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Something Good.

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.

PROSPECTUS

DATED: April 28, 1989

GOLDCLIFF RESOURCE CORPORATION (the "Issuer")

6976 Laburnum Street
Vancouver, B.C. V6P 5M9

Share Offering - 600,000 Common Shares without par value

	No. of Shares	Price to Public(1)	Agent's Commission	Net Proceeds to Issuer(2)
Per Share	-	\$0.40	\$0.05	\$0.35
Total Offering	600,000	\$240,000	\$30,000	\$210,000

- (1) The price of the shares has been determined by the Issuer in negotiation with the Agent.
- (2) Before deduction of expenses of this issue estimated not to exceed \$15,000.

THERE IS NO MARKET THROUGH WHICH THE SECURITIES OF THE ISSUER MAY BE SOLD AND A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF ANY PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" HEREIN FOR DETAILS OF SUCH MATTERS AS DILUTION, RISKS INHERENT IN MINING, CONFLICTS OF INTEREST AND PERCENTAGES OF SHARES HELD BY PROMOTERS, DIRECTORS, OFFICERS AND SUBSTANTIAL SECURITY HOLDERS.

NO PERSON IS AUTHORIZED BY THE ISSUER TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THIS ISSUE AND THE SALE OF THE SECURITIES OFFERED BY THE ISSUER.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE IS MADE TO THE HEADING "DIRECTORS AND OFFICERS" HEREIN FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES

DEC 4 1989

Recd Nov. 21/89

KAMLOOPS, B.C.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 30.77% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 61.54% THAT WILL THEN BE BENEFICIALLY OWNED BY DIRECTORS AND SENIOR OFFICERS OF THE ISSUER. REFERENCE IS MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS OF SHARES HELD BY DIRECTORS AND SENIOR OFFICERS.

THE VANCOUVER STOCK EXCHANGE (THE "EXCHANGE") HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING THE LISTING REQUIREMENTS OF THE EXCHANGE ON OR BEFORE NOVEMBER 8, 1989, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS PROSPECTUS ALSO QUALIFIES THE ISSUANCE OF THE AGENT'S WARRANTS AND DISTRIBUTION AT THE MARKET PRICE PREVAILING AT THE TIME OF THE SALE OF ANY SHARES PURCHASED BY THE AGENT HEREUNDER. THE AGENT IS ENTITLED PURSUANT TO THE SECURITIES ACT AND ITS REGULATIONS TO SELL ANY SHARES ACQUIRED ON EXERCISE OF THE AGENT'S WARRANTS WITHOUT FURTHER QUALIFICATION. REFERENCE IS MADE TO THE HEADING "PLAN OF DISTRIBUTION" HEREIN.

BASED ON THE OFFERING PRICE OF \$0.40 PER COMMON SHARE THE NET TANGIBLE BOOK VALUE (AFTER PAYMENT OF THE AGENT'S COMMISSION AND ESTIMATED COSTS OF THIS ISSUE) FOR EACH OF THE 1,950,000 SHARES THEN OUTSTANDING WOULD BE APPROXIMATELY \$0.18 RESULTING IN AN IMMEDIATE DILUTION OF APPROXIMATELY \$0.22 PER SHARE OR 55%. REFERENCE IS MADE TO THE HEADING "DILUTION" HEREIN.

WE, AS AGENT, 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 THE HEADING "PLAN OF DISTRIBUTION" HEREIN.

Haywood Securities Inc.
11th Floor, Commerce Place
400 Burrard Street
Vancouver, B.C. V6C 3A6

EFFECTIVE DATE: May 12, 1989

SUMMARY

The Twin Lakes property of Cripple Creek Resources Ltd (N.P.L.) is comprised of eleven mineral claims and is situated on the northwest slope of Orofino Mountain, six miles east of Olalla, in southwestern British Columbia.

Elevations on the property range from 4,200 to 4,800 feet above sea level.

Water is available for all phases of the exploration and development programme.

A power line is located one and a half miles south of the property.

Moderate temperatures prevail throughout the year.

The property is situated on the northern border of granitic of Cretaceous age. Situated on the southern edge of the three to four mile wide band of intrusions, is the Fairview Camp, one of the older mining camps in British Columbia.

This selective summary is not in itself complete and is qualified by more detailed information appearing elsewhere in this Prospectus.

GOLDCLIFF RESOURCE CORPORATION (the "Issuer")

PROSPECTUS SUMMARY

The Offering

Securities Offered: 600,000 Common Shares (the "Share Offering")

Proceeds: Share Offering: \$240,000 (gross); \$210,000 (net)

Price: Share Offering: \$0.40 per Share

This Prospectus also qualifies any securities of the Issuer which the Agent may acquire pursuant to the Agent's Warrants.

Use of Proceeds: The net proceeds of this issue are estimated to be \$195,000 after deducting the Agent's commission and expenses of the offering. The net proceeds will be used to fund the balance of Stage I of an exploration program on the Cliff Claims, Osoyoos Mining Division, British Columbia (\$86,000) and to make provision to fund Stage II thereof (\$100,000). The balance will be added to the working capital of the Issuer.

Dilution: The price of each common share offered hereby exceeds the book value of the net tangible assets per common share of the Issuer on a fully diluted basis at October 31, 1988 by \$0.22, after giving effect to this offering and assuming no exercise of the Agent's Warrants to purchase additional shares.

The Issuer

The Issuer is engaged in the business of evaluating, acquiring and developing mineral resource properties. The Issuer has a 100% undivided interest in the Cliff, Cliff Nos. 1-4 Mineral Claims and Great Eastern Reverted Crown Grant Claim, Osoyoos, Mining Division, British Columbia.

Risk Factors

Investment in the common shares may be considered speculative due to the nature of the Issuer's business and the present stage of its development. Reference is made to the warnings on the cover of this Prospectus, the description of the Issuer's properties and other relevant disclosure contained herein. The following are certain of the risk factors inherent in the Company's business:

(a) There is no established market for the shares of the Issuer and no assurance that one will develop.

(b) The Issuer is a relatively new company and has no proven history of performance or earnings and its ability to develop into a viable business enterprise is largely dependent upon its management.

(c) Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, importing and exporting of minerals and environment protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital or the investment retaining its value.

(d) The existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to all the properties described in this Prospectus. The Issuer follows the usual industry practice in obtaining title opinions with respect to its lands.

(e) The Issuer's properties consist of recorded mineral claims, most of which have not been surveyed and therefore the precise area and location of such claims may be in doubt.

(f) Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described in this Prospectus will result in discoveries of commercial quantities of ore.

(g) There is no known body of ore of the Issuer's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only source of future funds presently available to the Issuer is the sale of equity capital, or the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out further exploration or development of such properties.

(h) Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.

Capitalization

At October 31, 1988, the Issuer had one share issued and outstanding and 1,209,999 shares were allotted but not issued. Subsequent to October 31, 1988, a further 140,000 shares were issued so that as at the date hereof 1,350,000 shares are outstanding. Upon completion of this offering, there will be 1,950,000 shares issued and outstanding, assuming no exercise of the Agent's Warrants to purchase additional shares. The authorized capital of the Issuer is 10,000,000 common shares without par value and 171,000 shares are subject to options in favour of the directors, senior officers and employees of the Issuer.

Selected Financial Information

Prior to this Offering, the Issuer had raised \$157,500 by means of the sale of shares during its stage as a private company. The audited balance sheet as at October 31, 1988 shows \$100,901 as having been invested in natural resource properties as at that date, all of which was paid in connection with the acquisition, exploration and development of the Issuer's property. \$7,500 was paid to the Issuer pursuant to the issue of 750,000 escrow shares at a price of \$0.01 per share.

From the date of incorporation (July 21, 1986) to October 31, 1988, the Issuer earned no revenue and incurred expenses in the amount of approximately \$85,401.

Key Personnel

Leonard W. Saleken, the Company's President and Chief Executive Officer is a professional geologist. Edwin R. Rockel, a director of the Company, is a professional geophysicist. Both persons have had over 20 years' experience in the field and have had extensive experience in the management and administration of natural resource companies.

GOLDCLIFF RESOURCE CORPORATION

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1.

NAME AND INCORPORATION

GOLDCLIFF RESOURCE CORPORATION (the "Issuer") was incorporated on July 21, 1986 by Memorandum and Articles under the Company Act (British Columbia). The Issuer will become a reporting issuer on the date a final receipt is issued with respect to this offering by the British Columbia Securities Commission.

The head office of the Issuer is situated at 6976 Laburnum Street, Vancouver, B.C. V6P 5M9, and its registered and records office is situated at 1040-999 West Hastings Street, Vancouver, B.C. V6C 2W2.

2.

DESCRIPTION OF BUSINESS

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

The Issuer intends to seek and acquire additional properties worthy of exploration and development.

3.

PROPERTIES OF THE ISSUER

Cliff, Cliff No. 1-4 Mineral Claims and Great Eastern Reverted Crown Grant Claim, Osoyoos Mining Division, B.C.

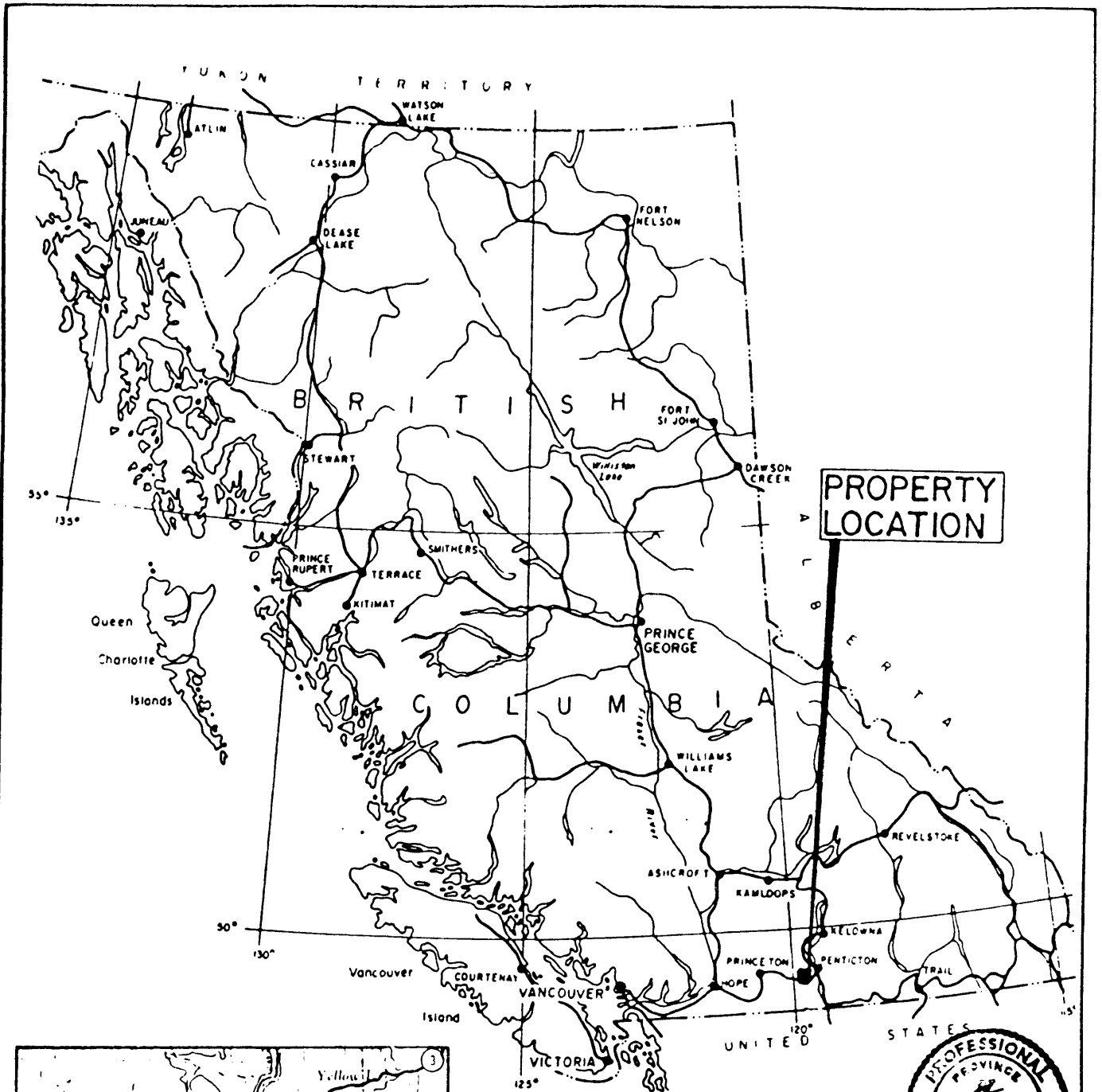
Terms of Acquisition

Pursuant to an agreement (the "Property Option Agreement"), dated as of November 24, 1988, between Grant F. Crooker, of P.O. Box 234, Keremeos, B.C. V0X 1N0 (the "Vendor") and the Issuer, the Issuer acquired an option (the "Option") to purchase all right, title and interest in and to the certain mineral claims, located in the Olalla Creek Area, Osoyoos Mining Division, B.C. and known as the "Cliff Claims" or the "Property". Reference is made to Figures 1 and 2.

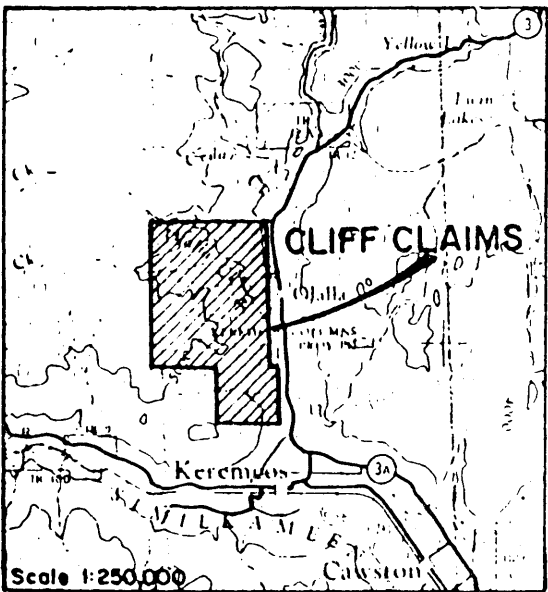
The Property Option Agreement replaces certain other property option agreements, dated July 28, 1986, November 1, 1986, April 26, 1987 and February 1, 1988, respectively, between the Vendor and the Issuer, and consolidates the same into one agreement.

Details with respect to the Cliff Claims are set forth below:

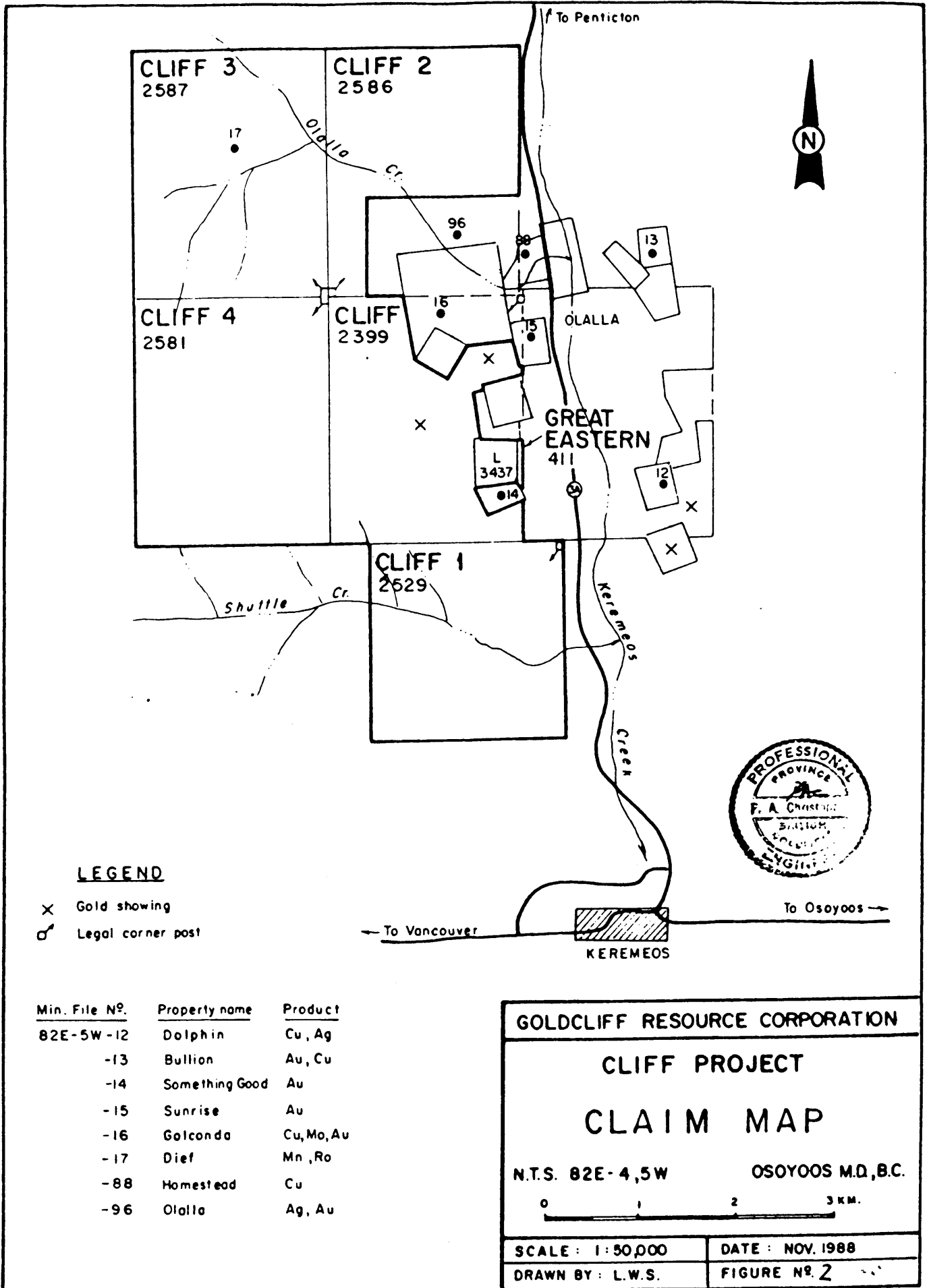
<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Cliff	20	2399	Apr. 1, 1997
Cliff No. 1	16	2529	Oct.30, 1997
Cliff No. 2	20	2586	Mar.30, 1990



**PROPERTY
LOCATION**



GOLDCLIFF RESOURCE CORPORATION	
CLIFF PROJECT	
LOCATION MAP	
N.T.S. 82E-4,5W	OSOYOOS M.D., B.C.
0 200 400 KM.	
SCALE : AS SHOWN	DATE : NOV. 1988
DRAWN BY : G.F.C.	FIGURE NO. 1



LEGEND

- X Gold showing
- ♂ Legal corner post

Min. File No.	Property name	Product
B2E-5W-12	Dolphin	Cu, Ag
-13	Bullion	Au, Cu
-14	Something Good	Au
-15	Sunrise	Au
-16	Golconda	Cu, Mo, Au
-17	Dief	Mn, Ro
-88	Homestead	Cu
-96	Olalla	Ag, Au

GOLDCLIFF RESOURCE CORPORATION	
CLIFF PROJECT	
CLAIM MAP	
N.T.S. B2E-4,5W	OSOYOOS M.D., B.C.
SCALE: 1:50,000	DATE: NOV. 1988
DRAWN BY: L.W.S.	FIGURE NO. 2

Cliff No. 3	20	2587	Mar.30, 1990
Cliff No. 4	20	2581	Mar.30, 1990
Great Eastern			
Reverted Crown	1-2		
Grant (Lot 3437)	post	411	Jun. 1, 1997

Pursuant to the terms of the Property Option Agreement, the Issuer will have exercised the Option and will have acquired a 100% interest in and to the Property by:

(a) paying to the Vendor \$8,500 upon execution and delivery of the agreement (which amount has been paid);

(b) allotting and issuing to the Vendor up to an aggregate of 200,000 common shares of the Company, free and clear of any pooling or escrow restriction, as set forth below:

- (i) 25,000 shares within 15 days of the issuance of a receipt for the Issuer's first prospectus by the Superintendent of Brokers for British Columbia;
- (ii) an additional 60,000 shares following completion of Stage I of an exploration program on the Property involving expenditures of not less than \$60,000;
- (iii) an additional 60,000 shares following completion of Stage II of an exploration program on the Property involving expenditures of not less than \$60,000; and
- (iv) an additional 55,000 shares following completion of Stage III of an exploration program on the Property involving expenditures of not less than \$55,000;

subject to the Issuer filing with the Vancouver Stock Exchange (the "Exchange") an engineering report on the Cliff Claims acceptable to the Exchange summarizing the work carried out on the Property and recommending further work on the Property;

(c) paying to the Vendor a further \$7,000 within seven days of the unconditional listing of the Issuer's shares on the Exchange (the "Listing Date");

(d) incurring Exploration Expenditures of not less than

- (i) \$20,000 per year commencing from the earlier of the Listing Date and June 30, 1989 (the "Effective Date"); and
- (ii) \$225,000 on or before five years from the Effective Date.

If the Issuer fails to incur Exploration Expenditures, as aforesaid, the Issuer may make a cash payment to the Vendor in an amount equal to one half of the deficiency in the Exploration Expenditures. Any cash payment will be deemed to have been Exploration Expenditures duly and properly incurred in an amount twice that of the cash payment.

In the agreement, "Exploration Expenditures" means all costs and expenses, however, denominated, incurred by the Issuer on or

in connection with the exploration and development of the Property and includes all monies required to maintain the Property in good standing in accordance with the laws of the jurisdiction in which the Property is situate.

Upon the Issuer having exercised the Option, the Vendor will be entitled to receive a 3% net smelter return royalty (the "Royalty"). The Issuer has the right, exercisable at any time up to six months prior to commencement of commercial production, to purchase the Royalty for the sum of \$6,000,000 and following the completion of such purchase, the Property Option Agreement will terminate.

Crooker acquired the Great Eastern Reverted Crown Grant Claim by application in June 1978. He acquired the Cliff Claim in March 1986, the Cliff No. 1 Claim in October, 1986, and the Cliff Nos. 2-4 Claims in March 1987 in consideration of staking costs in the amount of approximately \$13,000.

Location and Access

The Cliff Claims, consisting of six claims totalling 97 units, are located in the Hedley-Olalla Gold Camp, west of Keremeos Creek at Olalla, B.C., about 250 kilometres east of Vancouver and 40 kilometers southwest of Penticton. The Cliff Claims cover approximately 5,213 acres.

Highway 3A passes along the eastern property boundary of the Cliff Claims north of Keremeos. An old four-wheel drive mining road provides access to the northeastern portion and a good man-made trail leads to the western section of the Cliff Claims.

Prospecting History

The discovery of placer gold in the 1860s stimulated interest in finding lode deposits in the Hedley-Olalla region. The first major discovery was the Nickel Plate mine in 1897, followed by staking of the Hedley Mascot mine in 1908. Production from the Hedley camp, mainly on Nickel Plate Mountain, was 3,981,553 tons of ore with 1,730,643 ounces of gold and 190,091 ounces of silver, as of 1955. Open pit reserves of 8,300,000 tons with an average grade of 0.14 oz./ton gold have been reported by Mascot Gold Mines Limited for the old Nickel Plate property. Selective mining has recently been conducted by Banbury Gold Mines Ltd. and Golden North Resources Corporation on their Hedley Area properties.

The district has also produced precious metals from porphyry type deposits such as Ingerbelle and Copper Mountain. Total production as of 1984 was 543,823 ounces gold and 6,207,144 ounces silver as by-product from 118,746,207 tons of copper ore.

The main properties that have been explored in the Olalla area are the Bullion, Golconda and Shepard-Sunrise with a number

of other named showings. Reference is made to Figures 3 and 4. Exploration has continued sporadically on the properties to date.

From 1946-48, the Shepard-Sunrise Property was held by Hedley-Monarch Mines Ltd., which conducted underground work and shipped 300 tons of material yielding 0.53 oz./ton gold and 0.45 oz./ton silver. From 1961-63, Friday Mines Limited conducted geological mapping, trenching and diamond drilling with reserves on the Sweetner vein estimated at 3,100 tons averaging 0.84 oz./ton gold and 1.99 oz./ton silver.

On the property immediately east of the Cliff Claim, three adits were driven on the zone in 1936-37 and limited diamond drilling was carried out. Samples taken from the No. 1 adit for the B.C. Department of Mines ranged from 0.05 oz./ton gold over 54 inches to 2.20 oz./ton gold over 11 inches. Negligible gold values were found in the No. 3 adit.

The Golconda Property is located contiguous to the northern portion of the Cliff Claim. Limited production has come from several adits on the zone and a small mill has been intermittently active on the property.

The Cliff Claim was a restaking of a lapsed claim which was explored by Freedom Resources Ltd. from 1981-83.

In the Cliff Claim area, exploration has included hand trenching, cat trenching, airborne VLF-EM and magnetic surveys, ground VLF-EM and magnetic surveys with at least 3,684 ft. of diamond drilling completed west of the Shepard-Sunrise. The airborne VLF-EM survey indicated two strong conductors. Two holes drilled along the Valley Fault had a best intersection of 0.03 oz./ton gold and 0.087 oz./ton silver. In the area of the second conductor, follow-up soil sampling and ground VLF-EM surveys were carried out over a small portion of the area. Freedom Resources Ltd. drilled five holes totalling 2,502 ft along the Valley Fault structure. Only partial records of drill holes and no record of drill results are available.

Underground and Surface Plant and Equipment

There is no surface or underground plant or equipment on the Cliff Claims and there has been no underground exploration on the property except as herein set forth. **The property is without a known body of commercial ore and the proposed program is an exploratory search for ore.**

General Geology and Mineralization

As set forth in the Report on the Cliff Claims, which has been filed with the British Columbia Securities Commission pursuant to Section 102 of the Regulations to the Securities Act (British Columbia), the Cliff Claims are located within the

Intermontane Tectonic Belt of the Canadian Cordillera. The Property is mainly underlain by marine sedimentary and volcanic rocks. The Olalla stock, a differentiated, late Mesozoic, mafic-to-alkalic intrusive body occurs in the eastern part of the Property. The Olalla stock is spatially related to a number of precious metal prospects. These include gold values related to quartz veins, a siliceous, pyritic breccia zone, shear zones, skarns and contact metasomatic zones.

Gold mineralization on the Property occurs in gold bearing quartz veins, shear zones and breccia zones that occur with zones of silicification and carbonatization. Reference is made to Figure 3. Mineralization on the Cliff Claims consists of azurite, malachite, galena, pyrite and chalcopryrite with a trace of molybdenum reported by Friday Mines and molybdenite found in quartz veins on the adjacent Golconda Property. Reference is made to Figure 4. Geochemical correlation of silver with arsenic, antimony and copper suggest the presence of unrecognized tetrahedrite.

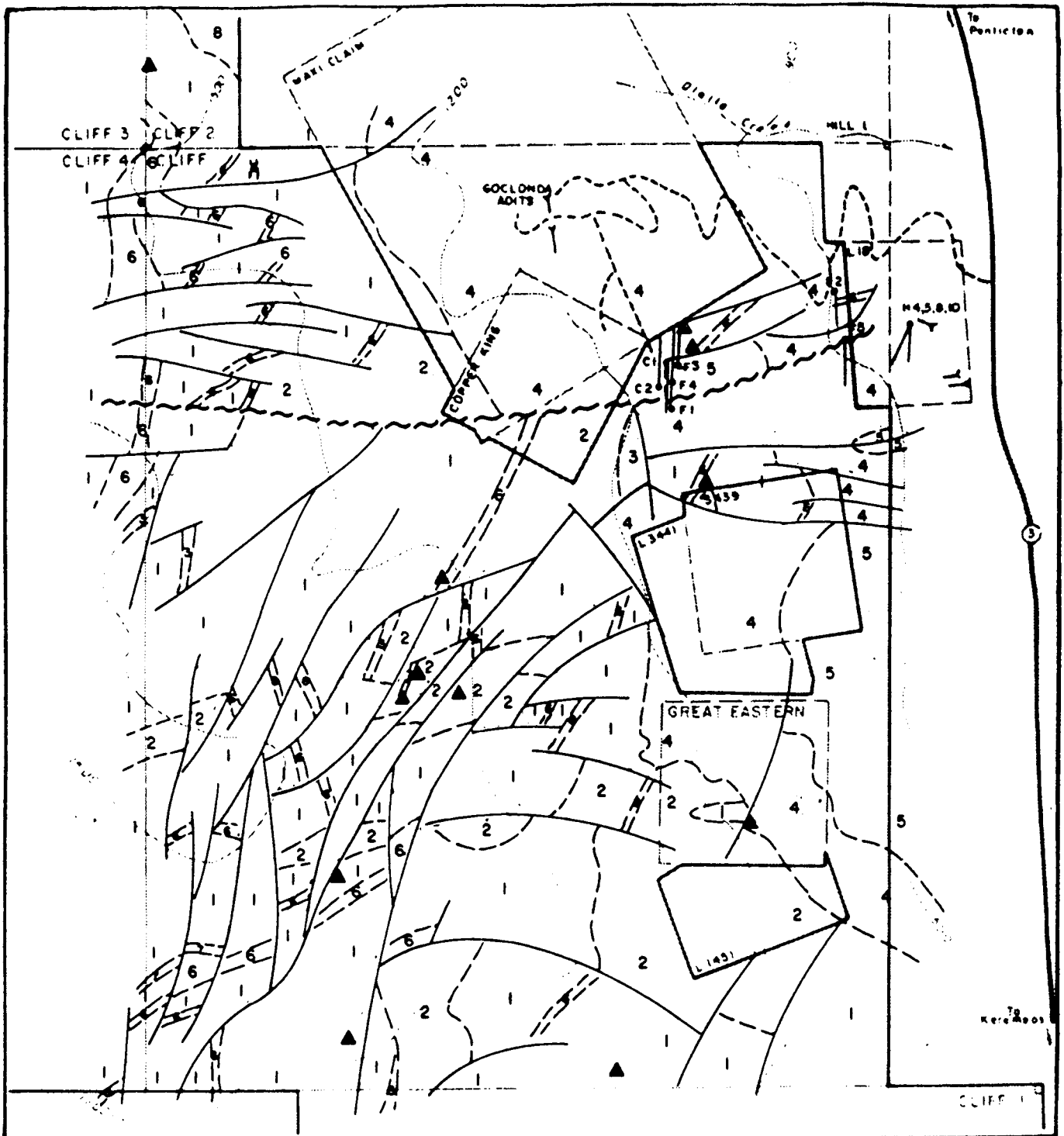
Work Already Undertaken by Issuer

The Issuer carried out an exploration program in 1986 (the "1986 Program") at a cost of approximately \$73,000. The program included construction of about 50 kilometers of grid lines, 1,726 soil samples, 59 rock samples, 27 kilometers of VLF-EM, 42.4 kilometers of magnetic surveys and geological mapping. The results of the program indicated a number of significant VLF-EM conductors, geochemical anomalies and outlined geological features. Several poorly exposed quartz stockwork and breccia zones gave values up to 1,850 ppb gold in place and up to 3,400 ppb in float.

During April 1987 and March 1988, the Issuer conducted a follow-up of the 1986 Program at a cost of approximately \$11,100. The follow-up program consisted of grid preparation, soil sampling, magnetometer, VLF-EM, geological mapping and prospecting over the Great Eastern Claim. Two lines of soil sampling, prospecting and geological mapping were conducted on the Cliff No. 2 Claim and a VLF-EM survey was completed on the Cliff Claim. Fourteen target areas have been defined. Reference is made to Figure 5.

Soil geochemical surveys were completed in 1986 and 1988 with a total of 1,936 samples. Sampling and sampling results are mainly confined to the Cliff and Great Eastern Claims. Samples were analyzed for gold and 31 element ICP by Min-En Laboratories Ltd. in North Vancouver, B.C. Analytical results are set forth below:

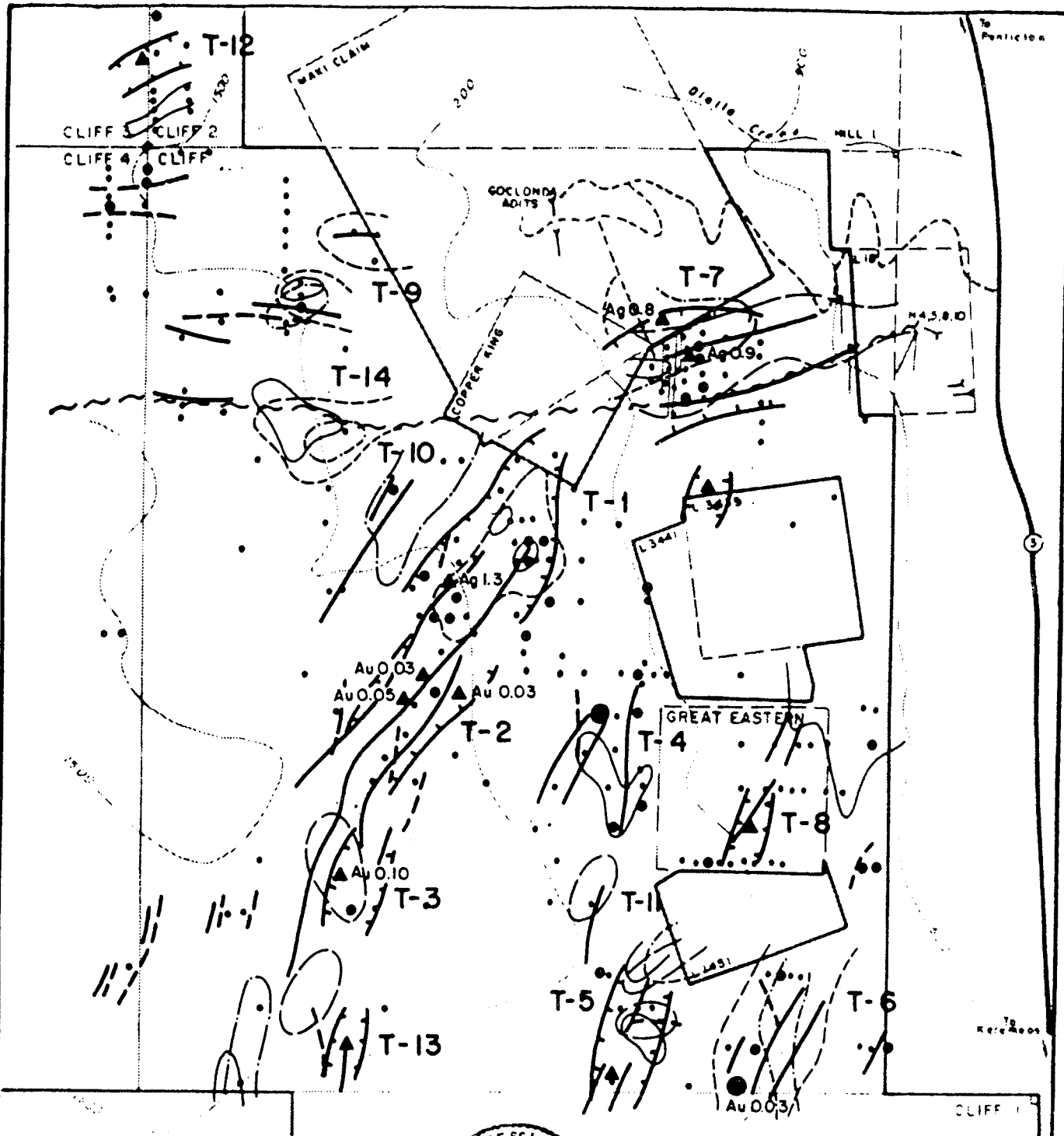
<u>Element</u>	<u>Units</u>	<u>Range</u>	<u>Background</u>	<u>Anomalous</u>
Gold	ppb	1-1100	11	20+
Silver	ppm	0.10-25.2	0.85	1.5+
Arsenic	ppm	1-157	9	18+
Antimony	ppm	1-53	9	18+
Cobalt	ppm	1-65	14	29+



- Drill drill
 - ▲— Adit
 - - - Road
 - ▲ Showings (Au, Ag)
 - ~ Fault
 - - - Contact
- | | | |
|---|-----------------------------------|------------|
| 1 | Monzonite | } JURASSIC |
| 7 | Mafic dyke | |
| 6 | Feldspar porphyry (dykes & sills) | |
| 5 | Syenite | |
| 4 | Pyroxenite | |
| 3 | Shoemaker Fm. (Apex Mtn. Group) | |
| 3 | Limestone | } TRIASSIC |
| 2 | Greenstone (gabbro ?) | |
| 1 | Chert breccia | |



GOLDCLIFF RESOURCE CORPORATION	
CLIFF PROJECT	
CLIFF CLAIM GEOLOGY	
N.T.S. 02E-4,5W	0805008 M. D., B. C.
SCALE: AS SHOWN	DATE: NOV. 1988
DRAWN BY: G.C.L.	FIGURE NO. 4



- Drill hole
- MINERALIZATION**
- Zones
- ▲ Showings (Au, Ag oz/t.)
- COINCIDENTAL GEOCHEMICAL ANOMALIES**
- Au ●●● (>20, >100, >500 ppb)
- Ag — (>1.5 ppm)
- Pathfinders (As, Co, Sb) — 3 elements — 2 elements
- Base metals (Cu, Pb, Zn) — " " — " "
- GEOPHYSICAL TRENDS**
- EM Conductors
- - - Magnetic trends



~ Valley Fault
 T-1 Target Areas



GOLDCLIFF RESOURCE CORPORATION	
CLIFF PROJECT COMPILATION MAP TARGET AREAS	
N.T.S. 82E-43W OSOYOOS M. D., B. C.	
0 200 400 600 METRES	
SCALE: AS SHOWN	DATE: NOV. 1988
DRAWN BY: S.C.L.	FIGURE NO. 5

Copper	ppm	1-9692	98	196+
Lead	ppm	6-205	25	50+
Zinc	ppm	7-1137	93	186+

About 48 line kilometers of VLF-EM and magnetic surveys were conducted over most of the Cliff Claim and Great Eastern Claim areas. A Geonics EM-16 was used for the VLF-EM survey with transmitting stations at Seattle and/or Cutler employed. A Scintrex MP-2 was used for the magnetic survey with readings corrected for diurnal variation.

The magnetic survey showed strong variation with over 17,000 gammas of magnetic relief. Readings over 61,000 gammas are generally related to mafic, core phases of the Olalla stock. The strong readings and pyroxenite bodies occur on the Great Eastern Claim and in the northeasterly part of the Cliff Claim.

The VLF-EM survey indicated a number of easterly, northerly and northeasterly trending conductors. Strong conductors are associated with several of the target areas.

The Issuer has expended approximately \$14,000 with respect to reviewing and analysing reports on the Cliff Claims and planning and scheduling exploration work.

Recommendations

The Cliff Claims are the subject of a report (the "Report"), dated November 15, 1988, prepared by Peter A. Christopher, Ph.D., of Peter Christopher & Associates Inc., of 3707 West 34th Avenue, Vancouver, B.C. V6N 2K9. The Report is available for inspection at the registered and records office of the Issuer during normal business hours while primary distribution of the shares offered is in progress. The Report recommends an exploration program, consisting of three stages, be carried out at an estimated total cost of \$400,000 to define drill targets. Stage I is estimated to cost \$100,000 and comprises road building, trenching and detailed geological, geochemical and surveys of target areas. Stage II is estimated to cost \$100,000 and comprises reverse circulation drilling and geochemical analyses. Stage III is estimated to cost \$200,000 and comprises 1,500 meters of diamond drilling.

The Issuer intends to carry out Stage I of the recommended exploration program at an estimated cost to the Issuer of \$100,000, of which amount \$14,000 has been paid and the balance of \$86,000 will be raised from the proceeds of this offering. The Issuer does not intend to proceed with subsequent stages of the recommended program unless favourable results are encountered on the preceding stage. In order to fund subsequent stages and to supplement the Issuer's available funds at the time and depending on economic and other factors, the Issuer may enter into a joint venture agreement or undertake a further public financing or a financing by way of private placement.

4.

RISK FACTORS

The shares offered hereby are considered speculative due to the nature of the Issuer's business and the present stage of its

development. A prospective investor should consider carefully the following factors:

(a) There is no established market for the shares of the Issuer and no assurance that one will develop.

(b) The Issuer is a relatively new company and has no proven history of performance or earnings and its ability to develop into a viable business enterprise is largely dependent upon its management.

(c) Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, importing and exporting of minerals and environment protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital or the investment retaining its value.

(d) The existence of title opinions should not be construed to suggest that the Issuer has good and marketable title to all the properties described in this Prospectus. The Issuer follows the usual industry practice in obtaining title opinions with respect to its lands.

(e) The Issuer's properties consist of recorded mineral claims, most of which have not been surveyed and therefore the precise area and location of such claims may be in doubt.

(f) Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described in this Prospectus will result in discoveries of commercial quantities of ore.

(g) There is no known body of ore of the Issuer's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing an economic body of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The only sources of future funds presently available to the Issuer is the sale of equity capital, or the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out further exploration or development of such properties.

(h) Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.

Reference is also made to the section captioned "Directors and Officers" with respect to potential conflicts of interest.

Dilution

The following table reflects the dilution which will result from the purchase of the Shares offered pursuant to this Offering:

Dilution per Share

Offering price per Common Share	\$0.40
Net tangible book value before Offering	\$0.12
Increase of net tangible book value attributable to the Offering	\$0.06(1)
Net tangible book value after the Offering	\$0.18
Dilution to subscribers	\$0.22
Percentage of dilution in relation to Offering price	55%

(1) After deduction of the remuneration of the Agent and costs of the issue and excluding the effect of exercise of the incentive stock options and Agent's Warrants.

Comparison of Securities Offered and Issued

<u>Securities Offered for Cash Consideration by this Prospectus on Completion of Offering</u>		<u>Securities issued to Promoters Directors, Officers and Substantial Security Holders</u>	
<u>Number</u>	<u>Percent Issued</u>	<u>Number</u>	<u>Percent Issued</u>
600,000	30.77%	1,200,000	88.89%(1) 61.54%(2)

(1) Prior to completion of the sale of the securities offered hereby.

(2) Upon completion of the sale of the securities offered hereby.

Resale of Shares

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the shares purchased would be diminished.

Buy-Back by Agent

The Agent is not obligated to buy back shares except to the extent it may have oversold the offering and the buy-back price may be significantly lower than the original selling price.

5. **PLAN OF DISTRIBUTION**

Offering and Appointment of Agent

The Issuer by an agreement, dated April 17, 1989 (the "Agency Agreement") appointed Haywood Securities Inc., of 11th Floor, Commerce Place, 400 Burrard Street, Vancouver, B.C. V6C 3A6, as its agent (the "Agent") to offer (the "Offering") through the facilities of the Vancouver Stock Exchange (the "Exchange") a total of 600,000 shares (the "Shares") at a price of \$0.40 per share. The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and the Issuer, with the consent of the Exchange, within a period of 180 days from the date upon which the securities of the Issuer are conditionally listed on the Exchange (the "Effective Date").

The Agent will receive a commission of \$0.05 per share.

The Agent has agreed to purchase any Shares not sold at the conclusion of the Offering. In consideration therefor, the Agent has been granted non-transferable share purchase warrants (the "Agent's Warrants") entitling it to purchase up to 150,000 Shares of the Issuer at any time up to the close of business one year from listing for trading of the Issuer's securities on the Exchange at a price of \$0.40 per share.

Selling Group Participation

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business, to

selling groups of other licenced broker-dealers, brokers and investment dealers, who may or may not be offered part of the commissions or bonuses derived from the Offering.

Rights of Termination

The obligations of the Agent under the Agency Agreement may be terminated at any time up to and including the day before the securities of the Issuer are posted and listed for trading on the Exchange at the Agent's discretion on the basis of its assessment of the state of the financial markets and upon the occurrence of certain stated events.

Right of First Refusal

The Issuer has granted the Agent a right of first refusal to provide all future equity financing to the Issuer for a period of 12 months from the Effective Date.

Miscellaneous

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering.

The directors, officers and other insiders of the Issuer may purchase Shares from the Offering at a price of \$0.40 per share.

Conditional Listing

The Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the issuer fulfilling the listing requirements of the Exchange on or before November 8, 1989, including prescribed distribution and financial requirements.

Agent's Warrants

The Agent's Warrants will contain, among other things, anti-dilution provisions and provision for appropriate adjustment of the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events including any subdivision, consolidation or reclassification of the shares or the payment of stock dividends.

Additional Offering

This Prospectus also qualifies the issuance of the Agent's Warrants and distribution at the market price prevailing at the time of the sale of any shares purchased by the Agent hereunder. The Agent is entitled pursuant to the Securities Act and its Regulations to sell any shares acquired on exercise of the Agent's Warrants without further qualification. The Issuer will not receive any proceeds from the sale of any such shares by the

Agent, all of which proceeds will in such event accrue to the Agent.

6. **USE OF PROCEEDS**

The net proceeds to be derived by the Issuer from the sale of the securities offered hereunder will be \$210,000, which when added to the Issuer's working capital on hand as at March 30, 1989 of approximately \$34,328 will total \$244,328. The source of the Issuer's cash on hand is derived primarily from the sale of shares for cash in its pre-prospectus stage.

The principal purposes for which the total available funds will be expended, in order of priority, is as follows:

1. To pay the balance of legal, audit and printing expenses of this prospectus, estimated at \$ 7,500

 2. Cliff Claims:
 - (a) To pay the balance of Stage I of the exploration program, as recommended by P.A. Christopher in his report, dated November 15, 1988 \$ 86,000

 - (b) Provision to pay for Stage II of the exploration program, as recommended by P.A. Christopher in his report, dated November 15, 1988 \$100,000

 3. To provide reserve for working capital and general administrative expenses \$ 50,828
- \$244,328

If any of the Agent's Warrants are exercised, the proceeds will be added to the amount reserved for working capital and general administrative expenses.

No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in which the securities offered by this prospectus may lawfully be sold.

Should the Issuer intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this prospectus, approval of the shareholders of the Issuer must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this prospectus.

The proceeds from the sale of shares offered by this prospectus are intended to be used for the purposes set forth above and in carrying out the above work program. The Issuer will not discontinue or materially depart from the recommended work program unless advised to do so in writing by an independent, qualified consulting engineer.

In the event of any such discontinuance or departure during the distribution of the shares offered by this prospectus, which makes untrue or misleading any statement of a material fact contained herein, an amendment to this prospectus will be filed in accordance with the requirements of the Securities Act (British Columbia). Following completion of the distribution of the shares offered by this prospectus, shareholders will be notified of material changes in the affairs of the Issuer to the extent required by and in accordance with applicable legislation and the requirements of appropriate regulatory authorities.

7. ISSUANCE OF SHARES

The authorized capital of the Issuer consists of 10,000,000 shares without par value of which 1,350,000 shares are issued as fully paid.

All of the authorized shares of the Issuer are of the same class and, once issued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Company Act (British Columbia).

8. SALES OTHERWISE THAN FOR CASH

No securities are being offered otherwise than for cash.

9. SHARE AND LOAN CAPITAL STRUCTURE

<u>Designation of Security</u>	<u>Amount Authorized or to be Authorized</u>	<u>Amount Outstanding as of Oct. 31, 1988</u>	<u>Amount Outstanding within 30 days of the date hereof</u>	<u>Amount to be Outstanding if all securities being issued are sold</u>
Common Shares no par value	10,000,000	1 (\$0.01)	1,350,000 (\$157,500)	1,950,000(1) (\$352,500)(2)

(1) Does not give effect to the following:

(a) exercise of Agent's Warrants entitling the Agent to purchase up to 150,000 Common Shares of the Issuer. Reference is made to the section captioned "Plan of Distribution", or

(b) 171,000 shares subject to incentive stock options. Reference is made to the section captioned "Options to Purchase Securities".

(2) After deduction of the estimated offering expenses.

Note: As at the date of the balance sheet contained herein, the Issuer had no contributed surplus and no retained earnings.

Sundry Indebtedness

The Issuer has no long-term indebtedness.

10. PRIOR SALES

Shares Issued for Cash

The following is a summary of the shares sold for cash by the Issuer during the 12-month period prior to the date of this Prospectus:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Total Commissions Paid</u>	<u>Net Cash Received</u>
300,000(1)	\$0.25	Nil	\$ 75,000

(1) Of such shares, 260,000 were sold to the insiders (Leonard W. Saleken as to 190,000 shares, Edwin R. Rockel as to 40,000 shares and Michael J. Harris as to 30,000 shares).

With respect to sales made to insiders, reference is also made to the section captioned "Principal Holders of Securities".

With respect to stock options or warrants granted to any person or company, reference is made to the sections captioned "Options to Purchase Securities" and "Plan of Distribution".

11. **DIRECTORS AND OFFICERS**

The following are the full names, municipality of residence, positions with the Issuer and principal occupations within the preceding five years of all of the directors and officers of the Issuer:

Name, Municipality of Residence and First and Last Position with the Issuer

Principal Occupation for the Past Five Years

Leonard William Saleken (1)
Vancouver, B.C.
President and Director
(Jul.21/86 to date)
Chief Executive Officer
(Oct.21/88 to date)

Geological Consultant, Geotec Consultants Ltd.; Exploration Manager, Mascot Gold Mines Limited and Corona Group of Companies, 1980-Sept.1988; Vice-President, Dolphin Explorations Ltd., 1984 to date; former director of various other junior resource companies(2)

Edwin Ross Rockel (1)
Richmond, B.C.
Director
(Jul.21/86 to date)
Secretary
(Jul.21/86 to Oct.21/88)

Geophysical Consultant, Interpretex Resources Ltd., April 1980 to date; director, Cannelle Explorations Ltd., former director, Western Resource Technologies Inc. and Baroque Resources Ltd.

Michael John Harris (1)
North Vancouver, B.C.
Director
(Nov.27/86 to date)
Chief Financial Officer
(Oct.21/88 to date)

Director of Administrative and Revenue Services, Vancouver Park Board, March 1974 to date; director, Canelle Explorations Ltd.

Graham Howard Scott
Vancouver, B.C.
Secretary
(Oct.21/88 to date)

Barrister and Solicitor;

(1) Member of Audit Committee

(2) Alban Explorations Ltd., Berle Resources Ltd., Extotal Resources Inc., Dolphin Explorations Ltd., Hidden Valley Mines Inc., Kap Resources Ltd., Nevcal Resources Ltd., Odessa Explorations Inc., Orion Resources Ltd., Pirates Gold Corporation, Star One Resources Inc. and Western Resource Technologies Inc.

Some of the directors of the Issuer are also directors and officers of other companies engaged in the acquisition, exploration and development of resource properties.

The directors are aware of their potential conflicts of interest and will deal with them in accordance with the relevant provisions of the Company Act (British Columbia).

12. STATEMENT OF EXECUTIVE COMPENSATION

(a) Number of Executive Officers

For the purposes of this Prospectus, "executive officer" of the Issuer means the Chairman and any Vice-Chairman of the board, where that person performs the function of such officer on a full-time basis, the President and any such Vice-President in charge of a principal business unit such as sales, finance or production, and any officer of the Issuer who performs a policy-making function in respect of the Issuer, whether or not such officer is also a director.

Based on the foregoing definition, there is one person who is an executive officer of the Issuer.

(b) Direct Compensation to Executive Officers

No cash compensation, including salaries, fees, directors' fees, commissions and bonuses, among other things, was paid by the Issuer and its subsidiaries to its executive officer during the most recently completed financial year.

(c) Plans

Cash or Non-Cash Compensation

The executive officer of the Issuer does not participate in any plan pursuant to which cash or non-cash compensation was paid or distributed during the most recently completed financial year or is proposed to be paid or distributed in a subsequent year.

Particulars of Options to Purchase Securities

The total number of shares under option as at the date hereof is 171,000 shares (as to 114,000 with respect to directors and as to 57,000 with respect to employees). Reference is made to the section captioned "Options to Purchase Securities".

(d) Other Compensation to Executive Officers

No compensation other than as set forth in items (b) and (c) above, either directly or indirectly, has been paid or is payable by the Issuer to the executive officer of the Issuer during the last completed fiscal year of the Issuer nor is any such

remuneration proposed to be made in the future. However, \$81,303 was paid to a non-reporting company controlled by the executive officer of the Issuer with respect to management, administration, engineering and geological exploration services rendered to the Issuer. Reference is made to the section captioned "Promoters".

(e) Compensation of Directors

No compensation, either in cash or non-cash form, has been paid to the directors of the Issuer for their services in their capacity as directors.

13. **OPTIONS TO PURCHASE SECURITIES**

Pursuant to agreements, dated December 1, 1988, the Issuer has granted options to its insiders to purchase common shares of the Issuer. Particulars of the options are as follows:

<u>Category</u>	<u>No. of Persons</u>	<u>No. of Common Shares under Option</u>	<u>Exercise Price and Term</u>
Directors(1)	2	114,000) \$0.40 per share exercisable at any time within
Executive Officers	1	57,000(2)	
Employees	n/a	n/a) two years from December 1, 1988.
Others	n/a	n/a)
Total:		<u>171,000</u>	

- (1) As to 57,000 shares to Michael J. Harris and as to 57,000 shares to Edwin R. Rockel.
- (2) An option on 57,000 shares held by Leonard W. Saleken, an executive officer, is designated as an "employee" option.

Reference is made to the section captioned "Executive Compensation" with respect to the definition of "executive officer" for the purposes of this section.

The aforesaid options are non-assignable and have been granted as incentives and not in lieu of any compensation for services.

There was no market for the Issuer's securities at the time the options were granted and the market value as of that date has been estimated at \$0.40 per share based upon the proposed offering price.

There are no other options to purchase securities of the Issuer.

14.

PROMOTERS

Under the definition of "promoter" contained in Section 1 of the Securities Act (British Columbia), Leonard W. Saleken ("Saleken") of 6976 Laburnum Street, Vancouver, B.C. V6P 5M9, is the promoter of the Issuer in that he took the initiative in founding and organizing the Issuer and by virtue of having received more than 10% of the common stock of the Issuer.

Saleken has received no consideration in the form of cash, shares, or otherwise from the Issuer for acting as its promoter.

However, Saleken purchased shares of the Issuer for cash as follows:

<u>Name of Shareholder</u>	<u>No. of Shares Purchased at \$0.01</u>	<u>No. of Shares Purchased at \$0.25</u>
Leonard W. Saleken	700,000	340,000

The Issuer granted to Saleken in his capacity as an employee of the Issuer, an incentive stock option to purchase up to 57,000 shares in the capital stock of the Issuer. Reference is made to the section captioned "Options to Purchase Securities" for further details with respect thereto.

Pursuant to an agreement (the "Management and Exploration Services Agreement"), dated July 4, 1987, as amended by agreements, dated as of February 22, 1989 and April 5, 1989, respectively, between the Issuer and Geotec Consultants Ltd. ("Geotec"), of 6976 Laburnum Street, Vancouver, B.C. V6P 5M9, the Issuer agreed to engage Geotec with respect to management, administration and exploration services rendered to the Issuer in consideration of the payment of professional fees in the amount of \$75 per hour (up to a maximum of five hours) or \$400 per day (over five hours and up to eight hours). Professional fees paid to Geotec in respect of management and administration services rendered to the Company will not exceed \$2,000 per month. Geotec will be reimbursed for all reasonable out-of-pocket expenses at cost plus 10%. Geotec is a non-reporting company controlled by Saleken.

15.

LEGAL PROCEEDINGS

Neither the Issuer nor any of its properties is the subject to any pending legal proceedings nor are any such proceedings known to be contemplated.

18.

DIVIDEND RECORD

No dividends have been paid on any shares of the Issuer since the date of incorporation nor is it intended to pay a dividend on any of its shares in the immediate future.

19.

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus, the number of shares of the Issuer owned by each person or company who owns of record or is known by the Issuer to own beneficially, directly or indirectly, more than 10% of the said common shares is as follows:

<u>Name</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Securities Owned</u>	<u>Percentage of Issued Securities of Class</u>
Leonard W. Saleken	Common	Direct and Beneficial	1,040,000	77.04%

The percentage of securities of each class of voting securities of the Issuer, beneficially owned, directly or indirectly, by all directors and senior officers of the Issuer, as a group, is as follows:

<u>Designation of Class</u>	<u>No. of Securities</u>	<u>Percentage of Issued Securities of Class</u>
Common	1,200,000	88.89%

20.

ESCROWED SHARES

<u>Designation of Class</u>	<u>No. of Shares Held in Escrow</u>	<u>Percentage of Issued Shares</u>
Common	750,000	55.56%

Certain directors, officers and promoters of the Issuer have purchased 750,000 principals' cash paid shares of the Issuer at a price of \$0.01 per share, as follows:

<u>Name</u>	<u>No. of Escrow Shares</u>
Leonard W. Saleken	700,000
Edwin R. Rockel	50,000

These shares were issued as an incentive to the aforesaid shareholders and to provide them with a measure of control in order that work on the development of the Issuer's properties might proceed in an orderly fashion.

As at the date of this Prospectus, the 750,000 shares are held in escrow by Pacific Corporate Services Limited, subject to the direction or determination of the British Columbia Securities Commission (the "Commission") prior to listing of the Issuer's shares on the Vancouver Stock Exchange (the "Exchange") and, after listing, at the direction of the Exchange.

The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent, or escrow holder make any transfer or record any trading of the shares without the consent of the Commission (prior to listing of the Issuer's shares on the Exchange) or the Exchange (after listing).

The Commission or Exchange may permit the release of all or a portion of the escrow shares based, among other things, upon the future success of the Issuer and its exploration expenditures. Any shares not released at the expiration of six years from the Effective Date of this Prospectus will be automatically cancelled.

The complete text of the escrow agreement is available for inspection at the registered and records office of the Issuer.

21. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the following persons has any interest in any material transactions in which the Issuer is involved, except as disclosed herein:

- (a) any director or senior officer of the Issuer;
- (b) any security holder named in the section captioned "Principal Holders of Securities"; and
- (c) any associate or affiliate of any of the foregoing persons.

22. ACQUISITIONS

No material acquisitions or dispositions have been made by the Issuer since its incorporation other than disclosed elsewhere in the Prospectus.

21.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of the Issuer's business, the only material contracts entered into by the Issuer within two years of the date hereof are as follows:

1. The Agency Agreement, dated April 17, 1989, between the Issuer and Haywood Securities Inc. referred to in the section captioned "Plan of Distribution" pertaining to the distribution of 600,000 shares at a price of \$0.40 per share.
2. The Escrow Agreement - Principals' Shares, dated November 3, 1988, between the Issuer, Pacific Corporate Services Limited (the "Transfer Agent") and certain shareholders of the Issuer referred to in the section captioned "Escrowed Shares" whereunder the Transfer Agent agreed to hold 750,000 shares in escrow.
3. The Property Option Agreement, dated as of November 24, 1988, between the Issuer and Grant F. Crooker referred to in the section captioned "Property of the Issuer" whereunder the Issuer has the option to acquire a 100% interest in the Cliff Claims.
4. The Stock Option Agreements, dated December 1, 1988, between the Issuer and each of Leonard W. Saleken, Edwin R. Rockel and Michael Harris (collectively the "Optionees") referred to in the section captioned "Options to Purchase Securities" whereunder the Issuer granted to the Optionees the option to purchase up to a total of 171,000 shares at \$0.40 per share for nominal consideration.
5. The Management and Exploration Services Agreement, dated July 4, 1987, as amended by agreements, dated as of February 22, 1989 and April 5, 1989, respectively, between the Issuer and Geotec Consultants Ltd. (the "Contractor") referred to in the section captioned "Promoters" whereunder the Issuer agreed to engage the Contractor with respect to management, administration and exploration services.

Copies of the foregoing contracts may be inspected at 1040-999 West Hastings Street, Vancouver, British Columbia, during normal business hours while primary distribution of the shares offered hereunder is in progress.

22. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Issuer is:

Brian G. D. Cawley
Chartered Accountant
107-1401 West Broadway
Vancouver, B.C. V6H 1H6

The Registrar and Transfer Agent for the Issuer is:

Pacific Corporate Services Limited
830-625 Howe Street
Vancouver, B.C. V6C 3P8

23. OTHER MATERIAL FACTS

Lawyer's Conflict of Interest

The Issuer's "responsible solicitor" as defined in Local Policy #3-41 of the British Columbia Securities Commission, partners of the responsible solicitor, and associates of such responsible solicitor and partners own, in the aggregate, 30,000 shares of the Issuer.

In addition, the Issuer's "responsible solicitor" acts as the Secretary of the Issuer and is a partner in a firm providing legal services to the Issuer.

Other

There are no other material facts relating to the securities offered by this Prospectus which are not previously disclosed under the foregoing captions.

24. PURCHASER'S STATUTORY RIGHTS

The Securities Act (British Columbia) provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser prior to delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and the time limits within which they must be exercised the purchaser should refer to Sections 66, 114, 118 and 124 of the Securities Act or consult a lawyer.

GOLDCLIFF RESOURCE CORPORATION

VANCOUVER, B.C.

FINANCIAL STATEMENTS - OCTOBER 31, 1988

BRIAN CAWLEY B.Sc. Lic. Acct. C.A.

#107 1401 WEST BROADWAY
Vancouver, B.C.
V6H 1H6

(604) 731-1191

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AUDITOR'S REPORT

The Board of Directors
Goldcliff Resource Corporation

I have examined the balance sheet of Goldcliff Resource Corporation as at October 31, 1988 and the statements of deferred exploration and administrative expenditures and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at October 31, 1988 and the results of its operations and the changes in financial position for the year then ended in accordance with generally accepted accounting principles.

Vancouver, Canada
December 15, 1988 except as
to Note 5, which is as of
April 17, 1989


Brian Cawley
Chartered Accountant

GOLDCLIFF RESOURCE CORPORATION
Balance Sheet
October 31, 1988


	<u>1988</u>	<u>1987</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 15,984	6,423
Mineral claims (Note 2)	15,500	8,500
Deferred exploration and administrative expenditures	<u>85,401</u>	<u>67,662</u>
	\$ 116,885	82,585
	=====	=====

Liabilities and Shareholders' Equity

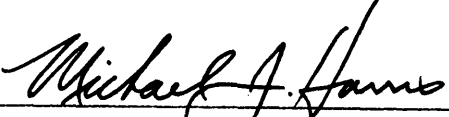
Current liabilities:		
Accounts payable (Note 4)	\$ 9,385	85
Shareholders' equity:		
Capital stock (Note 3)	<u>107,500</u>	<u>82,500</u>
	\$ 116,885	82,585
	=====	=====

See accompanying notes to financial statements.

On Behalf of the Board:



Director - L. Saleken



Director - M. Harris

GOLDCLIFF RESOURCE CORPORATION
Statement of Deferred Exploration
and Administrative Expenditures
For the year ending October 31, 1988

	<u>1988</u>	<u>1987</u>
Exploration:		
Prospecting	\$ 2,475	1,250
Mapping	13,518	13,518
Sampling and surveying	27,373	24,111
Maps and grids	3,681	2,400
Assays and analysis	24,347	20,932
Technical report	<u>9,909</u>	<u>5,558</u>
	81,303	67,769
Administrative:		
Legal and audit	4,237	65
Interest	<u>(139)</u>	<u>(172)</u>
	<u>4,098</u>	<u>(107)</u>
Total expenditures	\$ 85,401	67,662
	=====	=====

See accompanying notes to financial statements.

GOLDCLIFF RESOURCE CORPORATION
Statement of Changes in Financial Position
For the year ending October 31, 1988

	<u>1988</u>	<u>1987</u>
Investing activities:		
Mineral claims	\$ 7,000	2,500
Deferred exploration and administrative expenditures	17,739	67,670
Net change in accounts payable	<u>(9,300)</u>	<u>6,000</u>
Cash applied to investing activities	15,439	76,170
Financing activities:		
Issue of shares	<u>25,000</u>	<u>64,500</u>
Change in cash	9,561	(11,670)
Cash, beginning of year	<u>6,423</u>	<u>18,093</u>
Cash, end of year	\$ 15,984 =====	6,423 =====

See accompanying notes to financial statements.

GOLDCLIFF RESOURCE CORPORATION
Notes to Financial Statements
October 31, 1988

1. Significant accounting policies:

(a) Development stage company:

The company is a development stage company and its ability to generate cash depends solely on public share offerings since there are no active projects which are likely to generate cash in the near future.

The accompanying financial statements have been prepared on a basis which contemplates the realization of assets and the discharging of liabilities in the normal course of business and do not include any adjustments relating to the recoverability or classification of the recorded assets and liabilities amounts that might be necessary should future share issues fail to generate sufficient cash to sustain operations.

(b) Mineral claims and deferred exploration and administrative expenditures:

Amounts shown as mineral claims and the deferred exploration and administrative expenditures thereon have been capitalized on an area of interest basis. These expenditures will be charged against income when properties are developed to the stage of commercial production, through unit of production depletion. If an area of interest is abandoned or if it is determined that its value is less than book value, the related costs will be charged against income in the year of abandonment or determination of value.

The amounts represent costs to date and do not necessarily reflect present or future values.

GOLDCLIFF RESOURCE CORPORATION
Notes to Financial Statements, continued
October 31, 1988

2. Mineral claims:

By agreements dated July 28, 1986, November 1, 1986, April 26, 1987, and February 1, 1988, the company has acquired a sole and exclusive option to purchase all of the interest in certain mining claims known as the Cliff Claims.

As consideration for acquiring the option, the company has agreed to issue 200,000 shares in its capital stock subject to regulatory consent.

<u>Event</u>	<u>Number of Shares</u>	<u>Exploration Expenditures</u>
Regulatory consent	25,000	\$ -
Phase I	60,000	60,000
Phase II	60,000	60,000
Phase III	<u>55,000</u>	<u>55,000</u>
	200,000	\$ 175,000
	=====	=====

The company has paid \$8,500 in cash payment as further consideration upon execution of the option and will pay a further \$7,000 within seven days of the listing of the company on the Vancouver Stock Exchange. The company is required to maintain the claims in good standing and should production be commenced royalties of 3% of net smelter returns will be payable to the vendor.

The option agreement provides that \$225,000 must be expended on exploration expenditures on the mining claims by June 30, 1994 and a minimum of \$20,000 expended each year.

GOLDCLIFF RESOURCE CORPORATION
Notes to Financial Statements, continued
October 31, 1988

3. Share capital:

- (a) Authorized share capital consists of 10,000,000 no par value shares. Details of shares issued and allotted are as follows:

From date of incorporation, July 21, 1986, to October 31, 1988

	<u>Number</u>	<u>Amount</u>
Issued:		
Shares (escrow)	1	\$ -
Flow-through shares (Note 3(c))	<u>240,000</u>	<u>60,000</u>
	<u>240,001</u>	<u>60,000</u>
Allotted:		
Shares (escrow) (Note 3(b))	749,999	7,500
Ordinary shares	<u>160,000</u>	<u>40,000</u>
	<u>909,999</u>	<u>47,500</u>
 Balance, October 31, 1988	 1,150,000 =====	 \$ 107,500 =====

(b) Shares held in escrow:

A total of 750,000 principals' shares are subject to an escrow agreement with their release at the discretion of determination of the applicable regulatory authorities.

(c) Flow-through shares:

On October 1, 1986, the company allotted 240,000 flow-through shares. The subscription proceeds were specifically allocated to fund the exploration costs.

The expenditure of \$60,000 raised by flow-through shares qualify as Canadian exploration expenses (CEE) under the Income Tax Act. The company has renounced in favour of the subscribers any income tax deduction relating to CEE expenditures incurred through the use of funds from their issue.

- (d) The company has granted certain directors and employees of the company options to purchase up to 171,000 shares at \$0.40 per share. The options expire December 1, 1990.

GOLDCLIFF RESOURCE CORPORATION
Notes to Financial Statements, continued
October 31, 1988

4. Related party transactions:

The company paid \$67,768 in 1987 and \$13,535 in 1988 for exploration to Geotec Consultants Ltd., a company owned by a director of Goldcliff Resource Corporation. The company owes \$7,000 of the accounts payable to a shareholder.

5. Subsequent event:

Subject to regulatory consent, the company has entered into an agency agreement on April 17, 1989 whereby the company will offer for sale 600,000 of its common shares at \$0.40 per share. The company expects to raise \$195,000 net of agents' commission and issue costs. The offering will be made on a day (the "Offering Day" within 180 days from the date upon which the shares are conditionally listed on the Vancouver Stock Exchange.

The agents have agreed to purchase any shares not sold at the conclusion of the offering. In consideration thereof, the agents have been granted non-transferable share purchase warrants entitling them to purchase up to 150,000 common shares of the company at any time up to the close of business one year from the date of the listing of the company's shares on the Vancouver Stock Exchange or one year from the date of the company's prospectus, whichever is earlier, at a price of \$0.40.

The company has allotted additional common shares:


<u>Date</u>	<u>Number</u>	<u>Proceeds</u>
November 8, 1988	60,000 @ \$0.25	\$ 15,000
December 13, 1988	<u>140,000 @ \$0.25</u>	<u>35,000</u>
	200,000	\$ 50,000
	=====	=====
Balance, December 15, 1988	1,350,000	\$ 157,500
	=====	=====

CERTIFICATES


The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act (British Columbia), and the regulations thereunder.

DATED: April 28, 1989

Issuer




Leonard W. Saleken
President and Chief Executive
Officer




Michael J. Harris
Director and Chief Financial
Officer, by his attorney-
in-fact, Leonard W. Saleken

On behalf of the Board of Directors

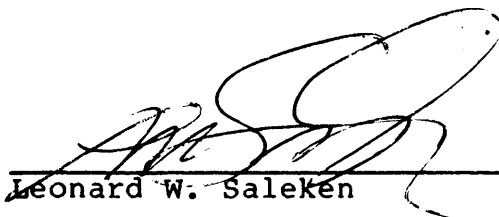


Edwin R. Rockel
Director



Leonard W. Saleken
Director

Promoter



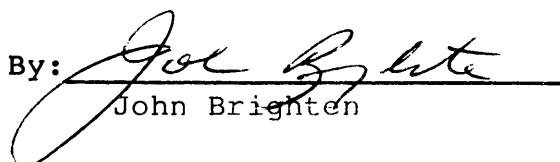
Leonard W. Saleken

Agent

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus required by Part 7 of the Securities Act (British Columbia), and the regulations thereunder.

DATED: April 28, 1989

HAYWOOD SECURITIES INC.

By: 

John Brighten