

RM/AL/LD

82ESE 189

Recd Sept. 11/89

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.

001331

PROSPECTUS

DATED: April 18, 1989

REDDING GOLD CORPORATION
1763 - 595 Burrard Street
Vancouver, British Columbia
V7X 1G4

Golden Zone 82ESW042
Vancouver 82ESE189
Dor - [92ISE 164
924NE 036]

PUBLIC OFFERING

650,000 Common Shares

| | Price to Public | Commission | Net Proceeds to be Received by the Issuer |
|-----------|-----------------|------------|---|
| Per Share | \$0.35(1) | \$0.035(2) | \$0.315 |
| Total | \$227,500 | \$22,750 | \$204,750(3) |

- (1) The price of the shares has been determined by the Issuer in negotiation with the Agents.
- (2) The Agents have been granted a warrant to acquire 162,500 shares of the Issuer at \$0.35 per share. See "Plan of Distribution".
- (3) Before deduction of the expenses of this issue estimated not to exceed \$30,000.

THE AGENTS HAVE AGREED TO PURCHASE ANY OF THE SHARES OFFERED HEREBY WHICH HAVE NOT BEEN SOLD AT THE CONCLUSION OF THE OFFERING AND AS CONSIDERATION FOR THE GUARANTEE HAVE BEEN GRANTED A NON-TRANSFERABLE WARRANT TO ACQUIRE 162,500 SHARES OF THE ISSUER. THE AGENTS' WARRANT HAS BEEN DISTRIBUTED TO THE AGENTS UNDER THIS PROSPECTUS. ANY SHARES ACQUIRED BY THE AGENTS UNDER THE GUARANTEE WILL ALSO BE DISTRIBUTED UNDER THIS PROSPECTUS THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE AT THE MARKET PRICE AT THE TIME OF SALE.

THERE IS CURRENTLY NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

AN INVESTMENT IN SHARES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE. SEE "RISK FACTORS" FOR DETAILS OF SUCH MATTERS AS DILUTION, RISKS INHERENT IN MINING, CONFLICTS OF INTEREST AND PERCENTAGES OF SHARES HELD BY PROMOTERS, DIRECTORS, OFFICERS, SUBSTANTIAL SECURITY HOLDERS AND UNDERWRITERS.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE OCTOBER 23, 1989, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

WE, AS AGENTS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 18 OF THIS PROSPECTUS.

AGENTS

Continental Securities
10th Floor, Four Bentall Centre
1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1L4

EFFECTIVE DATE: April 25, 1989

| | |
|-------------------------|------------------|
| 6. Contingencies @ 10% | <u>5,500</u> |
| TOTAL PHASE 2 | \$ <u>57,000</u> |
| TOTAL PHASE 1 & PHASE 2 | <u>\$121,000</u> |

Additional Information

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

THE PROPERTY IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE, AND THE PROPOSED PROGRAMME IS AN EXPLORATORY SEARCH FOR ORE.

THE SCHMIDT REPORT IS AVAILABLE FOR INSPECTION AT THE BUSINESS OFFICE OF THE ISSUER, 1763 - 595 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA DURING NORMAL BUSINESS HOURS WHILE PRIMARY DISTRIBUTION OF THE SHARES OFFERED HEREUNDER IS IN PROGRESS AND FOR 30 DAYS THEREAFTER.

THE YANKEE GIRL PROPERTY

The Issuer has to date expended approximately \$12,000 on an examination of and the preparation of a report on the Yankee Girl property. The resulting report of A.J. Schmidt, P.Eng. ("Schmidt") dated July 8, 1988 is summarized in the following.

Description, Location and Access

The Yankee Girl property comprises two contiguous reverted Crown-granted mineral claims, the Yankee Girl and Bell claims, covering 36.32 hectares.

The property is located in southern British Columbia, approximately 5 kilometres west of Grand Forks.

The property lies just south of Eagle Mountain at an elevation of about 910 metres, and covers a steep south-eastern facing rocky bluff. Elevations range from about 730 metres to 940 metres. The claims are covered by a mature forest of Douglas fir and Ponderosa pine, but some logging has taken place recently in the western portion of the property. Outcrop exposure is good in the southeastern part of the claims, but relatively poor in the northwestern portion where slopes are less steep.

Access to the property is excellent by two-wheel drive vehicle from Highway #3, a distance of about only 2.5 kilometres. Private logging roads provide access to the western portion of the claims.



REDDING GOLD INC.
YANKEE GIRL PROPERTY
 GREENWOOD MINING DIVISION,
 BRITISH COLUMBIA

PROPERTY MAP

| DATE | BY | NTS | Dwg No |
|--------------|--------------------------|------------|--------|
| July 8, 1988 | A.J. Schmidt, P. Eng. | 82E/1W, 2E | |

Scale 1:50,000
 0 500 1000 2000 3000
 metres

118°30'

49°00'

History

Prospecting activities in the area began about 1891 with the discovery of important copper/gold deposits in the Motherlode and Phoenix camps 15 and 25 kilometres west of Grand Forks. The Phoenix mine was in production from 1900 to 1919, and again from 1959 to 1976, producing about 21,000,000 tonnes of ore, containing about 235,000,000 kilograms copper and 37,000,000 grams of gold.

The Yankee Boy, Yankee Girl and Bell claims were all Crown granted in 1900, and small ore shipments to local smelters were made in (at least) the years 1900, 1905, 1925, 1926, 1930, 1935 and 1936. Approximately 500 tons of hand cobbled ore were shipped, perhaps averaging about 1.5 ounces of gold and 1 ounce of silver per ton. Operations apparently ceased after the 1936 shipments, at which time the property was developed by several adits, connecting raises and stopes, and numerous surface trenches and rock cuts. Although the main entry is located on the Yankee Boy claim, almost all of the stoping took place about 100 metres west of that portal, within the Yankee Girl claim.

No further work is known to have been done on the property until 1982, when Midland commissioned a limited geological and geochemical evaluation. This was followed in 1983 by a minor amount of fill-in soil sampling and 1.5 km of VLF-EM survey. The Issuer completed a small program of rock sampling and geophysical surveying within the property in January, 1988 (Windsor, 1988). There is no evidence that any type of drill testing of the vein system or its extensions has yet been attempted.

Geology

Available information indicates that most of the property is underlain by massive greenstones (andesitic augite porphyry) of Jurassic age, probably correlative with the Rosslund Volcanics to the east. Minor amounts of ultramafic (serpentine, pyroxenite) intrusions are possibly present in the southeastern sector of the Yankee Girl claim; they are somewhat common in the area and are often spacially associated with major fault zones.

The property is located very near the inferred intersection of the northwest striking Eagle Mountain Fault and the northeast striking Granby River Fault. East of the property, across the latter fault, the exposed rocks are principally early Paleozoic age high-grade metamorphic rocks of the Grand Forks Group.

Glacial drift of unknown thickness covers much of the northwestern sector of the property. Outcrops are plentiful on

the steep, rocky bluffs within the southeastern sector of the property.

Mineralization

On the Yankee Girl property, significant gold/silver mineralization occurs in narrow, east-west trending quartz-sulphide vein systems. Widths range from about 0.1 to 1.0 metres. Dips are steep, from 70' to 90' to either the north or south. Pyrite with lesser amounts of galena and chalcopyrite are the principal sulphides. Gold and silver values, from samples reported in the B.C. Minister of Mines Report for 1924, range up to 3.24 and 2.0 ounces, respectively (widths unknown). Stopes were established on probably two separate but parallel veins between the lower adit (No. 2 - elevation 2,600') and upper adit (No. 1, elevation 2,804'). Difficulties were encountered in following the veins because of several northeast trending cross faults, dipping 60' to 75' to the west.

Schmidt took a number of rock samples (grab and chip) from various locations on the property to verify the tenor of gold and silver mineralization. An additional 24 rock samples were collected and analyzed by Windsor. With the exception of the quartz sulphide vein material picked off the Yankee Boy dump outside the lowermost adit, which assayed 0.47 oz/t Au and 0.30 oz/t Ag, the other samples returned very low values. However, Windsor's sampling indicated gold values in several of the vein exposures to be in the 0.5 to 0.20 oz/t range, over widths of 20 to 30 cm.

No significant mineralization is evident in the well-exposed walls of the stopes. Windsor took chip samples of wall rock material at several different locations. None of his samples indicated any gold/silver mineralization in the walls, away from the quartz sulphide veins themselves.

Geophysics

During January 1988, Windsor completed 6.15 kilometres of grid-controlled magnetometer and VLF-EM surveys.

A Barringer GM-122 proton precession magnetometer was utilized, with readings taken on either a 50 x 25 m or 50 x 12.5 metre grid.

A Geonics EM-16 VLF receiver was utilized, as was the Seattle transmitter. Readings were taken at 25 metre spacings; the Fraser filtered data were plotted and contoured.

Two strong ENE trending VLF-EM conductors were located by the survey. The western anomaly is about 300 metres long and coincides closely with a narrow gully for much of its length.

The eastern anomaly is about 250 metres long and near its western end reflects a narrow quartz vein structure carrying low gold/silver values.

A 300-metre long magnetic high of up to 500 gammas occurs in the southeastern portion of the Bell claim, trending northeast. Several small magnetic highs of 300 to 900 gammas form a prominent ENE trend across both the Bell and Yankee Girl claims, but are not obviously associated with mineralization.

The two VLF-EM conductors could represent the same structure, with a fault offset of about 90 metres.

Geochemistry

In 1982 a 60 x 30 metre geochemical soil grid was established within the Yankee Girl claim. A total of 35 B-horizon samples were collected and analyzed for Cu, Pb, Zn, Au and Ag. In 1983 an additional 21 B-horizon samples were collected on a 20 x 10 metre grid extending eastward from the 1982 grid.

Several samples immediately east (downslope) of the Yankee Girl adit No. 1 were found to be anomalous in Cu, Zn, Pb, Ag, and Au. These are undoubtedly contaminated by the waste dump and mine waters draining from the adit. However, several soil sample sites were also found to be anomalous in gold west of the main mine workings.

The 1983 soil samples were all collected in a small area between the No. 1 and No. 2 adits, an area heavily contaminated by previous mining activity, and the 'soils' of which are mainly talus fines. Many anomalous values in Cu, Pb, Zn, Ag and Au were obtained, but they have little exploration significance.

Recommendations

A two-phase exploration programme is recommended:

Phase 1

1. Stake additional claims around the present two Crown grants.
2. Compile a geological map of the property at a scale of 1:1000, with mineralized areas mapped at a scale of 1:500.
3. Complete a geochemical soil survey over the existing grid, and analyze all samples for Au, Ag, Pb and As. Initial sample spacing should be 25 x 50 metres, and

later fill-in sampling around anomalous sites should be 25 x 12.5 metres. Compile both data sets.

4. Conduct an excavator trenching programme to explore the bedrock beneath the best soil geochemical anomalies, particularly where they are supported by the known VLF-EM anomalies.
5. Contingent upon the results of Phase 1, additional exploration may be warranted.

Phase 2

1. Diamond drill targets developed by the previous work. Ensure maximum core recovery.

Cost Estimate for the Proposed Programme

Phase 1

| | |
|---|------------------|
| 1. Claim staking (12 units if possible) | \$ 1,000 |
| 2. Geological mapping, rock sampling | 3,000 |
| 3. Geochemical soil survey (350 samples) | 6,000 |
| 4. Excavator trenching, 50 hrs @ \$100/hr | 5,000 |
| 5. Sampling, geological supervision | 5,000 |
| 6. Contingencies @ 10% | <u>2,000</u> |
| TOTAL PHASE 1 | \$ <u>20,000</u> |

Phase 2

| | |
|--|-------------------------|
| 1. Diamond drilling, 250 metres NQ @ \$100/m | \$ 25,000 |
| 2. Assaying, supervision, reporting | 6,000 |
| 3. Contingencies @ 15% | <u>4,000</u> |
| TOTAL PHASE 2 | \$ <u>35,000</u> |
| TOTAL PHASE 1 & 2 | \$ <u><u>55,000</u></u> |

Additional Information

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

THE PROPERTY IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE, AND THE PROPOSED PROGRAMME IS AN EXPLORATORY SEARCH FOR ORE.