

*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.*

New Issue

April 4, 1989

**\$525,000**  
**Hawkeye Developments Ltd.**  
**700,000 Common Shares**

The Agents have been granted a "greenshoe option" to over allot a maximum of 105,000 Shares in this offering.

Hawkeye Developments Ltd. is a natural resource company engaged in the acquisition, exploration and development of mineral properties and has an interest in the properties described under the heading "Description of Business and Properties".

**THIS IS A SPECULATIVE OFFERING.** There are certain risks associated with the ownership of Shares. There is no market through which the Shares may be sold and there is no assurance a market will develop through which a Subscriber may sell the Shares. The price of this issue has been determined by negotiations between the Company and the Agents. The price per Share of \$0.75 exceeds the net book value per Share of \$0.233 by \$0.517, representing a dilution of 68.9% after giving effect to this offering. There are certain risks inherent in mineral exploration and certain risks associated with the ownership of Shares. All of the properties in which the Company has an interest are in the exploration stage only and are without a known body of commercial ore. Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of the investment. See "Risk Factors".

The Agents' warrants have been distributed to the Agents under this prospectus. Any Shares acquired by the Agents pursuant to their obligation to purchase any Shares not sold by the Offering Day will also be distributed under this prospectus through the facilities of the Exchange at the market price at the time of sale. See "Plan of Distribution".

<u>Shares</u>	<u>Price to Public</u>	<u>Agent's fees and Commission<sup>(1)</sup></u>	<u>Net Proceeds to be Received by the Company<sup>(2)</sup></u>
Per Share	\$0.75	\$0.06	\$0.69
<sup>(3)</sup> Total	\$525,000	\$42,000	\$483,000

- (1) The Agents have been granted warrants entitling them to purchase up to 175,000 Shares, and Midland Doherty Limited will receive a corporate finance fee of \$10,000 in addition to the commission and warrants to be received by it.
- (2) Before deducting expenses of issue, estimated at \$30,000, and the corporate finance fee of \$10,000.
- (3) Assuming no over allotment of Shares by the Agents. See "Plan of Distribution".

An application has been made to conditionally list the Shares on the Exchange. Listing is subject to the Company fulfilling the listing requirements of the Exchange and obtaining a full listing on the Exchange by July 3, 1989.

**REVISED GEOLOGICAL REPORT  
SECOND RELIEF PROJECT**

**Nelson Mining Division  
82F/6W**

**Latitude 49° 19.5' N      Longitude 117° 24' W  
British Columbia**

**for**

**HAWKEYE DEVELOPMENTS LTD.**

**March 6, 1989**

**KUCERA & ASSOCIATES CONSULTANTS  
Richard E. Kucera, Ph.D.**

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## **SUMMARY**

Hawkeye Developments Ltd. holds under option or lease, 21 claims at the Second Relief mine situated 20 km northwest of Salmo, B.C. Access to the property is gained by gravel road along Erie Creek departing from Highway 3A, west of Salmo.

Mineralization on the property consists of subparallel veins occurring chiefly in Sinemurian Beds and/or Rossland group rocks consisting of andesitic volcanics, greenstone, quartzite, slate, tuff and argillite.

Five major veins have been recognized on the property. One vein, known as the Second Relief vein or No. 1 vein, has been developed extensively and has supplied nearly all of the production of the mine.

The Second Relief mine produced over 228,000 tons of ore grading 0.4 ounces of gold per ton from 1902 to the present. This ore contained more than 100,235 ounces of gold and 27,856 ounces of silver (ave. 0.12 oz./ton) and lesser amounts of copper, lead, and zinc.

The Second Relief vein dips steeply toward the northwest, exhibiting a strike length of over 300 meters and has been mined at 11 levels to a depth of nearly 400 meters. The vein is 0.2 to 3.5 meters wide and generally parallels the hanging wall of an 8 to 12 meter wide diorite porphyry dike.

Subparallel with the Second Relief vein are four veins known as No. 2, 3, 4 and 5, lying southeast of the Relief vein. Some exploratory work was undertaken on these veins during the 1930's with some good assays at the surface and in drifts, but drill-core assays were judged to be disappointing (with gold at \$29.00 per ounce).

Exploration by Hawkeye Developments Ltd. in 1988 included establishing grid lines, collecting soil samples, geophysical surveys, trenching, and channel sampling.

Of special significance to this exploration program is the No. 2 vein, which was delineated by trenching for a distance of over 228 meters. The mineralized portion of the vein exposed in the trench is up to 240 cm wide. Gold values ranging from 0.004 to 0.997 ounces of gold per ton occur across widths of 100 cm or more.

The No. 2 vein, over 300 meters long, is judged to be an excellent target. Subsurface exploration will be carried out by rehabilitation of an access drift. A two-stage drilling program is recommended.

## INTRODUCTION

This report, prepared at the request of Mr. Joe Whipple, President of Hawkeye Developments Ltd., will assess the exploration potential of 21 claims held by Hawkeye Developments at the Second Relief mine near Salmo, British Columbia.

The Second Relief mine produced over 100,235 ounces of gold from 1902 to the present. Production occurred mainly from the No. 1 vein. Examination of existing data followed by a work program by Hawkeye Developments on the property in 1988 have confirmed that other mineralized veins have excellent gold potential.

Trenching of the No. 2 vein has exposed mineralization for a distance of over 228 meters with significant gold values ranging from 0.004 to 0.99 ounces gold/ton across widths of 100 cm or more.

Certain recommendations are made in this report to explore the No. 2 vein at depth. This should be achieved mainly by rehabilitation of No. 5 level to provide access to the vein, and by a two-stage drilling program. The writer judges the exploration merit of the Second Relief property to be excellent.

## LOCATION AND ACCESS

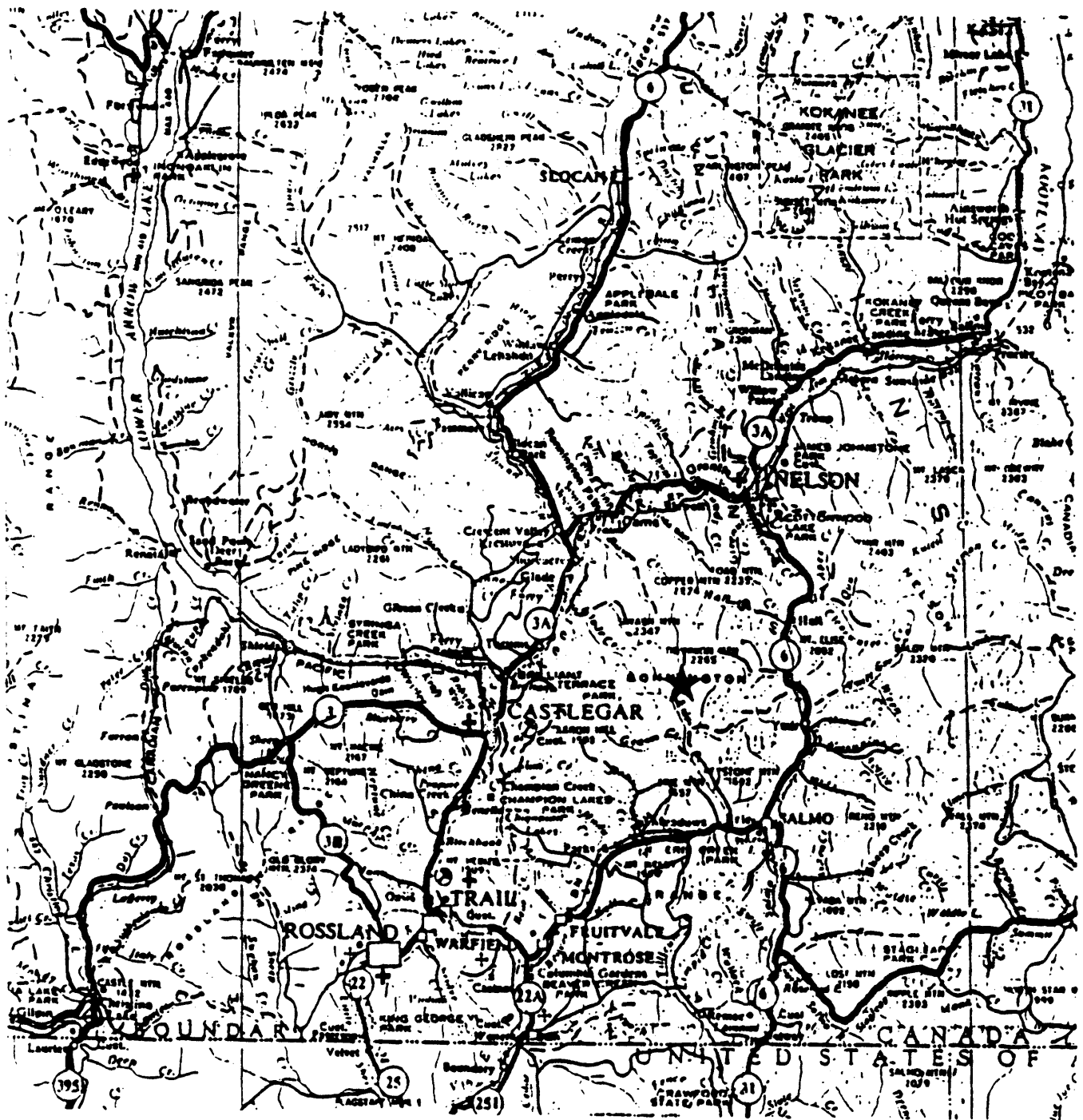
The Second Relief property is located 21 km north of Erie, B.C., on the west side of Dominion Mountain near the confluence of Slide and Erie Creeks. The geographical coordinates are 49° 19' N Latitude and 117° 24' W Longitude in the Nelson Mining Division (82F/6W).

Access to the property is by a gravel road along Erie Creek, departing from Highway 3A, four kilometers west of Salmo and 35 km east of Trail. Four wheel drive roads provide access to some showings on the property.

## PHYSIOGRAPHY

The property lies within the Bonnington Range, the central part of the north-trending Selkirk Mountains. The terrain consists of moderate to steep slopes throughout most of the property and lies on the west-facing slope of Erie Creek valley. Elevations range from approximately 1000 meters at the western boundary on Erie Creek to about 1250 meters on the lower slopes of Dominion Mountain.

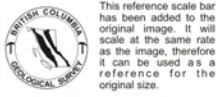
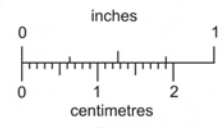
The main water source on this property is the southerly-flowing Erie Creek as well as its westerly-flowing tributary, Slide Creek. The property is covered with some heavy stands of timber with dense underbrush. There are some open areas on the property.



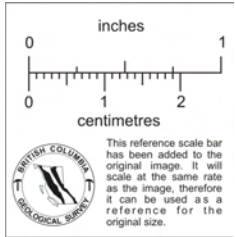
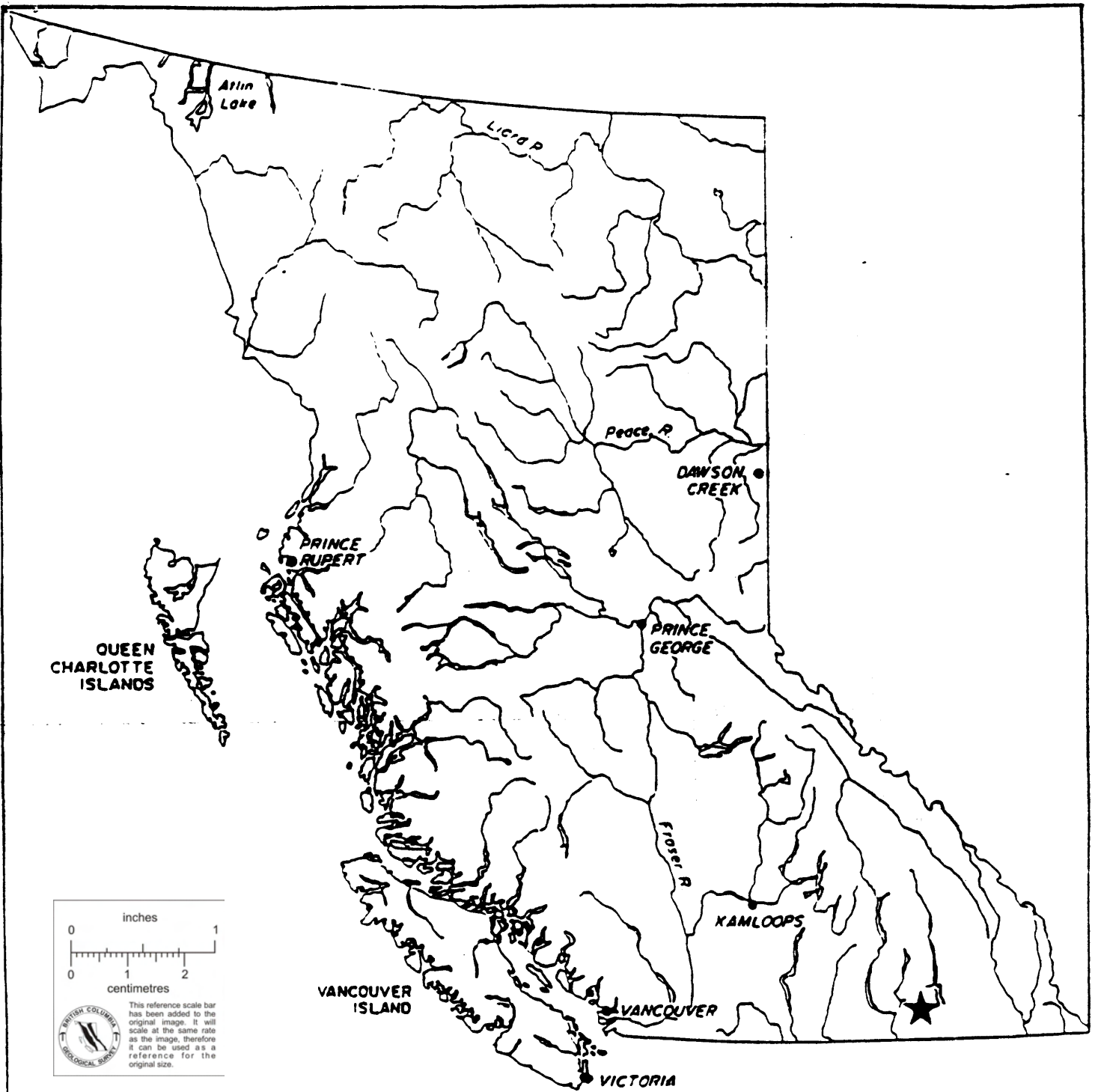
**SECOND RELIEF PROJECT**

★

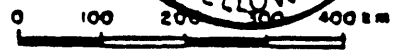
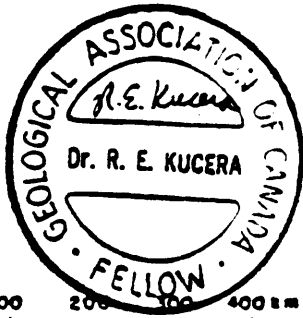
**GEOLOGICAL ASSOCIATION OF CANADA**  
*R. E. Kucera*  
 Dr. R. E. KUCERA  
 FELLOW



<b>HAWKEYE DEVELOPMENTS LTD.</b>			
<b>SECOND RELIEF PROJECT</b> Erle Creek-Salmo Area B.C. Nelson Mining Division			
<b>LOCATION MAP</b>			
<b>Figure</b> 2	<b>Date</b> Nov. 1988	<b>NTS</b> 82 F/6W	<b>Scale</b> As Shown
<b>Kucera &amp; Associates Consultants</b>			



**SECOND RELIEF PROJECT**



<b>HAWKEYE DEVELOPMENTS LTD.</b>			
<b>SECOND RELIEF PROJECT</b> Erie Creek-Salmo Area B.C. Nelson Mining Division			
<b>INDEX MAP</b>			
Figure <b>1</b>	Date Nov. 1988	NTS 82 F/6W	Scale As Shown
<b>Kucera &amp; Associates Consultants</b>			



## SOURCE OF INFORMATION

The primary source of information for this report includes geologic data, maps, channel sample plans and other information supplied by Mr. J. F. Bristow, P. Eng., Richmond, B.C. Mr. Bristow supervised the 1988 exploration of the Second Relief property northwest of Salmo, B.C. for Hawkeye Developments Ltd.

Aerial photographs of the project area were made available to the writer from Mr. B. L. Felde, Castlegar, B.C. In addition, the writer has drawn upon other appropriate sources including various Annual Reports by the Minister of Mines, GSC memoirs and unpublished geological, geophysical and geochemical reports on adjoining properties. Production data was obtained from Ministry of Energy, Mines and Petroleum Resources Data Section Minfile.

The writer examined the property from October 28 to 31, 1988 and had numerous discussions with Mr. Jim Bristow, P. Eng. and Mr. Joe Whipple, President of Hawkeye Developments Ltd.

## HISTORY

The Second Relief mine commenced production in 1902, and continued until a fire destroyed the mill and camp buildings in 1919. Major production resumed in 1928 and continued until 1941, when the Premier Gold Mining Company went into voluntary liquidation because of existing war-economy measures. Since 1941, sporadic clean-up under several lessees has occurred.

The Second Relief is an old mine with extensive underground workings. The main vein is opened on 11 levels. The no. 1 level is at an elevation of 1240m, the no. 5 (lowest adit level) is at 1130m and the 11th level lies at an elevation of 840m. From No. 5 to the No. 11 level, the workings are served by a shaft and are presently flooded.

Production data from the Ministry of Energy, Mines, and Petroleum Resources Minfile is presented in Table I. A total of 228, 200 tons have been mined from eleven levels containing 100,235 ounces gold (average 0.439 oz/ton) and 27,856 ounces silver (average 0.122 oz/ton) with lesser amounts of copper, lead and zinc. These figures are exclusive of a small tonnage of high-grade ore that was mined by lessees after 1959.

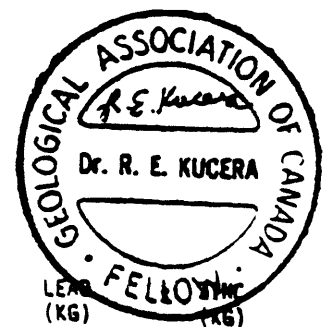


TABLE I  
SECOND RELIEF MINE  
PUBLISHED PRODUCTION DATA (B.C.D.M. MINFILE)

YEAR	TONNES MINED	TONNES MILLED	GOLD (G)	SILVER (G)	COPPER (KG)	LEAD (KG)	ZINC (KG)
1900	45 Ida O Claim	0	9,860	0	0	0	0
1902	2,544 1902 - 1946	2,544 Second Relief Claim	43,980	1,648	0	0	0
1903	1,204	1,204	20,746	1,275	0	0	0
1904	2,722	2,722	41,118	4,914	0	0	0
1905	5,080 Ida O Claim	6,350	90,323	25,193	77	0	0
1906	6,350	6,350	103,666	24,602	0	0	0
1907	2,752	2,722	43,295	6,221	0	0	0
1908	1,933 Ida O Claim	1,847	26,095	2,861	467	0	0
1909	153	0	6,096	4,199	0	0	0
1911	98	0	4,043	2,799	0	0	0
1912	2,520	2,520	29,579	2,924	0	0	0
1913	2,830	2,830	77,633	15,240	0	0	0
1914	1,127	1,127	12,317	2,022	0	0	0
1915	2,939	2,939	29,423	4,634	0	0	0
1918	1,126	1,126	29,392	7,123	0	0	0
1919	1	1	19,626	2,861	0	0	0
IN 1919, RECORDS ON OPE MINED & MILLED WERE DESTROYED IN FIRE							
1920	0	0	3,981	1,275	342	0	0
1928	21	0	964	404	0	0	0
1929	458	458	7,060	1,462	0	0	0
1930	1,342	1,342	35,986	5,319	0	0	0
1931	422	422	7,993	1,493	0	0	0
1932	2	0	218	218	0	0	0
1933	3,703	3,703	48,707	9,922	0	0	0
1934	10,580	10,580	179,993	42,331	6,456	0	0
1935	11,792	11,792	130,913	46,934	12,420	0	0
1936	23,099	23,099	314,047	99,001	0	302	82
1937	24,332	24,332	409,689	111,007	26	146	52
1938	26,461	26,461	383,935	116,107	103	238	0
1939	28,574	28,574	463,341	116,387	100	86	0
1940	28,425	28,425	329,816	115,610	156	62	0
1941	12,982	12,982	165,033	60,558	63	185	0
1943	222	0	6,687	4,323	0	0	0
1944	581	0	25,349	12,783	0	0	0
1945	220	0	11,664	5,225	0	0	0
1946	187	0	4,354	6,963	0	0	0
1948	16	0	591	498	0	0	0
1959	0 CLEAN-UP	0	124	124	0	38	13
TOTALS	207,023	206,632	3,117,637	866,433	20,210	1,057	147
IMPERIAL	228,200	227,700	100,235	27,856	44,555	2,330	324
	228,200 @		0.44 oz/ton Au	0.12 oz/ton Ag			

**PROPERTY STATISTICS**

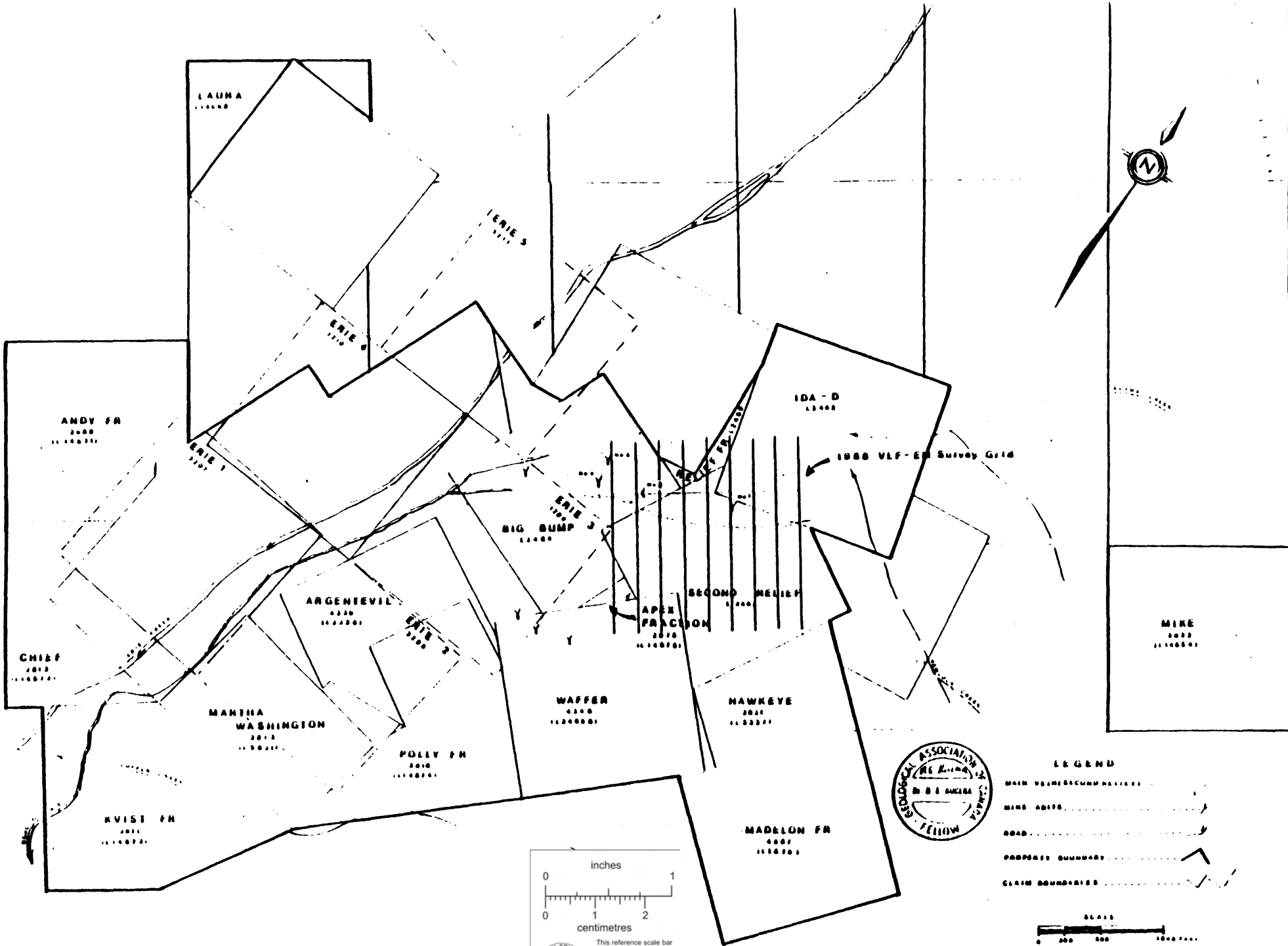
Hawkeye Developments Ltd. holds under option or lease 19 overlapping and/or contiguous Crown Grants, reverted Crown Grant and two post mineral claims plus two noncontiguous Reverted Crown Grant mineral claims totaling 21 units.

Property statistics obtained from mineral records at Victoria, B.C. and Government Agents office at Nelson, British Columbia are tabulated below:

**TABLE II**  
**PROPERTY STATISTICS**

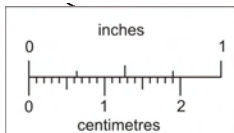
<u>Claim Name</u>	<u>No. of Units</u>	<u>Lot No.</u>	<u>Record No.</u>	<u>Expire Date</u>	<u>Claim Type</u>
<u>Contiguous</u>					
Ida D	1	L 2462			CG
Second Relief	1	L 2463			CG
Big Bump	1	L 2464			CG
Relief Fraction	1	L 2469			CG
Andy FR	1	L 14671	2989	1997/03/25	RCG
Argenteuil	1	L 3326	4339	1997/03/24	RCG
Madelon FR	1	L 14676	4597	1997/03/09	RCG
Waffer	1	L 24650	4340	1997/03/26	RCG
Apex FR	1	L 14675	2975	1997/03/23	RCG
Hawkeye	1	L 3327	2831	1997/11/19	RCG
Martha Washington	1	L 5031	2813	1989/11/08	RCG
Kvist FR	1	L 14673	2811	1989/11/08	RCG
Polly FR	1	L 14674	2810	1989/11/08	RCG
Erie #1	1		3207	1997/05/24	2 Post
Erie #2	1		3208	1997/05/24	2 Post
Erie #3	1		3209	1997/05/24	2 Post
Erie #4	1		3210	1997/05/24	2 Post
Erie #5	1		3211	1997/05/24	2 Post
Chief FR	1	L 14672	2812	1989/11/08	RCG
<u>Noncontiguous</u>					
Mike	1	L 14654	2832	1989/11/19	RCG
Laura	1	L 14668			CG
	<u>21</u>				

The locations of the above claims were not verified in the field as none of the claim posts or survey pins were inspected.

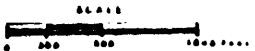


**LEGEND**

- MAIN VEIN/SECOND RELIEF
- MINE ADITS
- ROAD
- PROPERTY BOUNDARY
- CLAIM BOUNDARIES



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**HAWKEYE DEVELOPMENTS LTD**  
**SECOND RELIEF PROJECT**  
**SURFACE PLAN**

## PROPERTY STATISTICS (continued)

Pursuant to an agreement dated September 23, 1988, between Hawkeye Developments Ltd. and Electrum Minerals of Calgary, Alberta, Hawkeye has acquired an exclusive option to acquire Electrum's interest in 16 mineral claims. They include claims No. 2989, 4339, 4597, 4340, 2975, 2831, 2813, 2811, 2810, 3207, 3208, 3209, 3210, 3211, 3212, and 2832.

Under terms of the agreement, Hawkeye has the option to acquire all right, title and interest in and to the Electrum property (subject to a 1.5% Net Smelter Returns royalty to a cumulative maximum payment of \$100,000) for a period of five years, and the payment of \$100,000 on or before September 30, 1993.

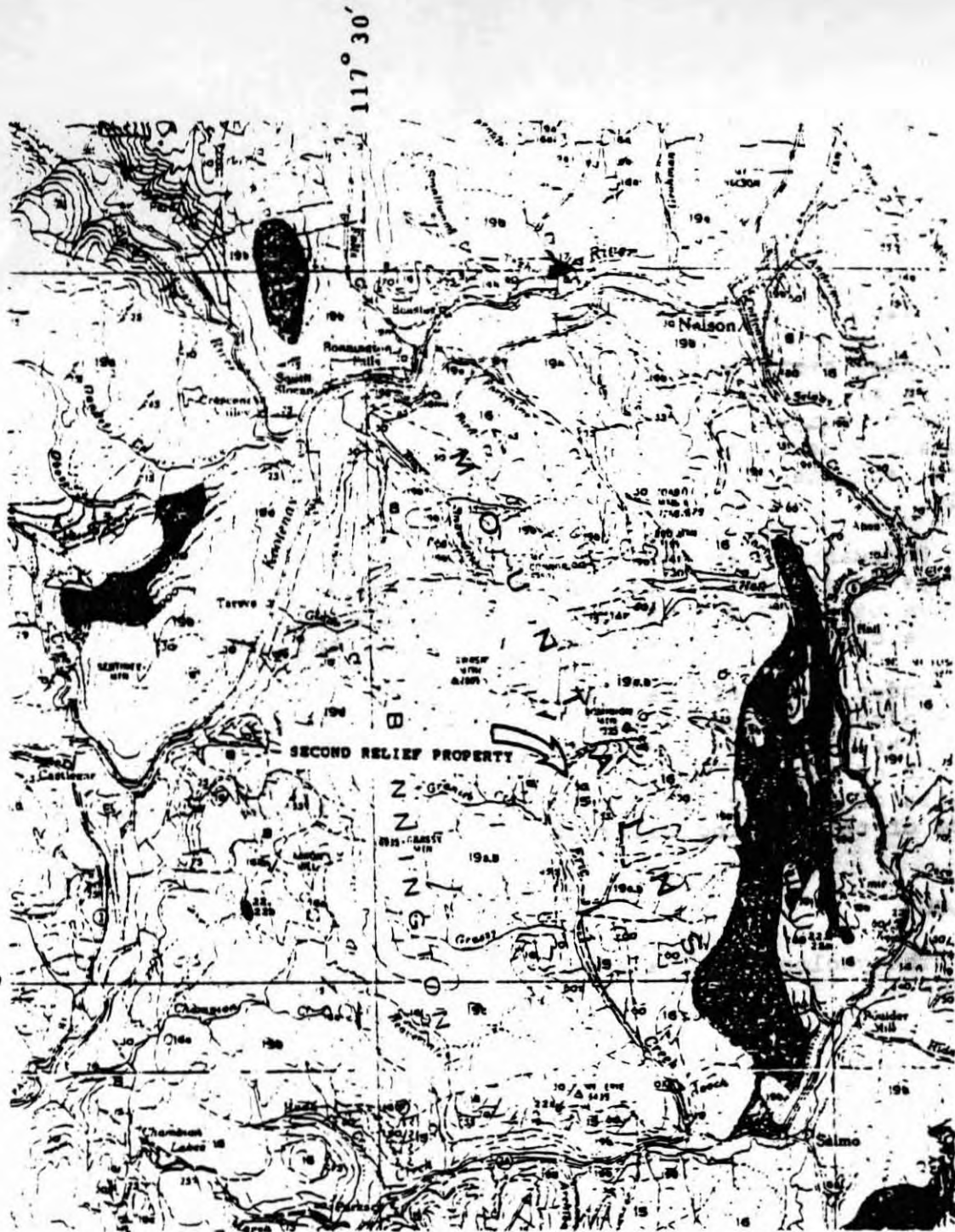
Pursuant to an agreement dated October 13, 1988, between Hawkeye Developments Ltd. and Almforest A.G. of Vancouver, B.C. Hawkeye has leased five crown granted mineral claims. They include claims No. 2462, 2463, 2464, 2469 and 14688.

Under terms of the Agreement, Hawkeye has the right to lease the Almforest property for a period of ten years with a right to renew the lease for additional periods of five years. A maximum payment of \$60,000 is to be paid before September 30, 1990. Details of additional royalty and share payments are beyond the scope of this geological report.

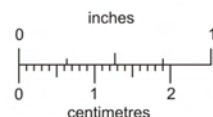
## GEOLOGY

The geology of the area is described in GSC Memoirs 191 (1936) and 308 (1960), and in a number of Minister of Mines Annual Reports (1928, 1933 and 1937). Geological observations were made by consultants (1984) working on the Grand Union property, located immediately northwest of the Second Relief mine.

The Second Relief property is underlain predominantly by andesitic volcanics, greenstone, tuff, slate, quartzite and argillites. According to the classification by Little (1960) the stratified rocks may be members of the Lower Jurassic Rossland group and Sinemurian Beds. The upper part of the Sinemurian Beds is characterized by increasing portions of lava and pyroclastic rocks whereas the overlying Rossland group consists mainly of andesitic lava flows and flow breccias.



49° 15'



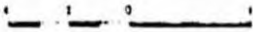
BRITISH COLUMBIA GEOLOGICAL SURVEY  
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After H.W Little 1960

**LEGEND**

- 19 Nelson Plutonic Rocks
- 16 Rossland Formation
- 15 Sinemurian Beds

**SCALE**  
km



HAWKEYE DEVELOPMENTS LTD.			
SECOND RELIEF PROJECT Erie Creek-Salmo Area B.C. Nelson Mining Division			
REGIONAL GEOLOGIC MAP			
Figure 3a	Date Nov. 1988	NTS 82 F/6W	Scale As shown
Kucera & Associates Consultants			

TABLE III

TABLE OF FORMATIONS

<u>Era</u>	<u>Period or Epoch</u>	<u>Name</u>	<u>Lithology</u>
MESOZOIC	Lower Cretaceous (?)	Nelson Plutonic Rocks	Granite to granodiorite
		Rossland Formation	Andesite, latite, basalt, flow breccia, tuff, agglomerate
	Lower Jurassic	Sinemurian Beds	Argillite, quartzite, slate; minor flows & pyroclastic rocks in upper part

After: H. W. Little, 1960

Inspection of aerial photographs discloses that layered rocks strike northeasterly and dip steeply westward.

According to Cockfield (1936), three generations of dykes have been recognized on the Second Relief property. Cross-cutting relationships show that predominantly northeast striking diorite and diorite porphyry dykes, predate mineralization. Granite porphyry dykes, striking north to northwest post-date mineralization. Mica and hornblende lamprophyre dykes are deemed to represent the youngest dyke rocks.

About one kilometer north of the property the rocks of the Rossland group are intruded by granitic rocks of the Nelson Batholith of Jura-Cretaceous age. The intrusive is light gray and medium to coarse-grained with composition variations ranging from granodiorite to monzonite.

#### MINERALIZATION

The Second Relief mine lies in the western part of a major belt of gold-silver deposits that occur as fissure-filled veins in hard, brittle greenstone or argillaceous quartzite.

Mineralization on the property consists of subparallel veins occurring chiefly in greenstone and quartzite of the Rossland-Sinemurian beds. The veins strike northeast and dip, generally, to the northwest at steep angles. Auriferous and

argentiferous veins contain quartz, pyrite, garnet, epidote and magnetite. Lesser auriferous veins contain massive pyrrhotite and chalcopyrite.

According to Bristow (1988), mineralization is genetically and spatially related to the contact metamorphic effects of diorite porphyry dyke emplacement and intrusions of the Nelson granodiorite.

### Vein Structures

Five major vein structures have been recognized. The Second Relief vein, from which most production has occurred, exhibits a strike length exceeding 300 meters and has been mined to a depth of nearly 400 meters. The Second Relief vein is 0.2 to 3.5 meters wide and generally parallels the hanging wall of an 8 to 12 meter wide diorite porphyry dyke. The vein strikes N 50° E and dips 80° to 85° to the northwest. The vein and diorite porphyry are cut by dark colored quartz or granite porphyry dykes.

Subparallel with the Second Relief vein (No. 1) are four veins known as Numbers 2, 3, 4 and 5 lying 10-16m, 46m, 96m and 106m, respectively, southeast of the No. 1 vein. Some exploratory work was undertaken during the 1930's with good assays at the surface but drill core assays were disappointing. However, the veins have had little sub-surface development.

Cockfield (1936) in his discussion of the lode gold deposits in the Ymir-Nelson area describes the vein system of the Second Relief mine. He states that the No. 5 vein is exposed in a 10m long excavation and consists of a 0.3 to 1.0m wide band of massive pyrrhotite and chalcophyrite with gold values of up to 0.39 ounces per ton.

The No. 4 vein has been prospected by open cuts over a length of 15 meters. The vein filling is quartz with pyrrhotite and chalcopyrite and a sample across 0.5 meters assayed 0.36 ounces of gold per ton. The hanging wall is greenstone and the footwall is diorite (Cockfield 1936).

The No. 3 vein is a narrow stringer with no obvious mineralization, exposed in two open cuts 10m apart.

### No. 2 Vein -- History of Exploration

Some exploratory work was undertaken on the No. 2 vein in the 1930's by Relief-Arlington Mines Ltd. In the Report of Minister of Mines 1933 it is stated that the No. 2 vein, about 10 to 16m southeast of the main vein (No. 1) has been exposed in surface cuts and a prospect tunnel over a length of 20m and has been crosscut at 2 points on the Nos. 2 and 4 levels and at one point on the No. 5 level.



Where it has been cut, the No. 2 vein has been narrow but well mineralized in places, as in one crosscut on the No. 2 level, where a sample 0.3m wide assayed 0.7 ounces of gold per ton and in the No. 5 level crosscut where a sample across 0.3m assayed 1.0 ounce of gold per ton. It was noted that diorite forms the hanging wall and greenstone occurs on the footwall side.

B. F. Smith, President of Relief-Arlington Mines Ltd., in the Annual Report for 1936, states that the No. 2 vein was exposed on the seventh level by a crosscut from the shaft to the main vein (No. 1). Where cut, it exhibited widespread disseminated mineralization which assayed 0.29 ounces gold across a width of 14 feet (4.26m).

The Company initiated a drilling program to test the No. 2 vein by diamond drilling from the main vein heading. Twenty-three holes were drilled from the 5th, 6th and 7th levels but "nothing approaching the values of the crosscut was found" (Annual Report, 1936). Assays were not reported.

In 1938 the Company did additional diamond drilling to explore the No. 2 vein on the 9th level but, according to Smith in the Annual Report for 1938, the drill holes cut "no mineralization of importance."

Although results of diamond drilling of the No. 2 vein underground during 1936-1938 were judged disappointing, no assays were reported. Because mineralization was encountered in a number of crosscuts underground, it is conceivable that core recovery during diamond drilling was quite poor, using techniques available 50 years ago. It should be noted that gold was \$29.00 per ounce during this time.

#### **PRESENT EXPLORATION**

Hawkeye Developments Ltd. did considerable work on the Second Relief project during October and early November 1988, under the direction of Mr. James F. Bristow P. Eng. This work included:

Establishing grid lines = 3.75 km

VLF-EM Geophysical test survey

Trenching = 1600 m<sup>2</sup> (approximately 2.5 meters wide)

Sampling = 78 channel and grab samples

Underground = Examined timbers in portal No. 5

## Geophysical Test Survey

On October 29-30, 1988, Mr. W. S. Pentland conducted a VLF-EM geophysical test survey over known mineralized structures on the Second Relief property. The purpose of the test was to determine if the method reacted to known mineralization or other geological features and therefore could be of use as an exploration tool.

A total of nine lines, located at 60 meter intervals were established perpendicular to the strike of the known vein system with stations at 14 meter intervals.

According to W. S. Pentland, the main No. 1 vein was detected by the EM-16, particularly toward the southwest end. The main vein appears to bend or be offset by faulting to the northwest between lines 420SW and 480SW. The Fraser Filter peaks lie to the side of the actual vein in some cases which is probably due to the dip on the vein. The No. 2 vein was not detected although it may respond weakly if the readings were taken on 5 meter stations.

The strongest anomaly is located at approximately 160SE on line 120SW. An additional strong anomaly is indicated near the northwest ends of lines 300SW to 420SW. All lines from 120SW to 480SW should be extended approximately 75 meters to the northwest to pinpoint the location and determine the extent of this conductor.

Unfortunately, time did not permit all the grid to be completed. However, the coverage has been adequate to conclude that the VLF-EM method has been successful in detecting the main vein. It has also indicated several other conductors of varying intensity which appear to represent structures parallel to the main vein. Ground checks are warranted if the sources are not already known. Only when the sources of the conductors are known can the value of VLF-EM method as an exploration tool be fully determined.

## Trenching

A program of trenching was undertaken in the vicinity of the Second Relief No. 1 vein. The position of the trenches as well as the roads are shown in figure 4. The "0" vein was discovered 150 meters northwest of the No. 1 vein. It was trenched for a distance of 21 meters northeastward where it apparently heads into a collapsed portal.

The No. 2 vein, over 300 meters long, lies 10 to 16 meters southeast of the No. 1 vein and was trenched along its strike in three segments for a total distance of 228 meters. The No. 2 vein lies on the southeast side of a diorite dike forming the foot-wall of the No. 1 vein. Quartzite composes the foot-wall of

the No. 2 vein. The width of the mineralized portion of the vein exposed in the trench ranges from 14 centimeters to 240 centimeters.

Veins No. 4 and 5 lie 96 and 106 meters southeast of the No. 1 vein respectively, and have been trenched for a combined total of 60 meters.

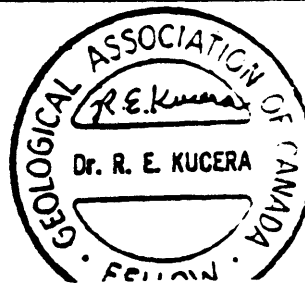
### Results of Sampling

Trench locations, channel sample locations, and assay results are recorded on plan maps (figures 5, 6, 7, 8 and 9. See appendix for Assay Certificate #K9341 dated November 10, 1988. Channel samples were taken by J. F. Bristow P. Eng.

The range for gold values in "0," 2, 4 and 5 veins are as follows: (Channel samples unless otherwise noted.) Refer to figures 5, 6, 7, 8 and 9 for location of samples.

Results of Sampling (continued)

<u>Vein</u>	<u>Sample Width (cm)</u>	<u>Sample Numbers</u>	<u>Gold oz/ton</u>
"0"	picked	45726	0.458 from waste dump
	55	45727, 45728	0.588
	76	41798	1.040
	70	45731	0.003
<hr/>			
2	155	41754, 41755	0.239
NE	146	41756, 41757	0.004
Section	158	41752, 41751	0.010
<hr/>			
2	125	45744, 45743	0.200
Central	116	45747, 45746	0.270
Section	146	45749, 45750	0.069
<hr/>			
2	137	41794, 41795	0.997
SE	30	41764	0.225
Section	240	41758, 41759, 41760	0.170
	201	41761, 41762, 41763	0.024
	153	41767, 41765, 41766	0.004
	24	41771	0.520
	131	41768, 41769, 41770	0.048
	91	41773, 41774	0.885
	61	41772	0.085
	204	41777, 41778, 41779	0.334
	122	41780, 41781	0.123
	89	41775, 41776	0.427
	140	41782, 41783, 41784, 41785	0.367
	168	41786, 41787, 41788	0.165
	123	41789, 41790, 41791	0.260
	14	41792	2.740
	21	41793	0.740
<hr/>			
4	91	45741	0.004
<hr/>			
5	122	45735	0.002
	picked	45739	0.774 from old drift



## CONCLUSIONS AND RECOMMENDATIONS

The 1988 work program on the Second Relief project has demonstrated the presence of gold of potential economic grade, particularly in the No. 2 vein. Significant gold values were encountered in cuts of the No. 2 vein at more than three levels in the Relief-Arlington mine during the 1930's. It should be taken into account that further development of the vein at that time was probably hampered by \$29.00 per ounce gold.

Exploration potential of the Second Relief property is judged to be excellent. A two-stage program is recommended to explore the No. 2 vein at depth. The first stage should include establishing additional grid, detailed geological mapping, trenching, rock sampling, diamond drilling (1000m) and a VLF-EM survey. In addition, a major effort during this stage should be devoted to the rehabilitation of the No. 5 level for a distance of at least 200m to provide access to the No. 2 vein at depth.

A second stage of work, contingent on obtaining encouraging results from the first stage, is also recommended. The second stage includes additional rehabilitation of the No. 5 level into the No. 2 vein (125m) and the initiation of underground diamond drilling. Cost estimates for this program are outlined on the following page.

## SELECTED REFERENCES

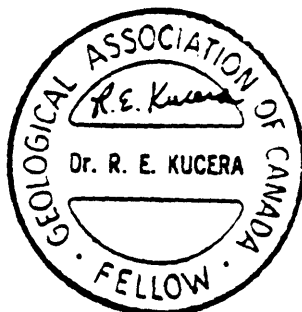
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- Sookochoff, L.; 1984, Report on the 1984 Exploration Results of the Grand Union Property for Homestead Resources Inc.; Sept. 6, 1984.

**CERTIFICATE OF QUALIFICATION**

I, Richard E. Kucera, hereby certify:

- 1) That I am an associate of Kucera & Associates Consultants of #201, 810 West Broadway, Vancouver, B.C. V5Z 4C9
- 2) That I am a Fellow of the Geological Association of Canada and a Member of the American Association of Petroleum Geologists and Geological Society of America.
- 3) That I hold B.Sc. and M.Sc. degrees from Ohio State University, U.S.A. and a Ph.D. from the University of Colorado, U.S.A.
- 4) That I have been practicing my profession as a Geologist for over 25 years.
- 5) That I have no direct or indirect interest nor do I expect to have any direct or indirect interest in the properties or securities of Hawkeye Developments, Ltd.
- 6) That the statements made in Kucera & Associates Consultants report of March 6, 1989 on the Second Relief Project were based on information obtained as specified in the report.
- 7) That the report has been prepared for exclusive use of participants of the project and no part of it shall be reproduced, distributed or made available to any other person, company, regulatory body or organization without the complete context of the report or without my permission.
- 8) Consent is hereby granted to use the report, in its complete form only, in a Filing Statement, Statement of Material Facts, or Prospectus by Hawkeye Developments, Ltd.

Dated at Vancouver  
this 6th day of March, 1989.



*Richard E. Kucera*  
\_\_\_\_\_  
Richard E. Kucera, Ph.D.

**APPENDIX**

**ASSAY RECORD SHEETS**



**KAMLOOPS  
RESEARCH & ASSAY  
LABORATORY LTD.**

B.C. CERTIFIED ASSAYERS

912 - 1 LAVAL CRESCENT, KAMLOOPS, B.C. V2C 5P5 PHONE (804) 372-2784 FAX 372-1112



**•• ASSAY CERTIFICATE ••**

To: Hawkeye Developments  
550 - 1040 West Georgia St.  
Vancouver, B.C.  
V6E 4H1

Number: K 9341

Date: Nov. 10, 1988

Proj.:

Attn:

No.	Description	Au ozs/ton	Ag ozs/ton	Cu %	Pb %
1	41726	.035	.02	.52	<.01
2	41727	.032	<.01	.05	<.01
3	41728	.36	.09	.26	.02
4	41751	.003	<.01	.02	<.01
5	41752	.016	<.01	.02	<.01
6	41753	.030	<.01	.04	<.01
7	41754	.341	.17	.60	.02
8	41755	.115	.11	.04	<.01
9	41756	.006	<.01	.03	<.01
10	41757	.003	<.01	.04	<.01
11	41758	.035	.08	.05	.01
12	41759	.50	.17	.08	.02
13	41760	.001	.04	.03	.01
14	41761	.002	.03	.06	<.01
15	41762	.061	.01	.05	<.01
16	41763	.004	.02	.09	<.01
17	41764	.225	.06	.24	.01
18	41765	.016	.03	.12	.01
19	41766	<.001	.01	.02	<.01
20	41767	<.001	.01	.02	<.01
21	41768	.025	.03	.08	<.01
22	41769	.163	.02	.05	<.01
23	41770	.001	.01	.02	<.01
24	41771	.52	.58	.07	<.01
25	41772	.085	.11	.14	<.01
26	41773	.001	.04	.03	<.01
27	41774	1.32	.29	.25	<.01
28	41775	.011	.08	.09	<.01
29	41776	.72	.26	.27	<.01
30	41777	.350	.13	.04	<.01
31	41778	.251	.64	.10	.09
32	41779	.42	.78	.18	.03

*[Signature]*  
-----  
B.C. Certified Assayer

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LABORATORY LTD.**

B.C. CERTIFIED ASSAYERS

912 - 1 LAVAL CRESCENT, KAMLOOPS, B.C. V2C 5P5 PHONE (604) 372-2784 FAX 372-1112



**\*\* ASSAY CERTIFICATE \*\***

To: Hawkeye Developments  
550 - 1040 West Georgia St.  
Vancouver, B.C.  
V6E 4H1

Number: K 9341

Date: Nov. 10, 1988

Proj.: King Jack

Attn:

No.	Description	Au ozs/ton	Ag ozs/ton	Cu %	Pb %
33	41780	.006	.03	.06	<.01
34	41781	.240	.07	.07	<.01
35	41782	.003	.02	.01	<.01
36	41783	.116	.03	.05	<.01
37	41784	.94	.29	.27	<.01
38	41785	.328	.14	.10	<.01
39	41786	.003	.01	.01	<.01
40	41787	.44	.20	.09	<.01
41	41788	.006	.46	.11	.26
42	41789	.005	.02	.02	<.01
43	41790	.78	.26	.16	<.01
44	41791	.016	.04	.04	<.01
45	41792	* 2.74	.52	.17	<.01
46	41793	.74	.58	.47	<.01
47	41794	* .53	.14	.25	<.01
48	41795	* 1.93	.26	.23	<.01
49	41796	* 2.47	.52	.12	<.01
50	41797	* .031	.06	.11	<.01
51	41798	1.04	.35	.43	<.01
52	41799	* 1.76	.40	.15	<.01
53	41800	* 1.70	.64	.19	<.01
54	45726	* .548	.05	.10	<.01
55	45727	* 1.84	.41	.11	.01
56	45728	* .106	<.01	.04	.02
57	45729	2.04	.37	.03	.03
58	45730	.045	.08	.08	.02
59	45731	.003	<.01	.03	<.01
60	45732	* .069	.04	.34	.02
61	45733	.037	.08	.34	.02
62	45734	<.001	.09	.13	.02
63	45735	.002	.01	.06	.01
64	45736	.002	.01	.07	.01

*[Handwritten Signature]*

B.C. Certified Assayer

**KAMLOOPS  
RESEARCH & ASSAY  
LABORATORY LTD.**

B.C. CERTIFIED ASSAYERS

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Vancouver, B.C.  
V6E 4H1

Number: K 9341

Date: Nov. 10, 1988

Proj.:

Attn:

No.	Description	Au ozs/ton	Ag ozs/ton	Cu %	Pb %
65	45737	<.001	.04	.06	.02
66	45738	<.001	<.01	.01	<.01
67	45739	.774	.23	.40	.02
68	45740	.005	<.01	<.01	.03
69	45741	.004	<.01	<.01	<.01
70	45742	<.001	<.01	.03	<.01
71	45743	.009	<.01	.06	<.01
72	45744	.349	.02	.24	<.01
73	45745	.001	.05	.02	<.01
74	45746	.055	<.01	.12	<.01
75	45747	.002	<.01	.05	<.01
76	45748	.001	<.01	.01	<.01
77	45749	.117	<.01	.10	<.01
78	45750	.003	<.01	.04	<.01

\* Sample has been screened and found to contain coarse gold. See Below.

		x Weight	Au ozs/ton	Comb Au ozs/ton
7	41754 -100 mesh	99.9	.303	.341
	41754 +100 mesh	.1	329.6	
8	41755 -100 mesh	99.7	.106	.115
	41755 +100 mesh	.3	2.80	
27	41774 -100 mesh	99.9	1.22	1.32
	41774 +100 mesh	.1	1157.9	

-----  
B.C. Certified Assayer

**KAMLOOPS  
RESEARCH & ASSAY  
LABORATORY LTD.**

B.C. CERTIFIED ASSAYERS

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**ASSAY CERTIFICATE**



To: Hawkeye Developments  
550 - 1040 West Georgia Street  
Vancouver, B.C.  
V6E 4H1

Number: K 9341

Date: Nov. 9, 1988

Proj.:

Attn:

No.	Description	% Weight	Au ozs/ton	Comb Au ozs/ton
45	41792 -100 mesh	99.9	2.72	2.74
	41792 +100 mesh	.1	20.4	
47	41794 -100 mesh	99.9	.52	.53
	41794 +100 mesh	.1	18.1	
48	41795 -100 mesh	99.9	1.68	1.98
	41795 +100 mesh	.1	704.2	
49	41796 -100 mesh	99.9	2.22	2.47
	41796 +100 mesh	.1	255.2	
50	41797 -100 mesh	98.9	.028	.031
	41797 +100 mesh	1.1	.282	
52	41799 -100 mesh	99.9	1.66	1.76
	41799 +100 mesh	.1	1764.6	
53	41800 -100 mesh	99.9	1.64	1.70
	41800 +100 mesh	.1	226.0	
54	45726 -100 mesh	97.5	.54	.548
	45726 +100 mesh	2.5	.871	
55	45727 -100 mesh	99.9	1.7	1.84
	45727 +100 mesh	.1	2231.3	
56	45728 -100 mesh	99.9	.049	.106
	45728 +100 mesh	.1	58.9	
60	45732 -100 mesh	99.4	.065	.069
	45732 +100 mesh	.6	.606	
67	45739 -100 mesh	99.9	.70	.774
	45739 +100 mesh	.1	562.9	
72	45744 -100 mesh	99.9	.34	.349
	45744 +100 mesh	.1	42.8	

*[Handwritten Signature]*

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B.C. Certified Assayer

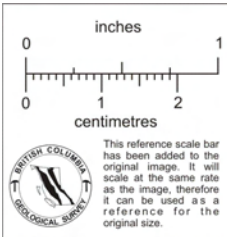
TRENCH CONTINUES  
TO 180 S.W. + 105 S.E.



Au Ag %Cu %Pb  
91 cm @ 0.004; <0.01; <0.01; <0.01

(POSSIBLE NO. 4 VEIN)

1 cm @ 0.005; <0.01; <0.01; 3.03



SCALE  
0 1 2 3M

LEGEND  
- - - - - EDGE OF TRENCH

240 S.W. + 195 S.E.

91 cm @ <0.001; 0.04; <0.01; 10.01  
91 cm @ <0.001; 0.04; 0.06; 0.02  
116 cm @ 0.002; 0.01; 0.07; 0.01  
122 cm @ 0.002; 0.01; 0.06; 0.01  
122 cm @ 0.001; 0.09; 0.13; 0.02

TS: 845739 is a grab sample from  
the old drift  
No. 5 vein

0.774 oz. Au/ton; 0.23 oz. Ag/ton; 0.40% Cu; 0.20% Pb  
FACE STRIPPED CLEAN BY EXCAVATOR

OLD DRIFT

HAWKEYE DEVELOPMENTS LTD.

SECOND RELIEF PROJECT  
Erie Creek-Salmo Area B.C.  
Nelson Mining Division

PLAN OF TRENCH SAMPLES  
NUMBER 4 & 5 Veins

Figure	Date	NTS	Scale
9	Nov. 1988	82 F/6W	As Shown

Kucera & Associates Consultants

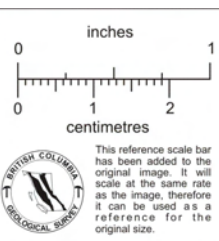
240 S.W. + 210 S.E.



61 cm @ 0.002; <0.01; 0.05; <0.01  
 55 cm @ 0.055; <0.01; 0.12; <0.01  
 61 cm @ 0.001; 0.05; 0.02; <0.01

116 cm @ 0.27

45744  
45743  
45742



**LEGEND**  
 - - - - - EDGE OF TRENCH  
 - - - - - OLD DRIFT

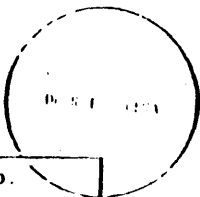
**SCALE**  
 0 1 2 3 M

	Au	Ag	Cu	Pb
77 cm @	0.349;	0.02;	0.24;	<0.01
55 cm @	0.009;	<0.01;	0.06;	<0.01
61 cm @	<0.001;	<0.01;	0.03;	<0.01

45740  
45741  
45.50

61 cm @ 0.001; <0.01; 0.01; <0.01  
 85 cm @ 0.117; <0.01; 0.01; <0.01  
 61 cm @ 0.003; <0.01; 0.04; <0.01

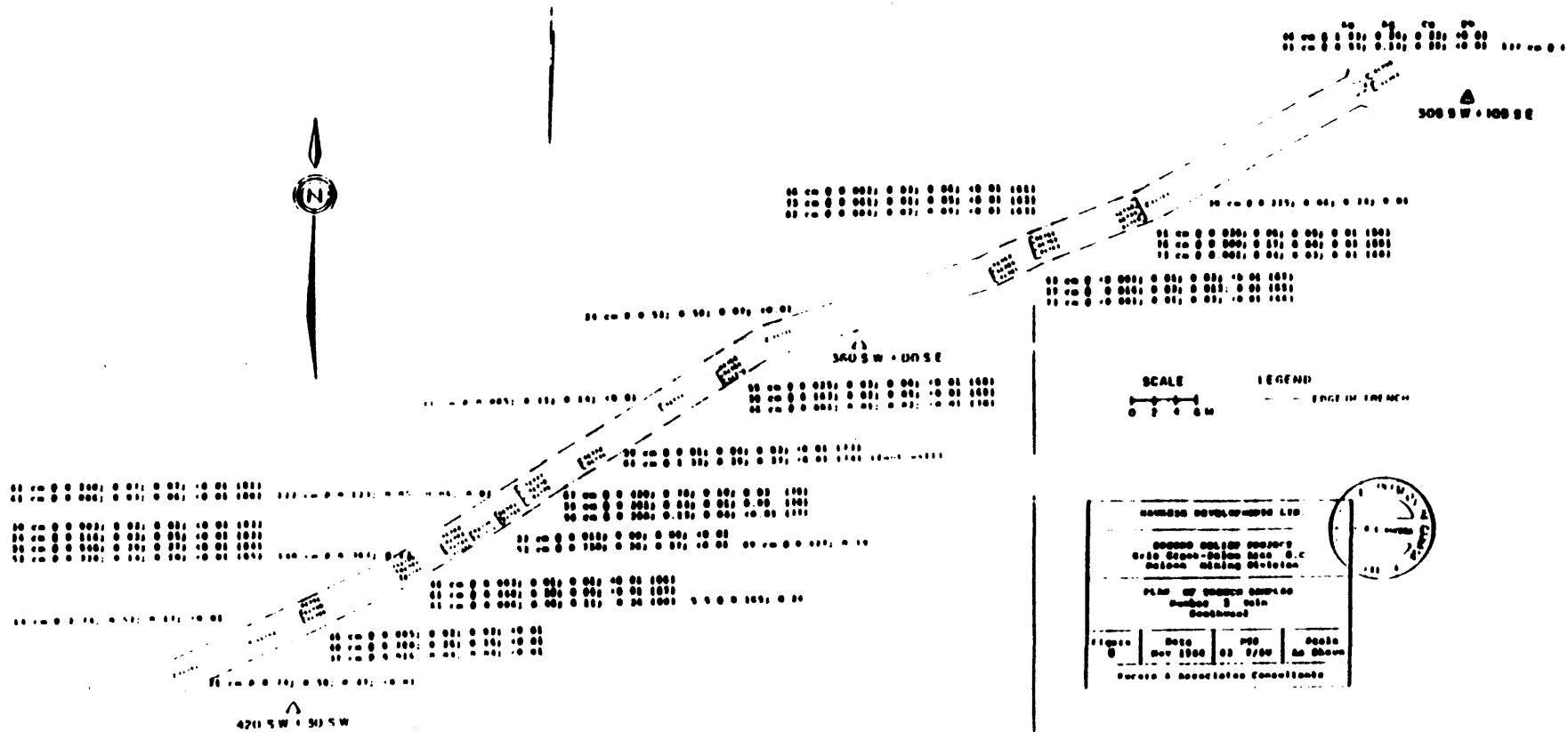
146 cm @ 0.069



OLD DRIFT #2

305 S W +105 S E

HAWKEYE DEVELOPMENTS LTD.			
SECOND RELIEF PROJECT Erie Creek-Salmo Area B.C. Nelson Mining Division			
PLAN OF TRENCH SAMPLES Number 2 Vein Central			
Figure 7	Date Nov. 1988	NTS 02 F/6W	Scale As Shown
Kucera & Associates Consultants			



00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000

340 S W - 00 S E

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000  
00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000

00 00 0 000; 0 00; 0 00; 0 00 1000  
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00 00 0 000; 0 00; 0 00; 0 00 1000

420 S W - 50 S W

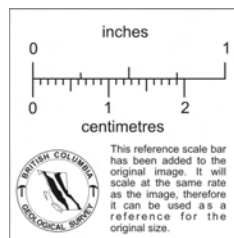
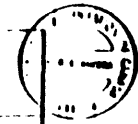
SCALE

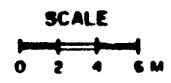


LEGEND

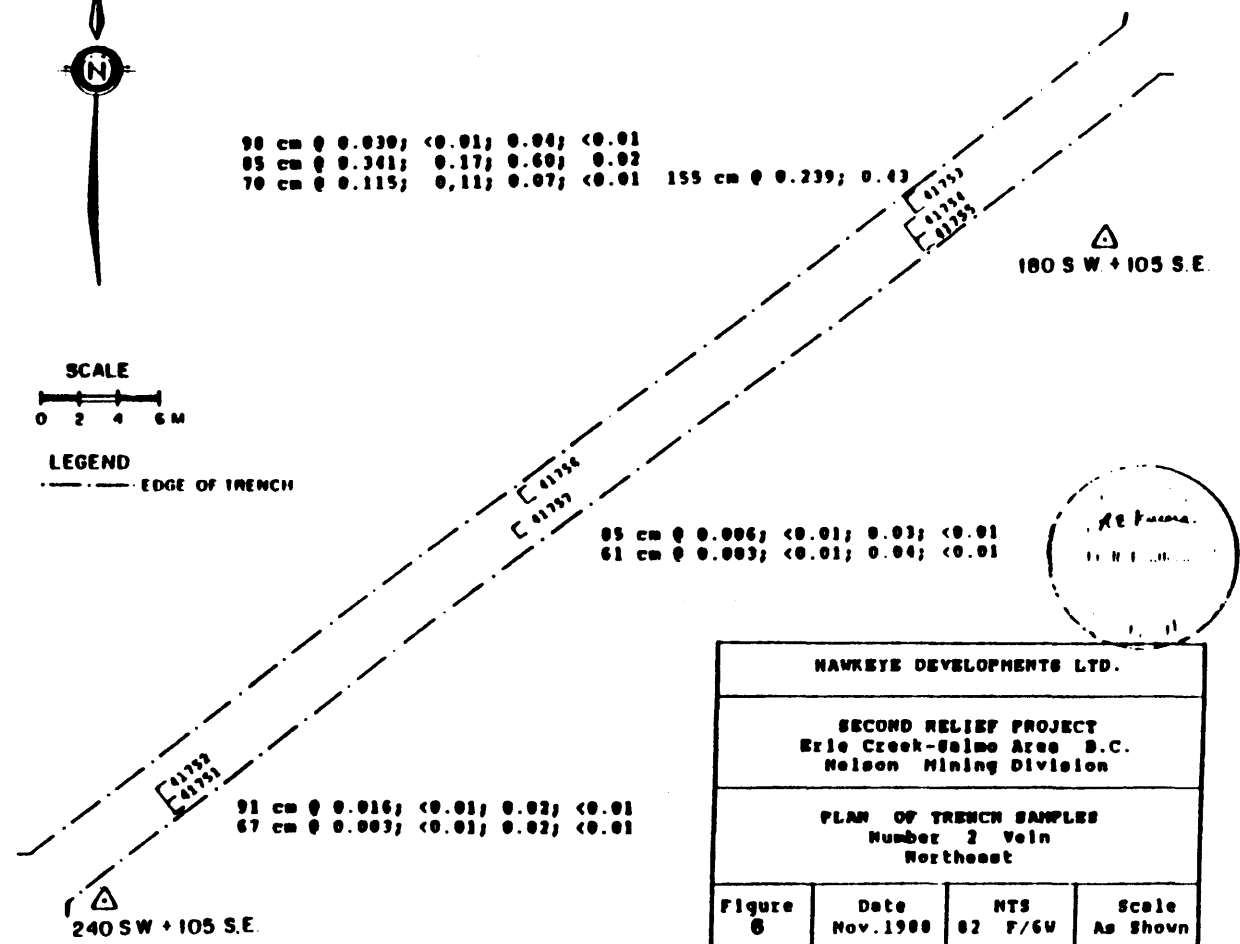
— — — — — EDGE IN TRENCH

MORRIS DEVELOPMENTS LTD.			
20000 00000 00000 000 0000-0000 0000 S.C. 0000 0000 000000			
PLAN OF MORRIS DEVELOPMENTS 00000 0000 00000000			
Drawn	Date	By	Scale
0	Nov 1966	00 0/00	As Shown
Morris & Associates Consultants			

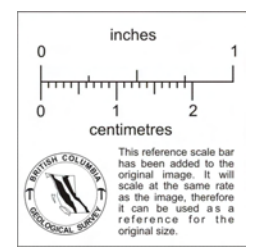




LEGEND  
 - - - - - EDGE OF TRENCH



<b>HAWKEYE DEVELOPMENTS LTD.</b>			
<b>SECOND RELIEF PROJECT</b> Erie Creek-Salmo Area B.C. Nelson Mining Division			
<b>PLAN OF TRENCH SAMPLES</b> Number 2 Vein Northeast			
<b>Figure</b> 6	<b>Date</b> Nov. 1988	<b>NTS</b> 82 F/6W	<b>Scale</b> As Shown
<b>Rucera &amp; Associates Consultants</b>			





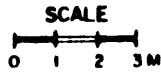


120 S W + 75 N W

ACTUAL DISTANCE = 18.5 m

	Au	Ag	Cu	Pb
21 cm @	2.04;	0.37;	0.03;	0.03 (29)
	0.045;	0.00;	0.00;	0.02 (30) (grab)
70 cm @	0.003;	<0.01;	0.03;	0.02 (31)
64 cm @	0.069;	0.04;	0.34;	0.02 (32)
73 cm @	0.037;	0.00;	0.34;	0.02 (33)

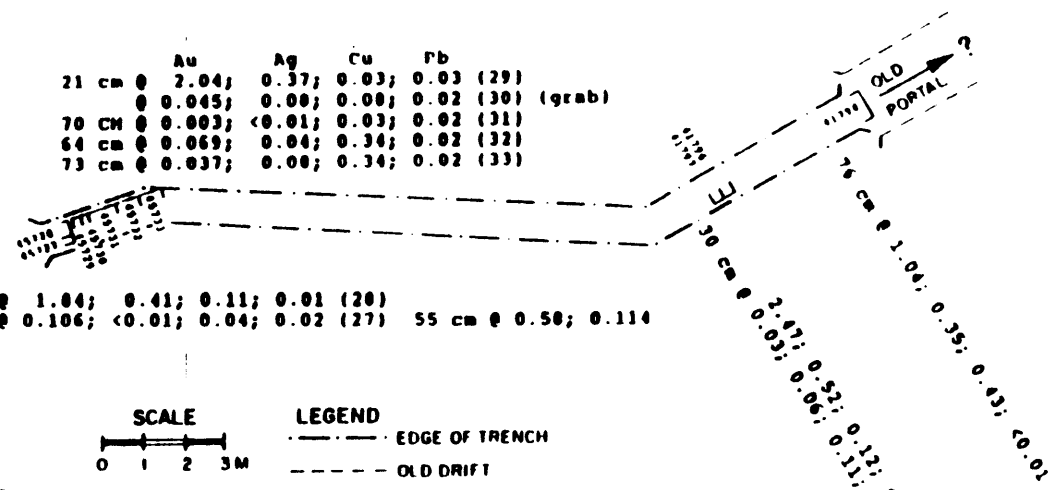
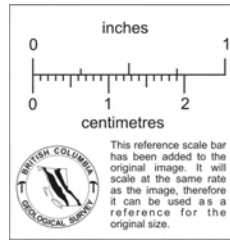
15 cm @ 1.04; 0.41; 0.11; 0.01 (20)  
 40 cm @ 0.106; <0.01; 0.04; 0.02 (27) 55 cm @ 0.50; 0.114



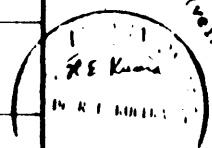
LEGEND  
 - - - - - EDGE OF TRENCH  
 - - - - - OLD DRIFT

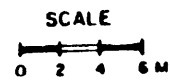
45726 GRAB SAMPLE SHAFT  
 OLD WASTE DUMP.

0.548 oz./T Au; 0.05 oz./T Ag 0.10% Cu; 0.1% Pb



HAWKEYE DEVELOPMENTS LTD.			
SECOND RELIEF PROJECT Erie Creek-Salmo Area B.C. Nelson Mining Division			
PLAN OF TRENCH SAMPLES Number "0" Vein			
Figure 5	Date Nov. 1986	NTS 02 P/EW	Scale As Shown
Kucera & Associates Consultants			





LEGEND  
- - - - - EDGE OF TRENCH

90 cm @ 0.030; <0.01; 0.04; <0.01  
85 cm @ 0.341; 0.17; 0.60; 0.02  
70 cm @ 0.115; 0.11; 0.07; <0.01

155 cm @ 0.239; 0.43

C 41756  
C 41757

180 SW + 105 SE

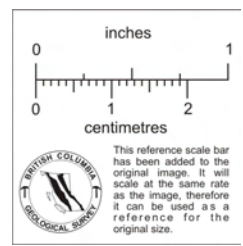
85 cm @ 0.006; <0.01; 0.03; <0.01  
61 cm @ 0.003; <0.01; 0.04; <0.01

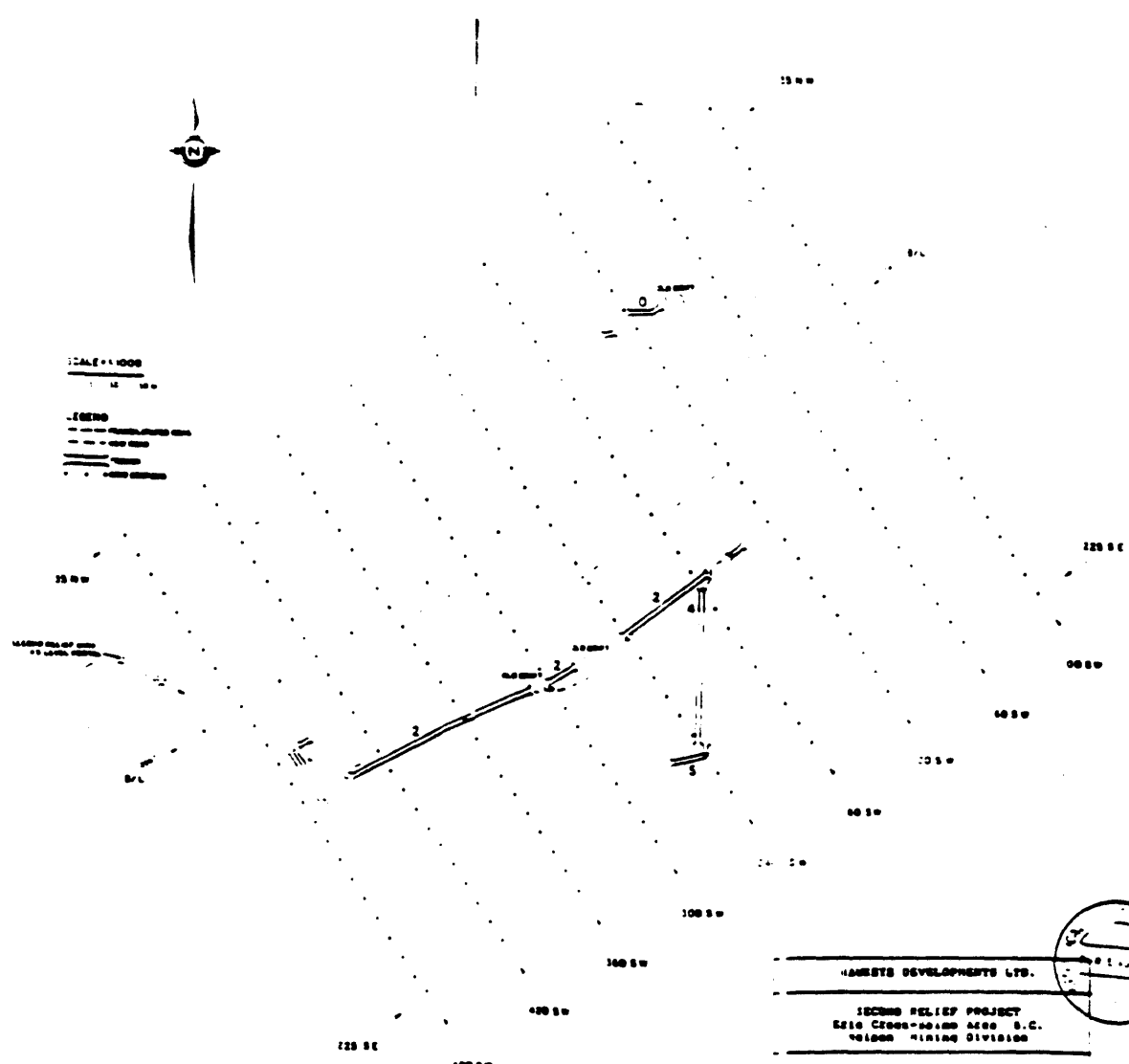
91 cm @ 0.016; <0.01; 0.02; <0.01  
67 cm @ 0.003; <0.01; 0.02; <0.01

240 SW + 105 SE



HAWKEYE DEVELOPMENTS LTD.			
SECOND RELIEF PROJECT Eric Creek-Salmo Area B.C. Nelson Mining Division			
PLAN OF TRENCH SAMPLES Number 2 Vein Northeast			
Figure 6	Date Nov. 1980	NTS 02 F/6W	Scale As Shown
Kucera & Associates Consultants			

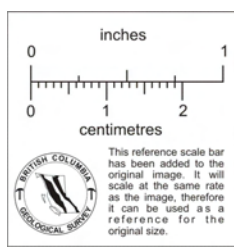




SCALE 1:1000  
1" = 100'

LEGEND  
 --- Proposed Road  
 --- Proposed Trench  
 --- Proposed Drainage  
 --- Proposed Utility

HAIRSTY DEVELOPMENTS LTD.  
 ICEBERG RELIEF PROJECT  
 Esie Creek-Adams Area S.C.  
 Nelson Mining Division  
 GRID WITH TRENCHES  
 AND ROADS  
 FIGURE 1 Date 4/75 Scale 1:1000  
 6 Nov. 1988 1:51 7'40" 1:40 5'00"  
 LUSSEN & ASSOCIATES CONSULTANTS



ADDENDUM TO  
REVISED GEOLOGICAL REPORT  
SECOND RELIEF PROJECT

Nelson Mining Division  
82F/6W

Latitude 49° 19.5' N Longitude 117° 24' W  
British Columbia

for

HAWKEYE DEVELOPMENTS LTD.

April 2, 1989

KUCERA & ASSOCIATES CONSULTANTS  
Richard E. Kucera, Ph.D

## INTRODUCTION

This addendum was prepared at the request of Mr. Joe Whipple, President of Hawkeye Developments Ltd. Mr. Whipple has advised the writer that since the property was examined for the original report, the following changes have taken place:

An agreement has been signed with Homestead Resources Inc. providing Hawkeye with an option to explore and exploit mineral claims held or leased by Homestead in the immediate vicinity of the Second Relief mine. It is understood that with the Homestead agreement as well as with previous agreements, Hawkeye Developments will now hold a total of 76 claims in the area.

## PROPERTY STATISTICS

Pursuant to an agreement dated April 4, 1989, between Hawkeye Developments Ltd. and Homestead Resources Inc. of Vancouver, British Columbia, Hawkeye has acquired an exclusive option to earn up to 90% interest in Homestead Resources mineral claims located in the Nelson Mining Division. They include claims No. 1151, 1834, 1833, 1832, 1831, 1315, 1314, 1316, 1149, 1148, 1147, 1152, 1150, 3452, 3552, 3553, 592, 590 and 1181.

Under terms of the agreement, Hawkeye will earn 50% in Homestead Resources' property in the following manner:

- i) \$50,000 to be spent on the property by the first anniversary date.
- ii) A cumulative total of \$150,000 to be spent by the second anniversary date.
- iii) A cumulative total of \$250,000 to be spent by the third anniversary date.

Hawkeye may earn an additional 25% interest by spending an additional \$250,000 in the following two years, and up to a 90% interest by spending an additional \$300,000 in the next following year. Homestead Resources may match the final \$300,000 of expenditures to preserve its interest. For every \$20,000 which is not matched by Homestead Resources, Hawkeye will earn an additional one percent interest to a maximum of 90%.

Name of claim	Lot #	Record #	Expiry date	Claim type
Gus Fr.	14662	1151	Aug. 8/92	RCG
Dale	14663	1834	July 22/92	RCG
Winnie	14660	1833	July 22/92	RCG
Pitt	14659	1832	July 22/92	RCG
Lee	14658	1831	July 22/92	RCG
Rhodes Fr.	14667	1315	Oct. 26/92	RCG
Dolly	14664	1314	Oct. 26/92	RCG
Amos	14670	1316	Oct. 26/92	RCG
Peggy Fr.	14656	1149	Aug. 8/92	RCG
Risk Fr.	14655	1148	Aug. 8/92	RCG
Star Shine	2466	1147	Aug. 8/92	RCG
Eva Fr.	14665	1152	Aug. 8/92	RCG
Lucy	14661	1150	Aug. 8/92	RCG
DeeJay		3452	Aug. 9/92	2 Post
Rush #1		3552	Oct. 26/92	2 Post
Rush #2		3553	Oct. 26/91	2 Post

* Li'l Gee		592	April. 14/92	RCG
* Grand Union		590	April. 14/93	RCG
* Digit		1181	Aug. 8/92	RCG

\* leased from Slide Creek until March 5, 2001



## GEOLOGY

Mr. L. Sookochoff, P.Eng reported on the geology of the Homestead property in 1984. The property straddles an intrusive contact between granodiorite of the Nelson Batholith and Jurassic andesites, slates, and argillites. The stratified rocks may include members of both the Rosslund group and Sinemurian beds. Pre-mineral dykes include diorite porphyry and feldspar porphyry.

The Inez and Rand veins occur within andesitic volcanics and have a similar attitude to veins on the Second Relief. Sookochoff reported on samples taken (1984) from the Inez vein 700 meters from the No.2 adit. Returned values were up to .359 oz. Au/ton across 2.64 meters. The mineralized zone averages .305 oz. Au/ton across 1 meter over a strike length of 35 meters.

Geophysical and geochemical surveys completed over localized areas of the property disclosed an indicated eastward extension of the Second Relief vein onto the Homestead property.

## RECOMMENDATION

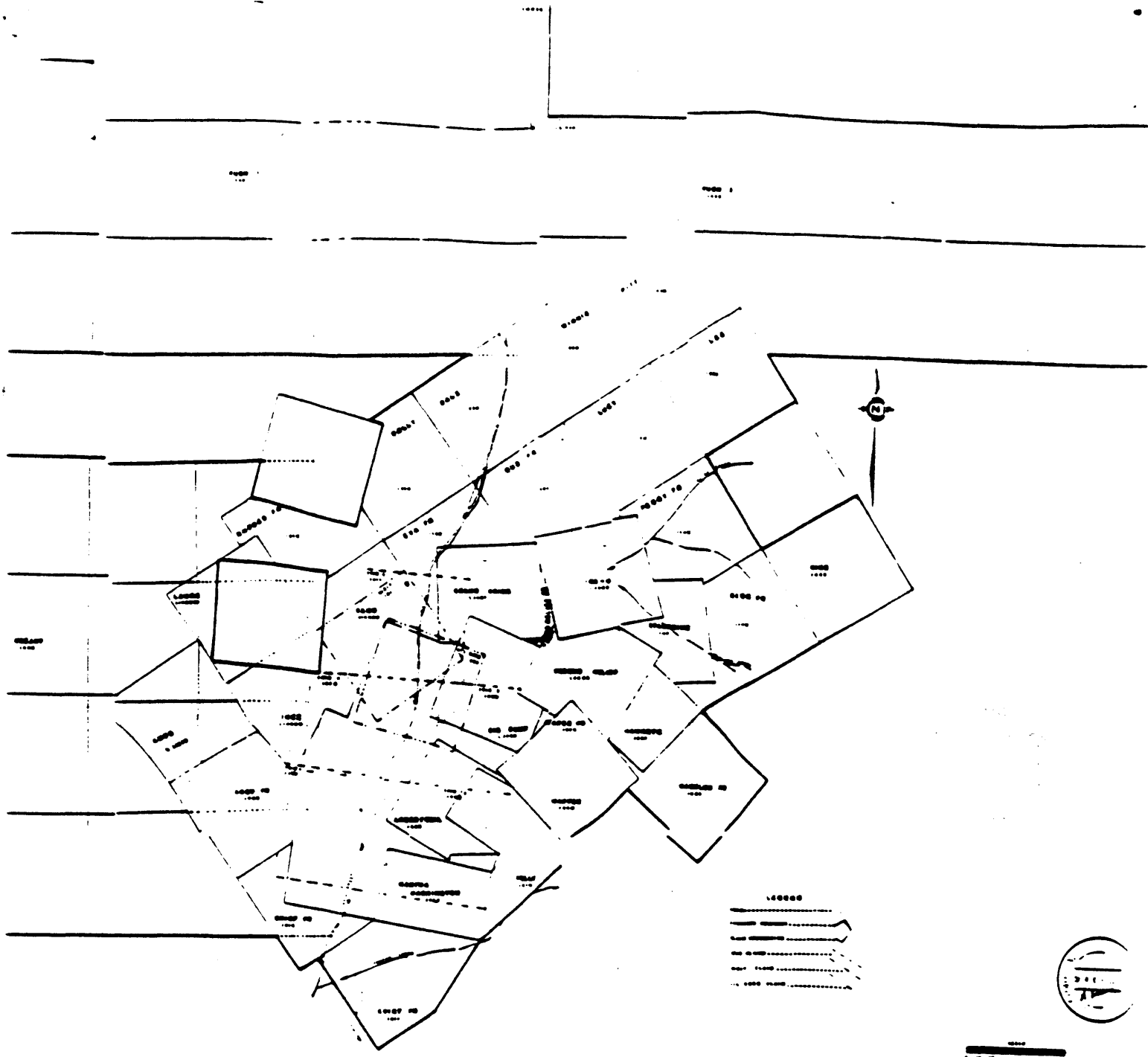
The proposed program of exploration on the Second Relief project remains essentially the same as proposed in the original report. However, with acquisition of the Homestead property, a valid work program would consist of geologic mapping, trenching, geophysical survey and drilling if warranted.



KUCERA & ASSOCIATES CONSULTANTS

*Richard E. Kucera*

Richard E. Kucera, Ph.D

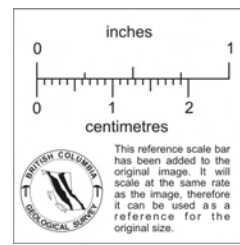


LEGEND

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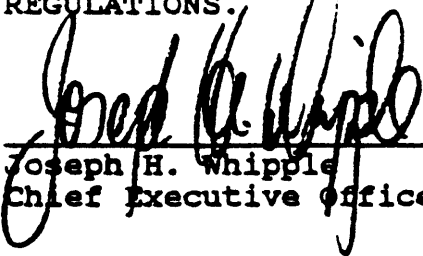
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CLASS	.....	.....




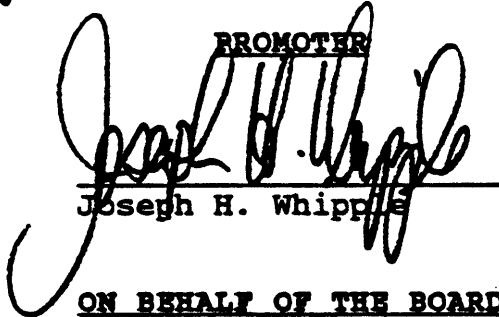


CERTIFICATE OF THE COMPANY

THE FOREGOING CONSTITUTES FULL, TRUE AND PLAIN DISCLOSURE OF ALL MATERIAL FACTS RELATING TO THE SECURITIES OFFERED BY THIS PROSPECTUS AS REQUIRED BY THE SECURITIES ACT AND ITS REGULATIONS.

  
\_\_\_\_\_  
Joseph H. Whipple  
Chief Executive Officer

  
\_\_\_\_\_  
Edward G. Robinson  
Chief Financial Officer

  
\_\_\_\_\_  
Joseph H. Whipple  
**PROMOTER**  
ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Joseph Montgomery  
Director

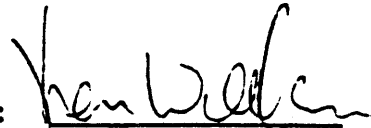
  
\_\_\_\_\_  
Dennis W. Milburn  
Director

DATED at Vancouver, British Columbia on April 4, 1989

CERTIFICATE OF AGENTS

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 the Securities Act and its regulations.

MIDLAND DOHERTY LTD.

By:   
\_\_\_\_\_  
Ken Williamson

HAYWOOD SECURITIES INC.

By:   
\_\_\_\_\_  
John Tognetti

DATED at Vancouver, British Columbia on April 4, 1989.