and on or before third anniversary of the Acceptance Date.

The aforesaid option granted to the promoter is qualified under this prospectus.

At the date hereof, the Company is indebted to Mr. Wilton in the principal sum of $10,000 which amount is repayable from the proceeds of this offering. The loan is non-interest bearing.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this prospectus, none of the directors or senior officers of the Company, or any associates or affiliates thereof, have had any material interest, direct or indirect, in any transaction which has materially affected or will materially affect the Company.

HISTORY OF MANAGEMENT AND PROMOTER

Details of the associations of the directors, officers and promoter of the Company during the past five years with public companies is set out below.

Mr. Wilton is presently a director and/or officer of the following junior resource companies from the date indicated to the present: Lucas Gold Resources Corp. (09/86), Twin Star Energy Corporation (06/85), Brightwest Resource Explorations Inc. (06/87) and Sungold Resources Inc. (08/87).

Of the companies listed above and during the time Mr. Wilton was associated with such companies, there are no companies which either had their charters cancelled or whose securities were the subject of a cease-trade order issued by the Ontario Securities Commission having a duration longer than 60 days.

Mr. McKay is presently a director and/or officer of the following junior resource companies from the date indicated to the present: Lucas Gold Resources Corp. (09/86) and Brightwest Resource Explorations Inc. (06/87). During the time Mr. McKay has been associated with such companies, neither has had its charter cancelled nor its securities the subject of a cease-trade order

From hole 89-17 some 60 feet of the greenstone-dolomite breccia was run for copper; the values ranged from nil to 0.02% copper, which are of no significance.

To place the Montrose Township Property in perspective, it is useful to consider the marked trend in mining in recent years to large, low grade operations, preferably open pit. In 1987, the Giant Yellowknife Mines Limited Pamour No.1 Complex milled 2,200 tons per day at a grade of 0.072 oz/ton gold, mostly from open pits. The sister Schumacher Complex milled 2,850 tons per day at a grade of 0.074 oz/ton gold. The Dome mine in the Timmins area is an underground operation that milled 3,000 tons per day in 1987 at a grade of 0.126 oz/ton gold. While the large size of these operations accounts in part for their efficiency, experience, constant research and experimentation in mining and milling techniques and equipment and the development of bulk mining machinery have all been factors in profitably utilizing these lower grades.

In the past decade, heap leaching has become popular in the southwestern United States where operators are successfully treating material below 0.05 oz/ton gold to as low as 0.02 oz/ton gold. The cold sub-arctic climate in Canada has put some severe restrictions on heap leaching although research is underway in an attempt to resolve the difficulties. There could be some application of heap leaching to the Montrose Township Property and preliminary studies need to be undertaken. The property is still at an early stage of exploration where substantial work, mainly diamond drilling, is needed to delineate the size, shape and grade of the gold-bearing zone. No large open pit has emerged on the property and the grades are too lean to warrant an underground operation; however, there is a realistic possibility of improving on both the grade and dimensions of the gold-bearing zone.

VLF Electromagnetic Survey

A VLF electromagnetic survey was carried out in 1974. The most pronounced anomaly ran across the north part of the Montrose Township Property in a more or less east-west direction. Showing "C", which consists of a small pit with heavy pyrite in rotten, carbonatized rhyolitic agglomerate, is part of this anomaly; it was drilled in 1974. In this hole, GB-4, up to 10%

RISK FACTORS

Investment in the Common Shares should be considered to be speculative due to the nature of the mineral exploration businesses in which the Company is engaged, the limited extent of the Company's assets, the Company having no known proven reserves, the Company's state of development and the degree of its reliance upon the expertise of management.

None of the mining claims in which the Company may earn an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore. There is no assurance that commercial quantities of minerals will be discovered. There is no guarantee that the Company's exploration programs will yield positive results. The Company has no source of funds to engage in additional exploration and development which may be necessary to exploit its properties other than interest earned on its short-term investments, the exercise of the stock options and further financing. Mining exploration involves financial risk and capital investment. The Company's only present means of acquiring investment capital is by means of the sale of equity shares or rights to acquire same. The Company will compete with other interests, many of which may be more heavily capitalized than the Company, for the opportunity to participate in exploration programs.

The marketability of the Company's ownership interest in its mineral properties and other interests which the Company has or may acquire will be influenced by factors beyond the control of the Company, such as the additional capital requirements of the Company in the period of time required before mineral prospects may be brought into production.

If the Company fails to make all payments and incur all exploration expenditures required under the Option Agreement, the option will terminate and the Company will earn no interest in the Montrose Township Property. See "Montrose Township Property-Acquisition by the Company".

scattered locations in GB-13 showed 0.05 oz/ton gold over 1.5 feet in one sample and 0.01 oz/ton gold over 5.0 feet in the other two. In GB-15, one sample ran 0.01 oz/ton over 4.0 feet. More sampling in these holes is warranted.

[illegible]

The following is management's summary of certain portions of a report prepared by Harry Dowhaluk, B.A., F.G.A.C., Consulting Geologist, dated May 10, 1989, whose full report is available for inspection at the registered office of the Company at Suite 500, 67 Richmond Street West, Toronto, Ontario during normal business hours during the course of this distribution of the securities being offered hereby.

Conclusions and Recommendations

Intermittent work over the years has outlined the gold-bearing A zone on the property which zone is at least 1,400 feet long. A 550 foot length of the A zone indicates a grade of 0.051 oz/ton gold over an average true width of 22.1 feet but there is insufficient data to calculate tonnage figures.

The work to date has shown that a substantial effort to clearly define the grade and dimensions of the known A zone and its extensions northwest, southeast and downwards is justified. A combined program of surface work and diamond drilling is needed to systematically obtain the data required to fully evaluate the gold-bearing zone.

Mr. Dowhaluk, as resident geologist for Golden Bounty Mining Company Limited, carried out geological mapping of the Montrose Township Property in the summer of 1974 and supervised diamond drilling programs during the winters of 1974-75 and 1975-76. He also supervised the excavation of the big trench in 1977 and diamond drilling earlier this year on behalf of the Company. Mr. Dowhaluk believes that the property has potential for an economic gold deposit and that his work program is definitely a worthwhile undertaking.

The recommended work program is as follows:

1. The humus survey should be completed on the carbonate zone with additional detail where high values are obtained.

2. The big trench should be cleaned out, mapped, drilled, blasted and sampled. Stripping and trenching, by backhoe and manually, should be done in suitable sites along the carbonate zone. Some of these could be drilled and blasted.

3. Detailed mapping of the carbonate zone should be done.

4. Diamond drilling should be the main approach for building up the assay data. Clusters of short holes on sections, as well as long exploration holes, are needed. The magnetic anomaly needs to be drilled.

5. Some preliminary testing should be carried out on the gold-bearing rock to determine the amenability to heap leaching.

It is recommended that this work program be carried out in two phases at a total cost of $500,000. Phase II would only be carried out if justified by the results of Phase I.

Phase I

Diamond drilling 8,000 feet at $25 per foot	$200,000
Personnel - Geologist, 90 days at $175 per day	15,750
- Sampler, 70 days at $110 per day	7,700
- Helper, 70 days at $100 per day	7,000
Geochemical (humus) survey	3,000
Stripping, earth trenching	10,000
Rock trenching	30,000
Transportation, expenses	6,000
Food, supplies	3,000
Assaying	7,000
Contingency	30,550
TOTAL PHASE I:	$320,000

(a) all remaining shares will be released from escrow upon the Company attaining a cumulative cash flow per share, for any consecutive five fiscal-year period, of at least $0.20; and

(b) [illegible] the shares then held in escrow will be released from escrow when a production decision has been made with respect to a material property in which the Company has an interest and the requisite funds are in place and the balance of such shares will be released upon attainment of commercial production in respect of such property.

In any event, the number of shares released from escrow may not exceed one-third of the original number of escrowed shares before the first anniversary of the Acceptance Date, two-thirds thereof before the second anniversary of the Acceptance Date, and the balance thereof before the third anniversary of the Acceptance Date.

MATERIAL CONTRACTS

The only material contracts entered into by the Company which are in effect are:

1. The Underwriting Agreement referred to under "Description of the Offering - Underwritten Offering";

2. The escrow agreement referred to under "Escrowed Securities";

3. The Option Agreement referred to under "Montrose Township Property - Acquisition by the Company"; and

4. The management agreement referred to under "Remuneration of Management".

Copies of the foregoing agreements may be inspected at the registered office of the Company during ordinary business hours at any time during the period of distribution of the securities offered hereby.

(1) Assumes that all of the Common Shares offered by the Selling Shareholder are sold.

See "Prior Issuances of Securities" for details of the dates and costs of acquisition of the shares to be offered by the Selling Shareholder, except in respect of 999,971.9 Common Shares which were acquired by the Selling Shareholder on November 8,1989 at the price of $0.0010035 per share and 120,000 Common Shares which were acquired on such date at the price of $0.25 per share.

ESCROWED SECURITIES

Certificates representing 2,000,004 Common Shares (representing 89.6% of the Common Shares outstanding at the date hereof) owned by Gordon R. Wilton are held in escrow by Montreal Trust Company of Canada, Toronto, Ontario (the "Trustee") pursuant to the provisions of an agreement dated December 18, 1989, made among the Company, the Trustee and Gordon R. Wilton.

The escrowed shares may not be sold, assigned, hypothecated, pledged, charged, alienated, released from escrow, transferred within escrow or otherwise in any manner dealt with without the express consent, order or direction in writing of the Ontario Securities Commission.

A total of 200,000 escrowed shares will be released automatically on the Acceptance Date. A further 260,000 escrowed shares will be released on each of the first and second anniversaries of the Acceptance Date. A further 360,000 escrowed shares will be released on each of the third and fourth anniversaries of the Acceptance Date and 560,004 escrowed shares will be released on the fifth anniversary thereof. Shares will also be released from escrow on the basis of 1 share for each $2.87 actually spent by the Company on the exploration and/or development of its resource properties until an aggregate of 750,000 shares have been released pursuant to automatic releases and releases based on expenditures.

After an aggregate of 750,000 shares have been released from escrow as a result of automatic releases and releases based on expenditures, then:

Phase II

Diamond drilling 5,500 feet at $25 per foot	$137,500
Personnel - Geologist, 60 days at $175 per day	10,500
- Sampler, 60 days at $110 per day	6,600
Transportation, expenses	4,000
Food, supplies	2,000
Assaying	4,000
Contingency	15,400
TOTAL PHASE II:	$180,000
TOTAL PHASES I AND II:	$500,000

Plant and Equipment

There is neither surface nor underground plant or equipment located on the Montrose Township Property and no underground exploration or development work has been carried out thereon.

Title

The lease pursuant to which the Optionor holds title to nine (9) of the claims comprising part of the Montrose Township Property was granted pursuant to the Mining Act (Ontario) and expires on July 31, 2006. The lease may be renewed for further 21 year terms upon application of the lessee prior to the expiry of the term. The annual rent payable under the lease is $0.10 per acre. The lease covers the mining rights only. There are no assessment work requirements necessary to maintain the leased mining claims in good standing. The annual municipal taxes and other charges payable in respect of such claims are nominal.

The title to the one (1) unpatented claim comprising part of the Montrose Township Property is the usual title to unpatented mining claims enjoyed in Ontario. To keep unpatented mining claims in good standing during the first year after recording, 20 days' work must be performed and recorded, 40 days' work performed and recorded yearly for the next 3 years and 60 days' work performed and recorded in the fifth year. Thereafter and after surveying, claims are required to be brought to a 21

year lease in the ensuing year with annual rentals of $1.00 per acre per year during the first year and $0.25 per acre annually thereafter. If a lease is for mining rights only, the second and subsequent years' rental is at the rate of $0.10 per acre.

USE OF PROCEEDS

The net proceeds to be received by the Company will be $716,300 before payment of the Company's share of the costs of the issue which is estimated to be approximately $43,550. In addition, net proceeds of up to $116,000 may be raised through the exercise by the Underwriter of the Compensation Option described under "Description of the Offering-Underwritten Offering". As at August 25, 1989, the Company had a working capital deficiency of $16,746.

The net proceeds from the offering will be used to pay the Company's share of the costs of issue (estimated at $43,550); to carry out the first phase of the recommended exploration program on the Montrose Township Property ($320,000);to pay the option payment of $10,000 payable within 30 days after the Acceptance Date pursuant to the Option Agreement; to pay accounts payable ($23,599) and loans payable ($10,000) and for general working capital purposes which includes maintenance by the Company of its office facilities, carrying out the necessary supervisory and administration work relating to exploration of its properties, fulfilling its obligations to its shareholders and related purposes. Annual administrative and management expenses are expected to be approximately $45,000.

To summarize, the proceeds of the issue will be utilized as follows:

Net proceeds from offering		$716,300
Cash (1)		16,853
		$733,153
Less:		
Cost of Issue, after $6,450 contribution by the Selling Shareholder	$43,550	
Administrative and Management Expenses	45,000	

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus, the only person or corporation beneficially owning, directly or indirectly, more than 10% of the issued and outstanding voting securities of the Company is:

Name and Address	Type of Ownership	Number of Common Shares	Percentage of Class (1)
Gordon R. Wilton 4 Bethwin Place Weston, Ontario M9R 2C4	Direct	2,231,944	99.99%

(1) Based upon 2,231,947 Common Shares outstanding at the date hereof.

The directors and senior officers of the Company, as a group, beneficially own, directly or indirectly, 2,231,947 or 100% of the issued and outstanding Common Shares as at the date of this prospectus and will beneficially own, directly or indirectly, 1,801,947 or 35.1% of the issued and outstanding Common Shares after giving effect to this offering (including the Secondary Offering).

SELLING SHAREHOLDER

A total of 430,000 Common Shares will be offered as a secondary offering as follows:

Name and Address of Selling Shareholder	No. of Common Shares Owned	No. of Common Shares to be Offered	No. of Common Shares to be Owned After this Offering(1)
Gordon R. Wilton 4 Bethwin Place Weston, Ontario M9R 2C4	2,231,944	430,000	1,801,944

Date of Issuance	No. of Shares	Price per Share	Aggregate Proceeds	Utilization of Proceeds
July, 1989	179,697 (1)(3)	0.25	44,924.25	Exploration of [illegible]

(1) Purchased as to 50% by Gordon R. Wilton and as to 50% by a third party who subsequently sold such shares to Gordon R. Wilton. See "Selling Shareholder".

(2) Pursuant to flow-through subscription agreements dated October 26, 1988.

(3) Pursuant to flow-through subscription agreements dated January 1, 1989.

COMMON SHARES SUBJECT TO ISSUANCE

Set out below are details of all Common Shares of the Company subject to issuance pursuant to rights, options, warrants, convertible securities and other agreements:

No. of Common Shares	Purpose	Description of Terms
290,000	Compensation Option (1)	Date of Grant: December 18, 1989 Expiry Date: Third anniversary of the Acceptance Date Exercise Price: $0.40 per share
580,000	Promoter's Option (2)	Date of Grant: December 18, 1989 Exercise Period: After the first anniversary of the Acceptance Date and up to and including the third anniversary of the Acceptance Date Exercise Price: $0.40 per share

(1) For further details concerning this option, see "Description of the Offering - Underwritten Offering".

(2) For further details concerning this option, see "Promoter".

Montrose Township Property		
- Exploration program	320,000	
- Option payment	10,000	
Accounts and Loans Payable (1), (2)	33,599	$452,149
Working capital		$281,004

(1) As at August 25, 1989.
(2) Of which $10,000 is owed to Gordon R. Wilton. See "Promoter".

While the Company has no plans in this regard at the present time, monies in its treasury as available may also be used to defray the cost of programs of acquiring, staking, exploring and developing other properties either alone or in concert with others and generally to carry out exploration programs as opportunities and finances permit but no such properties will be acquired and monies will not be expended thereon without an amendment to this prospectus being filed if the securities of the Company are then in the course of distribution to the public.

Monies not immediately required for the Company's purposes as set out in this prospectus will be deposited in interest bearing accounts with Canadian chartered banks and/or trust companies.

PRELIMINARY EXPENSES

Preliminary administrative and exploration expenses incurred to August 25, 1989 amounted to $3,210 and $64,036, respectively. Annual administrative and management expenses of the Company are estimated to be approximately $45,000. See "Use of Proceeds"and "Montrose Township Property - Engineer's Report" for particulars of the costs of the recommended exploration program to be carried out on the Company's property.

CAPITALIZATION

The following table sets out the outstanding capital of the Company:

Designation of Securities	Amount Authorized	Outstanding as at August 25, 1989	Outstanding as at November 30, 1989(1)	Outstanding on Completion of this Financing(1)(2)
Common Shares	$unlimited (unlimited shares)	$62,000 (2,231,947 shares)	$62,000 (2,231,947 shares)	$778,300 (5,131,947 shares)

(1) Unaudited.

(2) This figure includes the issuance of the 2,900,000 underwritten Common Shares. It does not take into consideration the possible issuances of Common Shares as follows:

(a) up to 290,000 Common Shares upon the exercise of the Compensation Option (see "Description of the Offering-Underwritten Offering" and "Common Shares Subject to Issuance"); nor

(b) up to 580,000 Common Shares upon the exercise of the Promoter's Option (see "Promoter" and "Common Shares Subject to Issuance").

As at August 25, 1989 the Company had no long term debt and a deficit of $4,710.

DESCRIPTION OF SHARE CAPITAL

The holders of Common Shares are entitled to one vote for each share held at all meetings of shareholders of the Company, to receive dividends, if, as and when declared by the board of directors and to receive the remaining assets and property of the Company upon liquidation, dissolution or winding-up of the Company. There are no indentures or agreements limiting the payment of dividends and no conversion, special liquidation, pre-emptive or subscription rights affecting the Common Shares. The presently outstanding Common Shares are not subject to any call or assessment and the Common Shares offered hereby when issued and sold as described by this prospectus will not be subject to any call or assessment.

with the month following the Acceptance Date. The term of the agreement is for five (5) years ending December 31, 1994, and may be terminated earlier by either party on 60 days' written notice.

No remuneration has been paid or is payable to the directors of the Company from its incorporation until August 25, 1989. Directors of the Company are entitled to receive $150 for each meeting of the board of directors and shareholders attended by them.

The Company has no subsidiaries.

DIVIDENDS

No dividends have been paid to date by the Company.

AUDITORS AND REGISTRAR AND TRANSFER AGENT

Messrs. Laventhol & Horwath, Chartered Accountants, Suite 200, 20 Queen Street West, Toronto, Ontario are the Company's auditors.

The registrar and transfer agent of the Common Shares is Montreal Trust Company of Canada, Toronto, Ontario.

PRIOR ISSUANCES OF SECURITIES

The Common Shares issued for cash since incorporation are as follows:

Date of Issuance	No. of Shares	Price per Share	Aggregate Proceeds	Utilization of Proceeds
October, 1988	4	$0.25	$1.00	Incorporators' shares
October, 1988	1,991,943 (1)	$0.0010035	1,999.00	Working Capital
December, 1988	60,303 (1)(2)	0.25	15,075.75	Exploration of Mining Claims

The Underwriter will act as a market maker on the Canadian Over-the-Counter Automated Trading System ("COATS") in respect of the Common Shares for at least 18 months from the Acceptance Date.

In connection with this offering the Underwriter may effect short sales or other transactions which stabilize or maintain the market price of the Common Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced may be discontinued at any time. If short selling does occur, such sales will not exceed 15% of the number of Underwritten Shares. If short selling occurs, the Underwriter will immediately, following completion of the distribution and the closing out of the Underwriter's short position, pay to the Company 60% of the net profit received by the Underwriter from such short selling. If the Underwriter does not purchase in the market that number of Common Shares equal to its short position within 12 months from the Acceptance Date, the entire net profit from such short sales shall immediately be paid to the Company.

The Company has also agreed that the Underwriter will have the first right of refusal to undertake any future financing planned by the Company of a public or private nature for a period of five years from the Acceptance Date.

The Company has granted to the Underwriter a non-assignable option (the "Compensation Option") to purchase a total of 290,000 Common Shares (the "Compensation Shares") exercisable on or before the third anniversary of the Acceptance Date, at a price of $0.40 per share. Up to 72,500 of the Compensation Shares may be acquired, on a cumulative basis, on or after the dates which are 6 months, 12 months, 18 months and 24 months from the Acceptance Date. The Underwriter may only sell Compensation Shares after the completion of the sale of the Underwritten Shares and the Secondary Shares.

The only persons having an interest either directly or indirectly to the extent of not less than 5% of the capital of Gordon-Daly Grenadier Securities are Double A.J. Limited, the sole officer, director and shareholder of which is Harry Bregman; ALG Investments Limited, the sole officer, director and shareholder of

which is Alan Greenberg; Bethmark Investments Limited, the sole officer, director and shareholder of which is David Bregman; and Alon Investments Limited, the sole officer, director and shareholder of which is Oron Sternhill.

Secondary Offering: 430,000 Common Shares

The Underwriter has entered into an agency agreement dated December 18, 1989 with Gordon R. Wilton (sometimes referred to as the "Selling Shareholder") whereby the Selling Shareholder has appointed the Underwriter his sole and exclusive agent to offer up to 430,000 Common Shares (the "Secondary Shares") as a secondary offering and has agreed to pay the Underwriter a commission of $0.153 for each Common Share sold. Reference is made to "Prior Issuances of Securities" for particulars of the acquisition of these shares by the Selling Shareholder.

The Secondary Shares will be offered for sale in the Provinces of Ontario and Nova Scotia at the price of $0.40 per share. None of the proceeds from the sale of the Secondary Shares will accrue to the Company. None of the Secondary Shares will be offered for sale until all of the Underwritten Shares have been sold to the public.

MANAGEMENT

The board of directors of the Company consists of four persons. The names and municipal addresses of the directors and officers of the Company and the positions presently held by them are as follows:

Name	Address	Position
Gordon R. Wilton	Weston, Ontario	President and Director
Lawrence J. McKay	Mississauga, Ontario	Director
John E. Londry	Toronto, Ontario	Director

Name	Address	Position
Murray Cooper	Toronto, Ontario	Director and Secretary-Treasurer

The principal occupations of the directors and officers for the past five years are as follows:

Mr. Wilton is the President of Wilton Printing and Publishing Corporation, Toronto, Ontario.

Mr. McKay is a senior executive with Trane Canada.

Mr. Londry is a self-employed Consulting Geologist.

Mr. Cooper is a self-employed Mining Executive and has acted as an officer and/or director of numerous public junior resource companies during the past five years.

Reference is made to "History of Management" for further particulars concerning the Company's directors and officers.

Mr. Wilton, as Chief Executive Officer of the Company, will devote as much of his time as is required to manage the affairs of the Company. The remaining directors will devote less than 5% of their time to the affairs of the Company, unless circumstances otherwise require.

REMUNERATION OF MANAGEMENT

The Company has one executive officer, as such term is defined in the Regulation to the Securities Act (Ontario). Since the incorporation of the Company to August 25, 1989 no remuneration has been paid or is payable to such officer, however he will be paid $150 for each meeting of the directors or shareholders attended by him.

The Company entered into a management agreement made as of the 18th day of December, 1989 with Gordon R. Wilton, 4 Bethwin Place, Weston, Ontario M9R 2C4, to manage and supervise the Company's affairs. In consideration for such services the Company agreed to pay Mr. Wilton the sum of $2,000 per month commencing

DESCRIPTION OF THE OFFERING

Underwritten Offering

Under the terms of an underwriting agreement dated [illegible] between the Company and Gordon-Daly Grenadier Securities (the "Underwriter"), the Underwriter agreed to purchase 2,900,000 Common Shares (the "Underwritten Shares") at a price of $0.247 per share.

The Underwriter may terminate the Underwriting Agreement prior to the date on which a final receipt is issued by the Ontario Securities Commission for this prospectus (the "Acceptance Date") and for such additional period not exceeding 30 days thereafter until the Underwriter purchase any of the Underwritten Shares; provided that if any of the Underwritten Shares are purchased, the Underwriter is irrevocably bound to take up and pay for all of the Underwritten Shares. Termination may be based upon the Underwriter's assessment of the financial markets and in the case of certain stated events. Subject to the foregoing, the Underwritten Shares must be purchased within the following times calculated from the Acceptance Date, namely:

Net Proceeds to be Received by the Company	Time From the Acceptance Date Within Which Payment Required
$238,767	30 days
238,767	60 days
238,766	90 days
$716,300	

The Underwriter, acting as principal, will offer the Underwritten Shares in the Provinces of Ontario and Nova Scotia at $0.40 per share. The underwriting price was established by negotiations between the Company and the Underwriter. Sales of the Underwritten Shares may also be made through other registered dealers acting as agents or principals. Registered dealers acting as principals or agents may receive all or any part of the Underwriter's discount of $0.153 per share.

63.6083

MONTROSE GOLD RESOURCES INC.
S[illegible]00, 67 Richmond Street West, Toronto, Ontario M5H 1Z5

900

March 14, 1991

Mr. L. Germundson
The Incentive Office
Mineral and Development and Lands Branch
Ministry of Northern Development and Mines
159 Cedar Street
Sudbury, Ontario
P3E 6A5

Dear Mr. Germundson:

As requested, enclosed is a report on the geophysical survey performed on the Montrose TWP property for Montrose Gold Resources Inc.

If you have any questions please contact the undersigned.

Yours truly,
MONTROSE GOLD RESOURCES INC.

Per: J.A. Ringler

Encl.

JAR/cl

OM1P 90-29

TIE LINE 25+00 N

20+00 N

15+00 N

10+00 N

05+00 N

BASE LINE 00+00

05+00 S

10+00 S

15+00 S

20+00 S

TIE LINE 25+00 S

L 00+00 E | L 04+00 E | L 08+00 E | L 12+00 E | L 16+00 E | L 20+00 E | L 24+00 E | L 28+00 E | L 32+00 E | L 36+00 E | L 40+00 E | L 44+00 E | L 48+00 E

374744 | 374743 | 374742 | 374745 | 374741 | 374737 | 374740 | 374739 | 374738 | 374736

M-1 | M-2 | M-3 | M-4 | M-5 | M-6 | M-7 | M-8 | M-9

P90-19 | P90-20 | P90-21

Pond | Stripped Area | Road | Whitefish River | 25 miles

REFERENCE

MAGNETICS

Anomaly Axes
- Very weak
- Weak
- Moderate
- Strong
- Reversal

M-1 Anomaly designator

Magnetic lineament

IP

Chargeability
- Definite
- Probable

SYMBOLS

- Humus sample gold contour (ppb)
- Diamond drill hole
- Claim post
- Stripped area
- Gold target
- Anomalous humus gold sample zone
- P90-20 Proposed drill hole location

N

Scale

0 100 200 400 600 800 1000 FEET

63.6083

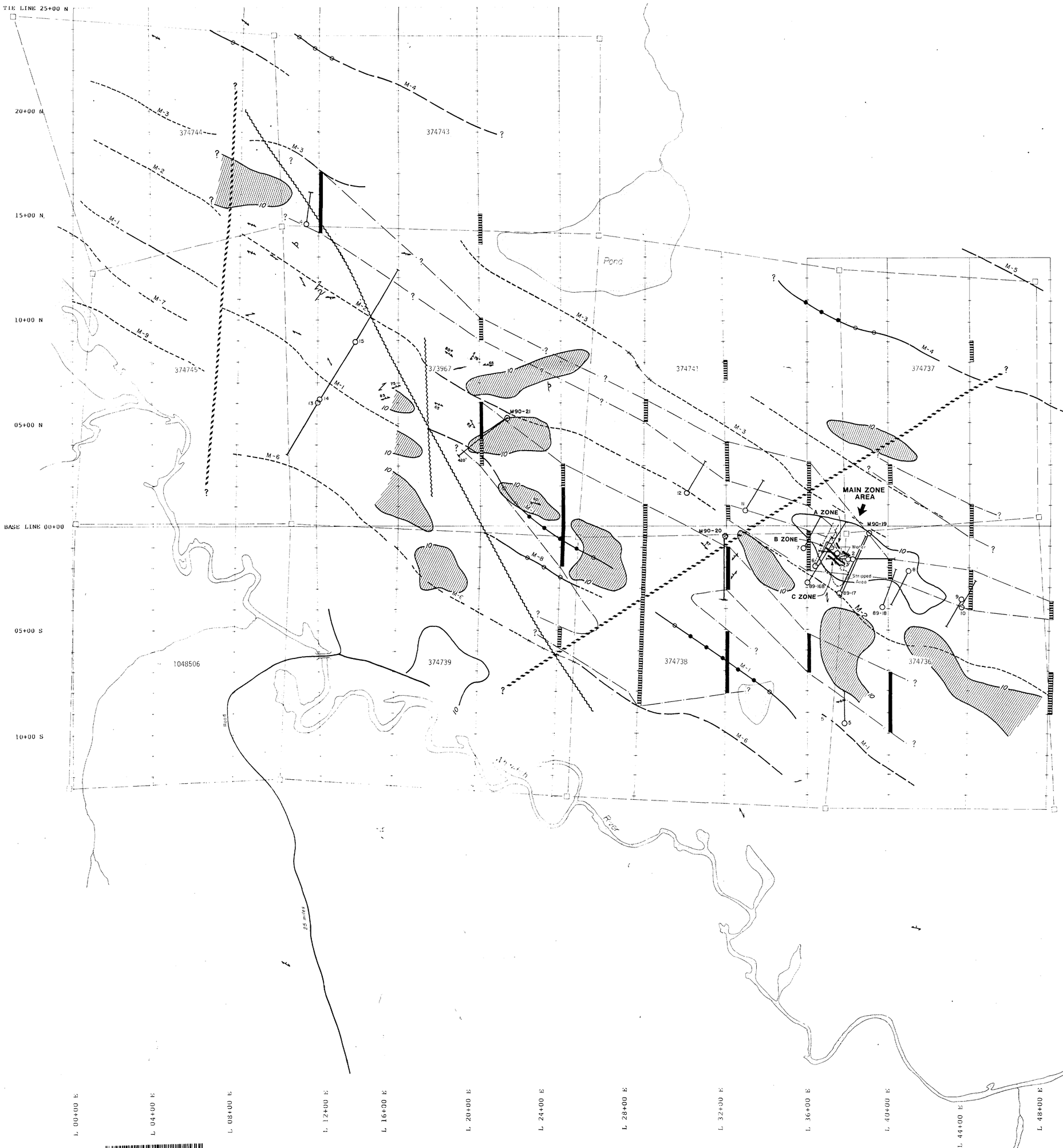
Montrose Gold Resources Inc.

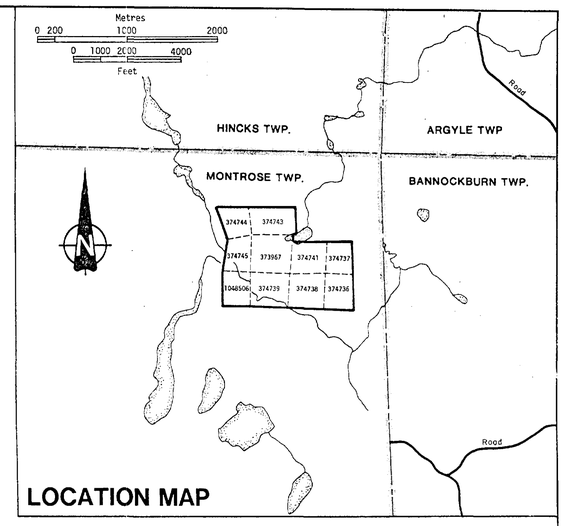
MONTROSE TOWNSHIP PROPERTY

District of Timiskaming, Ontario

GEOPHYSICAL INTERPRETATION

Scale	Date	MAP#
1" = 200'	June 1990	





REFERENCE

MAGNETICS

Anomaly Axes
- Very weak
- Weak
- Moderate
- Strong
- Reversal

M-1 Anomaly designator

Magnetic lineament

IP

Chargeability
- Definite
- Probable

SYMBOLS

- M90-19 — Diamond drill hole with hole designator
- Claim post
- Stripped area
- Gold target
- 10 — Anomalous humus gold sample zone
- Foliation in immediate outcrop (not shown)
- Pillow top direction in immediate outcrop (not shown)
- Surface projection of mineralized zone
- Interpreted fault

Scale
0 100 200 400 600 800 1000
FEET

63.6083

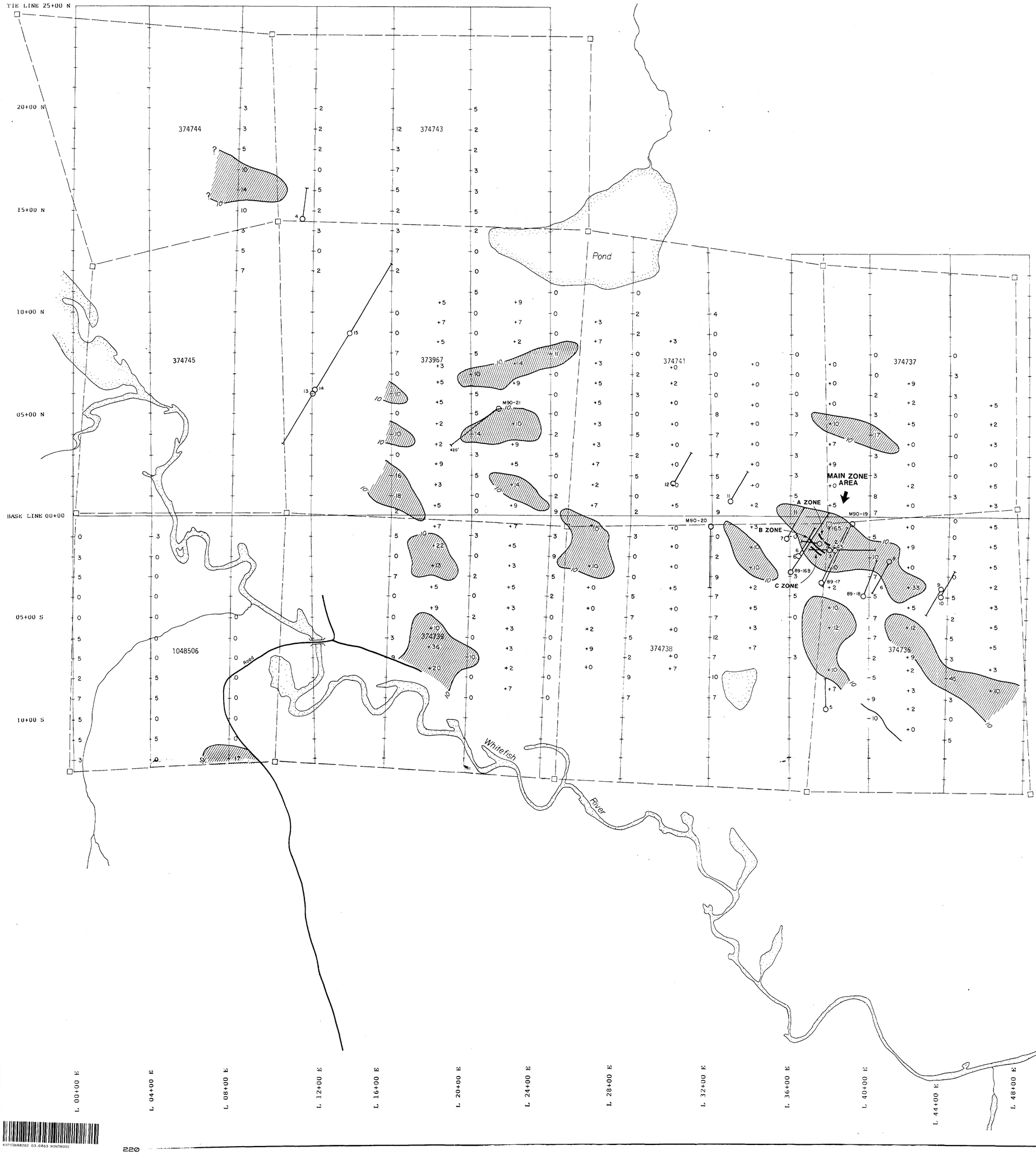
Montrose Gold Resources Inc.

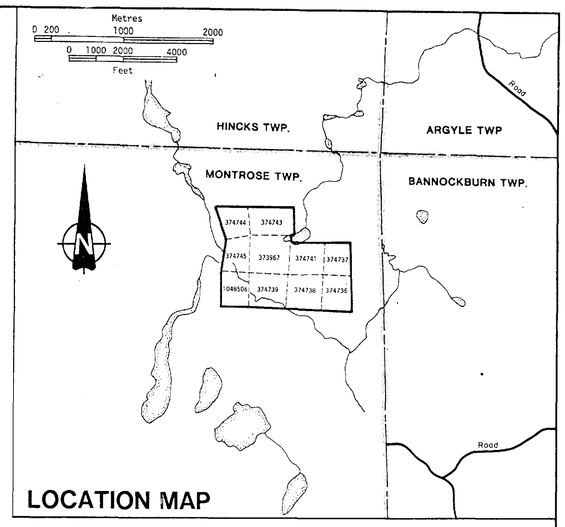
MONTROSE TOWNSHIP PROPERTY

District of Timiskaming, Ontario

GEOPHYSICAL INTERPRETATION

Scale	Date	MAP#
1" = 200'	October, 19	2





REFERENCE

+2 Humus gold value in ppb's

10 Anomalous humus sample zone

M90-19 Diamond drill hole with hole designator

Surface projection of mineralized zone

N

Scale

0 100 200 400 600 800 1000

FEET

63.6083

Montrose Gold Resources Inc.

MONTROSE TOWNSHIP PROPERTY

District of Timiskaming, Ontario

HUMUS SAMPLING RESULTS

Scale	Date	MAP #
1" = 200'	October, 1990	3

REFERENCE

- Rock outcrop
- Limit of 1990 stripping
- Foliation
- Jointing
- Strike and dip
- Late fractures
- Channel sample with sample number
- Diamond drill hole
- Geology
- Alteration
- (Gold value (grams per tonne))
- ▨ ≥2.0g/t

GEOLOGY

4	Felsic Dyke
1	Felsic Tuffs (undivided)
1a	Felsic Lapilli Tuff
1b	Felsic Ash Tuff
1d	Felsic Volcanic
2	Intermediate Tuffs (undivided)
2a	Intermediate Lapilli Tuff
2b	Intermediate Quartz-Eye Lapilli Tuff
2c	Intermediate Ash Tuff
2d	Intermediate Pyroclastic Lapilli Tuff Breccia
3d	Mafic Volcanic

DRILL HOLE SUMMARY

A. Golden Bounty Mining Co. Ltd.

HOLE	DATE	AZIMUTH	DIP	LENGTH (m)
GB-1	Sept. 1974	270°	-45°	46.3
GB-6	Jan. 1975	030°	-45°	74.1
GB-7	Jan. 1975	030°	-45°	79.9
GB-2	Oct. 1974	270°	-45°	55.8
GB-3	Nov. 1974	090°	-45°	98.1
				354.2m

B. Montrose Gold Resources Inc.

HOLE	DATE	AZIMUTH	DIP	LENGTH (m)
89-168	Mar. 1989	030°	-45°	152.4
89-17	Mar. 1989	030°	-60°	182.9
89-18	Mar. 1989	030°	-60°	120.4
M90-19	Sept. 1990	205°	-45°	150.0
				605.7m

CHANNEL SAMPLING

Sample Number	Grade (g/t Au)	Sample Number	Grade (g/t Au)
1	0.24	25	
2	NIL	26	0.21
3	0.27	27	1.42
4	0.21	28	0.69
5	0.14	29	3.80
6	NIL	30	2.97
7	0.21	31	0.21
8	0.07	32	0.69
9	0.07	33	
10	0.55	34	0.21
11	2.33	35	3.79
12	0.14	36	3.77
13	0.14	37	1.59
14	0.07	38	1.24
15	0.14	39	0.25
16	0.69	40	0.35
17	1.42	41	0.41
18	0.55	42	0.016
19	0.65	43	0.62
20	1.27	44	0.34
21	1.23	45	0.88
22	0.27	46	0.27
23	0.14	47	1.03
24	0.21		

0 5 10 15 20 25 METRES

0 25 50 75 FEET

63.6083

Montrose Gold Resources Inc.

MONTROSE TOWNSHIP PROPERTY

District of Timiskaming, Ontario

COMPILATION OF MAIN ZONE AREA

Scale	1:250	Date	Oct. 1990	MAP#	4