

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 OTHER 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
NEW ISSUE

004357

DATED: September 30th, 1987
EFFECTIVE DATE: November 2nd, 1987

PROGRESSIVE MINERALS LTD.

#2460 - 555 West Hastings Street
Post Office Box 12117
Vancouver, British Columbia
V6B 4N6
(hereinafter referred to as the "Issuer")

PUBLIC OFFERING 600,000 COMMON SHARES (2)
PRICE: \$0.33 PER COMMON SHARE

Shares	Price to Public	Commission	Net Proceeds to be Received by Issuer (1)
Per Share	\$0.33	\$0.03	\$0.30
Total	\$198,000.00	\$18,000.00	\$180,000.00

(1) Before deduction of the costs of the issue estimated to be \$15,000.00.

(2) Excluding share purchase warrants granted the Agent. See below and "Plan of Distribution".

THE PRICE OF THE ISSUER'S SECURITIES WAS DETERMINED BY ITS BOARD OF DIRECTORS THROUGH NEGOTIATIONS WITH THE AGENT.

THERE IS CURRENTLY NO MARKET FOR THE SECURITIES OF THE ISSUER.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE FOR THE SHARES AT THE TIME OF SALE ANY SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE AGENT'S WARRANTS. SEE "PLAN OF DISTRIBUTION" ON PAGES 1 TO 3.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED SPECULATIVE. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE MINING PROPERTY IS SITUATE, ITS EXISTENCE AND AREA COULD BE IN DOUBT. SEE THE CAPTION "RISK FACTORS" ON PAGES 7 AND 8.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 35.43% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 46.26% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER. REFER TO THE ITEM "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 14 FOR DETAILS OF SHARES HELD BY DIRECTORS AND PROMOTERS.

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 THE 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 SHOULD BE MADE TO THE ITEM "CONFLICT OF INTEREST" ON PAGE 16 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED HEREIN PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE MAY 2ND, 1988 INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY THE PUBLIC IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN "PLAN OF DISTRIBUTION" ON PAGES 1 TO 3 AND OFFERED ON BEHALF OF THE ISSUER BY MESSRS. G.A. LMBIA, SOLICITORS FOR THE ISSUER.

PROPERTY FILE ✓

82KSW102-05

REGISTRAR & TRANSFER AGENT
THE GUARANTY TRUST COMPANY

800 West Pender Street
Vancouver, British Columbia
V6C 2V7

Vancouver Stock Exchange Trading Symbol: PVM

PROGRESSIVE MINERALS LTD.

PROSPECTUS

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PROGRESSIVE MINERALS LTD.
(herein the "Issuer")

SUMMARY OF PROSPECTUS DATED SEPTEMBER 30TH, 1987

The Issuer

The Issuer was incorporated on February 24th, 1987 under the Company Act of the Province of British Columbia and has an authorized share capital of 25,000,000 common shares without par value of which 1,093,333 shares are currently issued and outstanding. The Issuer is engaged in the business of acquiring, exploring and developing mineral properties and investigating and evaluating other business prospects.

Lardeau River Mineral Prospect

The Issuer has acquired the option to acquire a 100% interest in 36 located units and nine reverted Crown Grants centred to the west of the Lardeau River in the Kootenay Valley, Province of British Columbia. Total purchase price of the option is \$400,000 to be paid over the period ending October 31, 1992, which amounts can be settled by the Issuer in shares of the Company. The Issuer's property lies within the Kootenay Arch, a geological region known for mineral occurrences. The property geology consists of phyllites, argillites, andesites and quartzites which generally strike northwesterly and dip steeply to the northeast. There are several structurally controlled veins of massive quartz containing pyrite and limonite and the property has old workings on both the John L. and Maggie May Claims.

Offering

The Issuer intends to offer to the public in British Columbia 600,000 of its common shares at the price of \$0.33 per share.

Use of Proceeds

Of the net proceeds of the Offering, the Issuer intends to reserve \$110,000 to conduct a two-stage program recommended by C.K. Ikona, P.Eng. of Pamicon Developments Ltd., the Issuer's consulting geologists and engineers. Balance of the funds will be used to pay the costs of this issue and for general working capital.

Speculative Aspects

Investment in the shares of the Issuer must be considered speculative due to the nature of the Issuer's business and the present stage of development of its mineral properties. Reference should be made to the caption "Risk Factors" contained in the balance of the Prospectus.

THE FOREGOING IS A SUMMARY ONLY AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS.

NAME AND INCORPORATION OF ISSUER

PROGRESSIVE MINERALS LTD. (the "Issuer") was incorporated on February 24th, 1987 pursuant to the Company Act of the Province of British Columbia by registration of its Memorandum and Articles.

The address of the head office of the Issuer is Suite 2460 - 555 West Hastings Street, Vancouver, British Columbia, V6B 4N6.

The address of the registered and records office of the Issuer is Suite 1600 - 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

PLAN OF DISTRIBUTION

The Offering

The Issuer, by its Agent, hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 600,000 common shares (the "Shares") of the Issuer at a price of \$0.33 per Share. The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") as determined by the Agent and the Issuer with the consent of the Exchange, within a period of one hundred and eighty (180) days from the date (the "Effective Date") upon which the securities of the Issuer are conditionally listed on the Exchange.

Appointment of Agents

The Issuer, by an agreement (the "Agency Agreement") dated June 15th, 1987 appointed Yorkton Securities Inc., 14th Floor, 609 Granville Street, Vancouver, British Columbia, V7Y 1G5 as its agent (the "Agent") to offer the Shares through the facilities of the Exchange.

The Agent will receive a commission of \$0.03 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-transferrable share purchase warrants ("Agent's Warrants") entitling it to purchase up to 100,000 common shares of the Issuer at any time up to the close of business one hundred and eighty (180) days from listing of the Issuer's shares on the Vancouver Stock Exchange (the "Exchange") or twelve (12) months from the date of this Prospectus, whichever is earlier, at a price of \$1.00 per common share.

The Agent reserves the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed broker-dealers, brokers and investment dealers,

who may or may not be offered part of the commissions or warrants derived from this Offering.

The obligations of the Agent under the Agency Agreement may be terminated prior to the opening of the market on the Offering Day at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

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

Those persons holding an interest of not less than 5% in Yorkton Securities Inc. are Allen Barry Van Stone, Stewart David Vorberg, Frank Guistra, Donald Risling, Lorne J. Levy, Arthur J. Thomas and Matthew Jong.

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 this Offering.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before May 2nd, 1988 including prescribed distribution and financial requirements.

The price of the Issuer's securities was determined through negotiations with the Agent.

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 common 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 for sale to the public at the market price prevailing at the time of sale any Shares purchased by the Agent and any of the common shares which may be acquired on the exercise of the Agent's Warrants at any time up to one hundred and eighty (180) days from the date of listing of the

Issuer's shares on the Vancouver Stock Exchange, but in any event, not more than twelve (12) months from the date of this Prospectus. 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.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Issuer consists of 25,000,000 common shares without par value of which 1,093,333 common shares are issued and outstanding as of the date hereof. The Issuer issued 877,333 of these shares on a "flow-through" basis whereby it renounced the Canadian income tax benefits in favour of the subscriber relating to the exploration program conducted with the share subscription funds.

All shares of the Issuer, both issued and unissued, 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 provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

DESCRIPTION OF BUSINESS AND PROPERTIES OF THE ISSUER

Business

The Issuer is a company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has an interest in the property described under the heading "The Property" and intends to seek and acquire additional properties worthy of exploration and development. The Issuer does not at this time own any other businesses.

The Property

THE LARDEAU RIVER CLAIMS, SLOCAN MINING DIVISION, BRITISH COLUMBIA

By an agreement (the "Agreement") dated March 26, 1987 and as amended June 11th, 1987 between the Issuer and George Sipos of 306D Avenue, Kaslo, British Columbia and Mr. Mike Linn of 660 Arena Avenue, Kaslo, British Columbia (the "Optionors"), the Issuer acquired the exclusive right to acquire a 100% interest in and to 36 located claim units and nine reverted Crown Grants

centred to the west of the Lardeau River in the West Kootenay Valley of British Columbia. The Claims are more particularly described as follows:

<u>Name of Claim</u>	<u>Record/Lot No.</u>	<u>Expiry Date</u>
Maggie May	5205	January 7, 1988
Maggie May No. 2 Interloper	5206	January 7, 1988
John L.) Marayen Fr.) Liza Fr)	5207	January 7, 1988
Spokane	5208	January 7, 1988
May	5177	January 21, 1988
Maggie	5178	January 21, 1988
March	5232	March 13, 1988
Louise	4954	March 19, 1988
Glengarnock	4955	March 19, 1988
Ruby Fr. *	5273	April 21, 1988

* The Ruby Fraction claim was acquired by the Issuer from its President, Alex Guidi, in consideration of \$1.00 in order to make the claim subject to the Optionors' requirement that it be turned over to the Optionors in the event the Issuer did not exercise the option to acquire the other claims which are the subject of the Agreement.

The Agreement provides for total consideration of \$400,000 to be paid by the Issuer to the Optionors by October 31, 1992 on the following basis:

- (a) \$10,000 which was paid on April 3, 1987;
- (b) \$20,000 on the date of listing of the Issuer's shares on the Vancouver Stock Exchange;
- (c) commencing April 3, 1988 the sum of \$30,000 for each of the successive four years for a total of \$150,000; and
- (d) the balance of \$220,000 on October 31, 1992.

In the event the Issuer places the property into production prior to the option expiry date, it shall pay to the Optionors five (5%) percent of any Net Smelter Returns received by it and exploitation of any minerals on the property which amounts shall be credited against the total option price.

The Agreement further provides that the Issuer has the right to issue share consideration in lieu of cash consideration for each and all of the payments required in sub-paragraphs (b) to (d) above. The number of shares to be issued to the Optionors in lieu of cash payment shall be determined based upon the trading price of the Issuer's shares on the due date of the cash payment. In the event the Issuer elects to discharge its obligation in common shares it will have an additional thirty (30) days in which to make the payment in order to provide for Vancouver Stock Exchange approval which is a pre-condition to the issuance of the shares. The Issuer has the further right to prepay at any time all the option consideration due to the Optionors and thereby become vested in 100% beneficial ownership to the Claims.

Location and Access

The Claims are centered at approximately 50 degrees north latitude and 117 degrees west longitude approximately 100 kilometers southeast from Revelstoke, British Columbia. British Columbia Highway 31 between Trout Lake and Kaslo passes through the northern portion of the Claims and logging roads provide access to the northern portion of the claims and logging roads provide access to portions of the northwestern and northeastern claim area roughly situated between 2,500 and 3,500 feet above sea level and accordingly, can be relatively easily accessed between early April and November.

Geology

Regional geology is underlain by Paleozoic units of the Lardeau Group. As more particularly discussed in the Report, Charles K. Ikona, P.Eng. of Pamicon Developments Ltd. dated June, 1987 (the "Pamicon Report"), a copy of which is attached to and forms a part of this Prospectus, the property geology shows in general a good correlation with the regional mapping conducted by Geological Survey of Canada. The property lies within the Kootenay Arch, a geological region extending from northern Washington to southcentral British Columbia and which region has been responsible for the development of numerous mineral occurrences. The property units consist of phyllites, andulites and the site of quartzites which generally strike northwesterly and dip steeply to the northwest. Fairly extensive silica flooding of the units on parting plains and fractures is evident

along with the areas of extensive limonitic alteration. Within the unit, several structurally controlled veins of massive quartz containing pyrite and limonite have been recognized. The most interesting showings are as follows:

- (a) John L. - old workings along a strong quartz vein exposed assay values up to 4 oz. per ton/Au and 12 oz. per ton/Ag from selected chip samples;
- (b) Liza - a sub-parallel structure to the west of John L. showed some precious metal values but the structure appears to warrant further development;
- (c) Maggie May - old workings have been reported in earlier government publications and have not yet been located although the Pamicon Report suggests that certain samples removed from the area could be the result of fly-rock from blasting of these workings and which samples yielded anomalous lead and silver values; and
- (d) the Columbia - earlier reported workings were located and mapped and samples taken which indicated anomalous mineralization.

History and Work Done to Date

The Maggie May/John L. group of claims has a history dating to 1898 and was reported upon in reports prepared by the Minister of Mines in the period 1898 to 1903. The reports indicated excellent values over good mining widths. The claims were also subject of a geological reconnaissance program conducted by Western Mines consisting primarily of broad geochemical surveys which yielded some anomalous values but the work was not followed-up upon.

In May of 1987, the Issuer conducted a program consisting of prospecting the area, as well as geological mapping, sampling, and geochemical sampling. This work is more fully reviewed in the Pamicon Report and was conducted at a cost of approximately \$12,269.00.

The work conducted has succeeded in locating three mineralized structures.

Recommendations

In the Pamicon Report, Mr. Ikona recommends a two-stage program consisting of continuing the trenching program, strike extension of the John L. structure, as well as a further attempt to locate

the Maggie May workings. In addition, further geochemical surveys are recommended as well as selective additional trenching on other known quartz veins.

Contingent upon the results of the foregoing, a Stage II program of short diamond drilling is recommended. Approximately 500 metres of drilling are recommended consisting of three short holes below the upper adit of the John L. structure and two longer holes on the lower exposure on the John L. as exposed in trenching. The costs of these two programs are estimated at \$50,000 and \$60,000 respectively.

Equipment and Known Ore Body

There is no surface or other equipment located on the Claims. There is no known body of commercial ore on the property and the Issuer's intended exploration program is an preliminary search for ore.

RISK FACTORS

Risks Inherent in Mining

The Shares of the Issuer offered by this Prospectus must be considered speculative due to the nature of the Issuer's business. There is no assurance that expenditures to be made by the Issuer will result in any discoveries of minerals in commercial quantities. The Issuer's properties are in the exploration stage only and are without a known body of ore. If the Issuer's exploration programs are unsuccessful a purchaser of Shares hereunder may lose his entire investment. The Issuer's ability to continue exploration and development of its properties and to continue investigation, evaluation and acquisition of other mineral properties will be dependent on its ability to raise significant additional financing in the future. Should the Issuer not be able to obtain such financing a portion of the interest in its properties may be lost to future joint venture partners or its properties may be lost entirely.

Dilution

On completion of this Offering there will be a total of 1,693,333 shares of the Issuer outstanding with an approximate total book value of \$296,800.00 (or \$0.17 per share) based on the Issuer's book value as at April 30, 1987 of \$116,800.00 or \$0.11 per share. Assuming the shareholders equity with respect to the 1,093,333 shares issued prior to the date of this prospectus has not changed between April 30, 1987 and the date of completion of

this Offering, the purchase of the shares offered by this prospectus will suffer an immediate dilution of approximately \$0.16 in book value per share equal to 48% of the \$0.33 per Share offering price.

USE OF PROCEEDS

The Issuer intends to apply the net proceeds from this offering of \$180,000.00 plus working capital on-hand at September 30th, 1987 of approximately \$30,500.00 as follows:

1.	To pay the costs of this issue for legal, audit, consulting and printing expenses estimated to be:	\$ 15,000.00
2.	To conduct the recommended Phase I program of exploration contained in the Pamicon Report consisting in summary of additional trenching, geochemical surveys and locating old workings:	50,000.00
3.	To conduct, if warranted by the results of Phase I, the recommended Phase II program of exploration contained in the Pamicon Report consisting in summary of up to 500 metres of diamond drilling and assaying:	60,000.00
4.	To discharge the Issuer's first option payment under its option agreement to acquire the Lardeau River Claims as described under the heading "Description of Business and Properties of the Issuer":	20,000.00
5.	Reserve for general corporate purposes:	65,500.00
	TOTAL	\$210,500.00

The Issuer may, pursuant to the written recommendations of a qualified engineer, abandon in whole or in part any of its

properties or may alter as work progresses a work program recommended or may make such arrangements for the performance of all or any portion of such work or examining other properties acquired by the Issuer after the date of this Prospectus, although the Issuer has no present plans in this regard. If any such event occurs during the primary distribution of the Shares referred to in the Prospectus, an amendment to the Prospectus will be filed. If any such event occurs after primary distribution of the Shares, the stockholders will be notified.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Issuer propose to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, the approval of the shareholders of the Issuer must first be obtained and notice of the intention must be filed with the Superintendent of Brokers for the Province of British Columbia.

In the event of any material change in the affairs of the Issuer during the primary distribution of the Shares offered by this Prospectus, an amendment of this Prospectus will be filed. Following completion of primary distribution of the Shares offered by this Prospectus, the shareholders of the Issuer will be notified of any material changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

As more particularly described under the heading "Description of Business and Properties of the Issuer" the Issuer has retained the right to acquire certain mineral claims in consideration of the issuance of common shares of the Issuer. The number of shares to be issued will be a function of the property option payments discussed under the aforesaid heading and the value of the Issuer's shares at the time of such determination and subject always to securities regulatory approval.

OPTIONS TO PURCHASE SECURITIES

As of the date of this Prospectus, the Issuer has granted share purchase options to certain of its Directors and Employees totalling 168,500 common shares at a price of \$0.33 per share, exercisable for a two (2) year period until June 15, 1989. The options are non-transferable and may only be exercised during the tenure of office or employment and for thirty (30) days thereafter.

The options granted are as follows:

<u>Name of Director</u>	<u>No. of Shares</u>
Alex P. Guidi	74,500
Mark H. Boppre	10,000

<u>Name of Employee</u>	<u>No. of Shares</u>
Goran Bilandzija	30,000
Ken Surina	20,000
Lou Guidi	34,000

The Issuer's employees provide financial and geological consulting services to the Issuer and their only compensation is the above stock options. Options are granted to members of management by the Issuer at the discretion of the Board of Directors from time to time based upon their assessment of management compensation which is in the best interests of the Issuer. Options granted by the Issuer are in accordance with prevailing regulatory policies which provide for limitations on the number, frequency and minimum exercise terms of any options granted.

SHARE CAPITAL STRUCTURE

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of Sept. 30, 1987</u>	<u>Amount Outstanding as of April 30, 1987 (date of balance sheet in Prospectus)</u>	<u>Amount Outstanding if all Shares are Sold</u>
Common Shares	25,000,000	1,093,333	1,093,333	1,693,333

Notes:

1. As at the date of the most recent balance sheet of the Issuer, April 30, 1987, the Issuer did not have a deficit or retained earnings.
2. There are a total of 168,500 outstanding options to acquire common shares of the Issuer (see "Options to Purchase Securities").

PRIOR ISSUANCE OF SHARES

There have been no sales of shares by the Issuer for other than cash and there are no shares under this Prospectus being offered for other than cash consideration. Prior sales of shares for cash are as follows:

<u>No. of Shares</u>	<u>Price Per Share</u>	<u>Commissions Paid</u>	<u>Net</u>
750,000	\$ 0.01	NIL	\$ 7,500.00 (escrow)
258,000	\$ 0.25	NIL	64,500.00
53,333	\$ 0.45	NIL	23,999.85
32,000	\$ 0.65	NIL	20,800.00
<hr/>			
1,093,333			\$ 116,799.85

All of the foregoing shares were sold for cash during the preceding twelve (12) months. A total of 127,333 free trading shares sold for a total of \$51,300.00 were issued on a flow-through basis and all escrow shares were similarly issued on a flow-through basis.

ESCROWED SHARES

As of the date of this Prospectus, 750,000 shares are held in escrow by The Guaranty Trust Company, 2nd Floor, 800 West Hornby Street, Vancouver, British Columbia, V6C 2V7 subject to the direction or determination of the Superintendent of Brokers (herein the "Superintendent"). 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 tradings of the shares without the prior consent of the Superintendent while the Issuer is not listed on the Vancouver Stock Exchange (the "Exchange").

All of the 750,000 escrowed shares have been issued to Alex P. Guidi, President and a Director of the Issuer in consideration of \$0.01 per share. These shares have been issued pursuant to the Superintendent's policies relating to allowable Principals' incentive share positions. Any release of shares from escrow will be subject to the discretion of the Exchange should the Issuer obtain such a listing. Release of shares held in escrow will be based upon consideration of the Issuer's success and the

degree of responsibility for such success attributed the Principals. Any escrowed shares not released within ten (10) years of the date of this Prospectus will be surrendered by the holders thereof to the Issuer by way of gift for cancellation.

<u>Designation of Class</u>	<u>No. of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	69%

POOLED SHARES

There are no shares held in pool.

DIRECTORS AND OFFICERS

The names, addresses and principal occupations in which each of the Directors and Officers of the Issuer have been engaged during the immediately preceding five years are as follows:

<u>Name and Address</u>	<u>Position</u>	<u>Principal Occupation</u>
ALEX PAUL GUIDI* 385 Yates Road Kelowna, British Columbia V1Y 7P9	President & Director	President and Director, Skyworld Resources & Development Ltd.; Real Estate Salesman, Four Seasons Realty Corp., Kelowna, British Columbia, November, 1985 to date; Salesman, Orchard City Real Estate Ltd., Kelowna, British Columbia, February, 1984 to November, 1985; Salesman, Guidi Construction Ltd., August, 1982 to February, 1984; Salesman, Hoover Realty Ltd., May, 1979 to August, 1982
MARGARET JOHANNA MARIA GUIDI 385 Yates Road Kelowna, British Columbia V1Y 7P9	Secretary	Homemaker, August, 1983 to present; March, 1981 to August, 1983, Secretary, Receptionist, Bookkeeper, Central Okanagan Elizabeth Fry Society; Director, Skyworld Resources & Development Ltd.

<p>MARK HARVEY BOPPRE* 456 Wardlaw Avenue Kelowna, British Columbia V1Y 5B4</p>	<p>Director</p>	<p>Real Estate Salesman, 4 Seasons Realty Corp., November, 1985 to date; Salesman, Orchard City Real Estate Ltd., Kelowna, British Columbia, January, 1984 to November, 1985; Salesman, A.E. LePage, March, 1982 to January, 1984</p>
<p>EUGENE NAPOLEON LARABIE* 325 Peck Road Kelowna, British Columbia V1X 4K1</p>	<p>Director</p>	<p>Self-employed mining consultant; Officer or Director of several public resource companies</p>

* designates a member of the Issuer's audit committee

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

To April 30th, 1987 management fees and office overhead expenses of \$3,000.00 have been paid directly or indirectly to Alex Guidi, the Issuer's President and Director. Since April 30th, 1987 the Company has paid management fees of \$1,000.00 per month to Alex Guidi and \$1,000.00 per month to Roma Developments Ltd. (wholly owned by Alex Guidi) for offices, rent, clerical duties and the like. Accordingly management fees and office overhead expenses totalling \$13,000.00 have been expended to September 30th, 1987 by the Issuer.

Mr. Guidi's services are to investigate, evaluate and negotiate on behalf of the Issuer mineral properties of merit as well as perform all other functions normally performed by a chief executive officer.

It is anticipated that Directors and Senior Officers will be remunerated for their services according to the applicable policies of the regulatory authorities having jurisdiction over the Issuer once the affairs of the Issuer require the full-time management. These policies currently provide for a maximum aggregate management remuneration of \$2,000.00 per month. See also the heading "Options to Purchase Securities".

INTEREST OF MANAGEMENT OR OTHERS IN MATERIAL TRANSACTIONS

The Directors and Senior Officers of the Issuer have no interest in any material transactions in which the Issuer has participated

or intends to participate at this time except as herein disclosed.

PRINCIPAL HOLDERS OF SECURITIES

- (a) As of the date of this Prospectus, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the Issuer's shares:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Description of Class</u>	<u>No. of Shares</u>	<u>Percentage of Shares Outstanding</u>
Alex P. Guidi 385 Yates Road Kelowna, British Columbia	direct & beneficial	Common (escrow)	750,000	69%

- (b) The number and percentage of shares 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>Number of Shares Beneficially Owned</u>	<u>Percentage of Class</u>
Common	783,333	72%

DIVIDEND RECORD

The Issuer has not, since its incorporation, paid any dividends on any of its shares. The Issuer has no present intention to pay dividends, but the future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

AUDIT COMMITTEE

The Audit Committee of the Issuer as prescribed by the British Columbia Company Act consists of Messrs. Guidi, Boppre and Larabie.

PROMOTERS

By virtue of the definition as set out in Section 1(1) of the Securities Act (British Columbia) Alex Guidi can be considered

the Promoter of the Issuer. Mr. Guidi has received 750,000 escrowed shares of the Issuer (issued on a flow-through basis) at the price of \$0.01 per share and management fees and reimbursement of overhead expenses incurred on behalf of the Issuer of \$13,000.00. Mr. Guidi has also been granted an option to purchase 74,500 shares of the Issuer at a price of \$0.33 per share until June 15th, 1989. Mr. Guidi purchased 30,000 non-escrowed shares on a flow-through basis, which shares were subsequently sold to a relative with Mr. Guidi retaining the tax benefit thereof.

PENDING LEGAL PROCEEDINGS

The Issuer is not a party to any legal proceedings nor are any such proceedings contemplated.

SOLICITORS

The solicitors for the Issuer are Messrs. Sobolewski Anfield, Barristers and Solicitors, of Suite 1600 - 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors for the Issuer are Thorne Ernst & Whinney, Chartered Accountants, of 200 - 478 Bernard Avenue, Kelowna, British Columbia, V1Y 6N7.

The Registrar and Transfer Agent for the Issuer is The Guaranty Trust Company, 2nd Floor, 800 West Pender Street, Vancouver, British Columbia, V6C 2V7.

PRELIMINARY EXPENSES

Since the date of incorporation of the Issuer, namely February 24th, 1987, it has incurred preliminary expenditures consisting primarily of mineral acquisition and exploration costs. As more particularly disclosed in the accompanying financial statements the Issuer has expended some \$35,566.00 in exploration costs to April 30th, 1987 and has made additional subsequent expenditures of \$12,269.00. Of these expenditures \$31,093.00 have been renounced for tax purposes by the Issuer pursuant to flow-through share subscriptions as the expenditures qualify as Canadian Exploration Expenses. The Issuer has deferred administrative costs of \$10,043.00 to April 30th, 1987 and will be deferring an

additional approximately \$10,000.00 subsequent to this date for management fees and overhead expenses paid to September 30th, 1987. The Issuer anticipates ongoing administration expenditures related to rent, office and management fees in the magnitude of approximately \$3,000.00 per month. Since April 30th, 1987 management conducted a magnetometer survey of the Claims at a cost of approximately \$12,600.00. Other than this expenditure and accrual of administrative expenses the Issuer has not been active.

CONFLICT OF INTEREST

Three of the Directors and Officers of the Issuer are the Directors and Officers of other companies engaged in mineral exploration. In order to avoid conflicts of interest which may arise between the Directors' duties to the Issuer and their duties to other companies on whose boards they serve, the Directors and Officers have agreed to the following:

- (a) Participation in mineral prospects offered to the Directors will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate; and
- (b) Exploration prospects formulated by or through the other companies in which the Directors and Officers are involved will not be offered to the Issuer except on the same or better terms than the basis on which they are offered to third parties participants.

MATERIAL CONTRACTS

Material contracts to which the Issuer is a party are as follows:

- (a) Property Acquisition Agreement dated March 26, 1987 and as amended June 11th, 1987 between the Issuer and George Sipos and Mr. Mike Linn;
- (b) Escrow Agreement dated June 15, 1987;
- (c) Stock Option Agreements for a total of 168,500 shares of the Issuer dated June 15, 1987;
- (d) Agency Agreement between the Issuer and Yorkton Securities Inc. dated June 15th, 1987.

All of the aforementioned Agreements are more particularly described in this Prospectus.

All material contracts to which the Issuer is a party may be inspected at its registered and records office during normal business hours while primary distribution of the shares offered hereunder is in progress and for a period of thirty (30) days thereafter.

OTHER MATERIAL FACTS

There are no other material facts with respect to the Issuer's affairs.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act provides a purchaser with a right to withdraw from an agreement to purchase securities within two (2) 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.

PROGRESSIVE MINERALS LTD.

AUDITED FINANCIAL STATEMENTS

APRIL 30, 1987

PROGRESSIVE MINERALS LTD.

AUDITED FINANCIAL STATEMENTS

APRIL 30, 1987

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Balance Sheet.....	2
Statement of Deferred Exploration, Development and Administrative Costs.....	3
Statement of Changes in Financial Position	4
Notes to Financial Statements.....	5-7

Thorne Ernst & Whinney

Chartered Accountants

200-478 Bernard Avenue
Kelowna, British Columbia, Canada
V1Y 6N7

(604) 763-5522

AUDITORS' REPORT

To the Directors of
Progressive Minerals Ltd.

We have examined the balance sheet of Progressive Minerals Ltd. as at April 30, 1987 and the statements of deferred exploration, development and administrative costs and changes in financial position for the period from incorporation on February 24, 1987 to April 30, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at April 30, 1987 and the results of its operations and changes in its financial position for the period from incorporation on February 24, 1987 to April 30, 1987 in accordance with generally accepted accounting principles.

September 30, 1987

Thorne Ernst & Whinney

PROGRESSIVE MINERALS LTD.

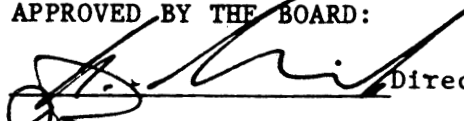
BALANCE SHEET

	<u>April 30</u> <u>1987</u>
ASSETS	
CURRENT ASSETS	
Cash and term deposits	\$ 54,220
CASH RESERVED FOR EXPLORATION AND DEVELOPMENT (note 2(d))	27,707
MINERAL INTERESTS	
Mining claim interests (note 1)	10,250
Deferred exploration, development and administrative costs	<u>45,307</u> <u>55,557</u>
	<u>\$ 137,484</u>
LIABILITIES AND CAPITAL STOCK	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 20,684
CAPITAL STOCK (note 2)	
Authorized	
25,000,000 common shares without par value	
Issued	
1,093,333 common shares	<u>116,800</u>
	<u>\$ 137,484</u>

SUBSEQUENT EVENT (note 5)

COMMITMENT (note 2(c))

APPROVED BY THE BOARD:



Director



Director

PROGRESSIVE MINERALS LTD.

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE COSTS

	From incorporation on February 24, 1987 to April 30 1987
Claims exploration expenditures (note 3)	\$ 35,566
Administrative expenditures	
Professional fees	5,000
Travel	641
Office	2,360
Management fees	2,000
Bank charges	42
	<u>10,043</u>
Less	
Interest earned on temporary investment	(302)
	<u>9,741</u>
DEFERRED COSTS AT END OF PERIOD	<u>\$ 45,307</u>

PROGRESSIVE MINERALS LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	From incorporation on February 24, 1987 to April 30 1987
CASH RESOURCES PROVIDED BY (USED FOR)	
FINANCING	
Issue of common shares	\$ 116,800
INVESTING	
Investment in mining claims	(10,250)
Investment in deferred exploration, development and administrative costs	(45,307)
Changes in non-cash operating working capital	<u>20,684</u>
CASH AT END OF PERIOD	<u>\$ 81,927</u>

Cash is defined as cash and term deposits and cash reserved for exploration and development.

PROGRESSIVE MINERALS LTD.

NOTES TO FINANCIAL STATEMENTS

FROM INCORPORATION ON FEBRUARY 24, 1987

TO APRIL 30, 1987

GENERAL

The company is incorporated under the laws of British Columbia and its principal business activities include mineral exploration and development in Canada. The company commenced operations on incorporation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

Mineral interests

The company capitalizes all acquisition, exploration, development and administrative costs related to exploration and development of mineral properties on a property by property basis. The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves. These deferred costs reflect expenditures to date and do not necessarily reflect present or future values.

1. MINING CLAIM INTERESTS

During the period, the company paid \$10,000 to enter into an option agreement to earn a 100% working interest in certain of the Maggie May claims, situated near Kaslo, B. C. The company also paid \$250 to record additional claims within this group. To exercise their option the company is obligated to pay an additional \$390,000 as follows:

- a) \$170,000 in cash or, at the option of the company, in shares of the company, payable at specified intervals until April 3, 1992. Should the company choose to issue shares, the number of shares to be issued will be determined by the value of the company's shares at the close of business on each specified payment date.
- b) \$220,000 in cash or shares payable on October 31, 1992.
- c) The company is obligated to pay a 5% net smelter return to the vendors, however, this amount is to be credited against the purchase price.
- d) The company has the right to prepay any or all of the amount owing, in cash or shares, at any time during the option period.

PROGRESSIVE MINERALS LTD.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. CAPITAL STOCK

Shares issued since incorporation are as follows:

	<u>Number of shares</u>	<u>Amount</u>
Issued for cash	<u>1,093,333</u>	<u>\$ 116,800</u>

a) Escrow Shares

Included in the shares issued for cash are 750,000 escrow shares issued at 1¢ per share. These shares are held in escrow subject to the order of the Superintendent of Brokers for the Province of British Columbia.

b) Options

The directors and certain employees have been granted options to purchase up to 168,500 shares of the company at 33¢ per share. These options expire June 14, 1989.

c) Option Agreement

Under an option agreement discussed in note 1, the company may issue an undetermined number of shares as consideration for the purchase of the Maggie May claims.

d) Cash Reserved for Exploration and Development

Included in shares issued for cash are 877,333 flow-through shares for a total amount of \$58,800 which the company has committed to expend on exploration and development. The company has agreed to renounce in favor of investors income tax deductions related to the expenditure of these funds. During the period, the company expended \$31,093 of these funds, with the remainder to be expended subsequent to the period end.

PROGRESSIVE MINERALS LTD.

NOTES TO FINANCIAL STATEMENTS (Continued)

3. CLAIMS EXPLORATION EXPENDITURES

All of the claims exploration expenditures incurred to the period end relate to the Maggie May claims. These expenditures are allocated as follows:

Exploration work at claim site	\$ 31,365
Engineering services	3,200
Laboratory services	532
Travel to claim site	<u>469</u>
	<u>\$ 35,566</u>

Subsequent to the period end an additional \$12,269 was expended on these claims.

4. RELATED PARTY TRANSACTION

During the period, the company paid \$3,000 for management services and office overhead to a company controlled by Alex P. Guidi, a shareholder and director.

5. SUBSEQUENT EVENT

The company has entered into an agreement to offer 600,000 shares to the public for net proceeds of \$180,000, through the facilities of the Vancouver Stock Exchange. As consideration for agreeing to purchase any unsubscribed shares at the conclusion of the offering, the agent will receive warrants entitling them to purchase up to 100,000 shares at a price of \$1.00 per share. These warrants will expire at the earliest of 180 days after the date of listing on the Exchange and one year after the date of the prospectus.

**GEOLOGICAL REPORT
ON THE
JOHN L. AND MAGGIE MAY CLAIM AREA**

Lardeau River, B.C.
NTS 82K/6E
50°28' North Latitude
117°14' West Longitude
Slocan Mining Division

- Prepared for -

PROGRESSIVE MINERALS LTD.

- Prepared by -

C.K. IKONA, P.Eng.

September, 1987

GEOLOGICAL REPORT on the JOHN L. and MAGGIE MAY CLAIM AREA

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GEOLOGICAL REPORT on the JOHN L. and MAGGIE MAY CLAIM AREA

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1.0 INTRODUCTION

Progressive Minerals Ltd. holds an option to acquire 100% interest in a claim group comprising 36 located units and 9 reverted Crown grants centred to the west of the Lardeau River on Tenderfoot Creek in the west Kootenay valley of B.C.

These claims were the subject of discussions in the Annual Report of the Minister of Mines for B.C. between 1898 and 1904 when good precious metal values were reported. Although work has been conducted in the area subsequently, it was not until Progressive's work program in the spring of 1987 that some of the old workings were relocated.

The program was conducted under the direction of the writer between April 1 and May 10, 1987 and was successful in locating high grade gold and silver values with attendant base metals associated with the old John L. workings reported on in 1901 and 1902.

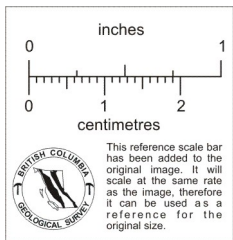
Details of this program are presented in Section 7.2 of this report. A crew of six men mapped, surveyed and prospected the area and employed a D-6 caterpillar tractor and a Cat 225 backhoe to construct access roads, open the old portals and excavate trenches. The project was based in Meadow Creek, a small community on Highway 31 some 25 km south of the property.

This report is intended to summarize the results of this program and gives recommendations for additional work on the property.

2.0 LIST OF CLAIMS

LOCATED CLAIMS

<u>Name</u>	<u>Record No.</u>	<u>Units</u>	<u>Expiry Date</u>
Maggie	5178	18	Jan. 21, 1988
May	5177	18	Jan. 21, 1988
March	5232	12	March 13, 1988



PROGRESSIVE MINERALS LTD.			
JOHN L. & MAGGIE MAY CLAIM AREA			
PROPERTY LOCATION MAP			
PAMICON DEVELOPMENTS LTD.			
DRAWN J.W.	N.T.S. 82 K-6E	DATE MAY-1987	FIG. 1.

REVERTED CROWN GRANTS

<u>Name</u>	<u>Record No.</u>	<u>Lot No.</u>	<u>Expiry Date</u>
Maggie May	5205	L2437	January 7, 1988
Maggie May No. 2 } Interloper }	5206	L2442 L2443	January 7, 1988
John L. } Mareyen Fr. } Liza Fr. }	5207	L5898 L5899 L5900	January 7, 1988
Spokane	5208	L1366	January 7, 1988
Louise	4954	L4740	March 19, 1988
Glengarnock	4955	L5897	March 19, 1988

The claims are owned by Mr. George Sippos and Mr. Mike Linn of Kaslo, B.C. and are under option to Progressive Minerals Ltd. An additional reverted Crown grant, the Ruby Fraction, Record No. 5273 (L2444) is under option to Progressive from Mr. Alex Guidi of Kelowna, B.C.

Posts and location lines noted by the writer for the located claims appear to be in accordance with the regulations of the Department of Energy, Mines and Petroleum Resources for B.C.

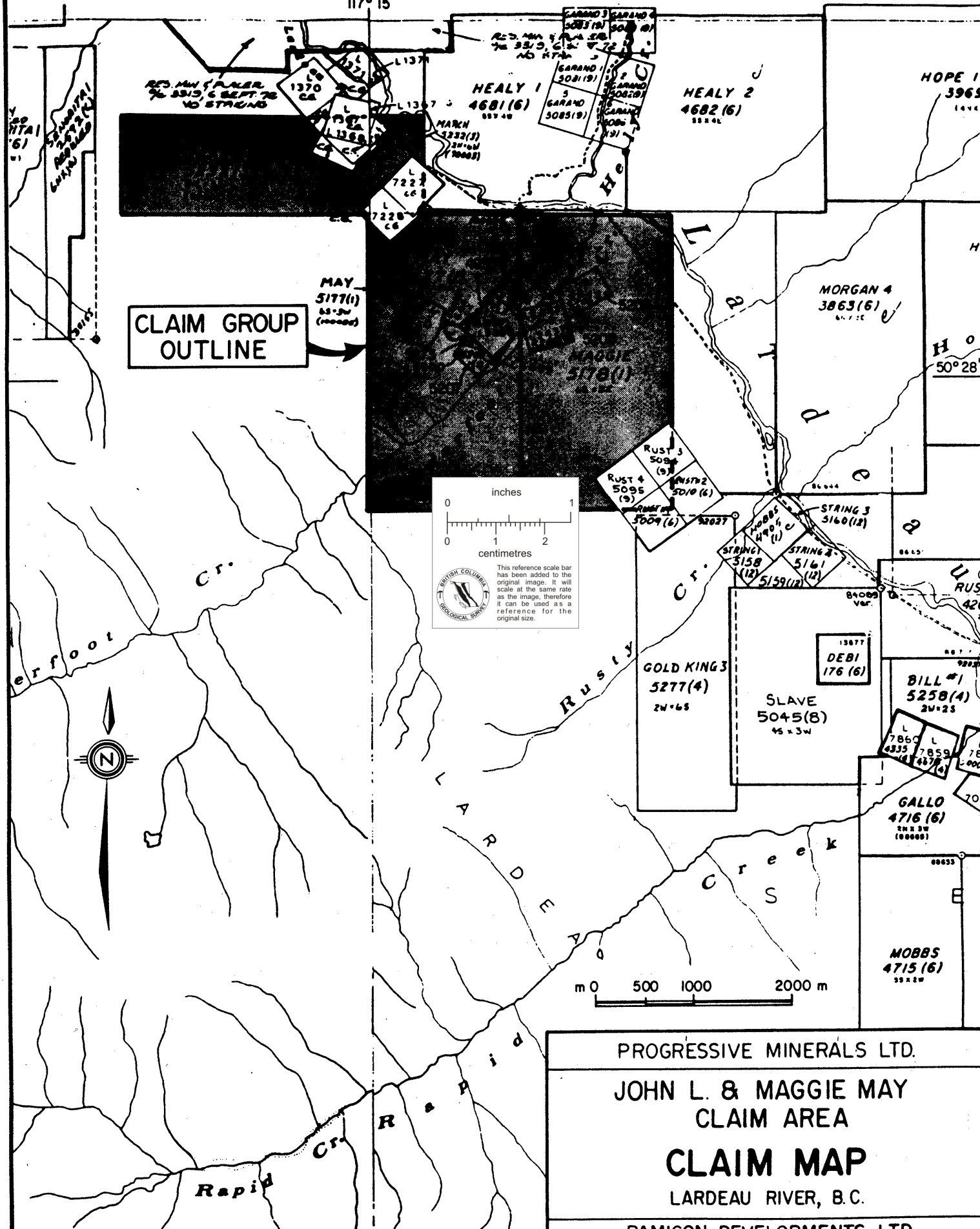
3.0 LOCATION, ACCESS AND TOPOGRAPHY

The property is located on the west bank of the Lardeau River north of Kootenay Lake in British Columbia. The claims are centred at approximately 50°28' north latitude and 117°14' west longitude on NTS Map Sheet 82K/6E.

Figure 2 of this report shows the location of the located claims and Crown grants. Figure 2a shows the area of Progressive's 1987 field program.

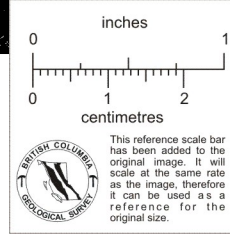
B.C. Highway 31 between Trout Lake and Kaslo passes through the northern portion of the claims and logging roads provide access to portions of the northwestern and northeastern claim area. Kaslo lies some 83 km south of

117° 15'



CLAIM GROUP OUTLINE

MAY 5177(1)
65-9w
(10000)



PROGRESSIVE MINERALS LTD.
 JOHN L. & MAGGIE MAY
 CLAIM AREA
CLAIM MAP
 LARDEAU RIVER, B.C.

PAMICON DEVELOPMENTS LTD.

5207- CLAIM RECORD NUMBER

DRAWN	PROJECT	DATE	FIG.
J.W.		May - 1987	2

117° 15'

RES. MIN. P. A. K. E. R.
76 3313, 6 SEPT 78
10 STRONG

HEALY 1
4681 (6)

HEALY 2
4682 (6)

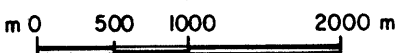
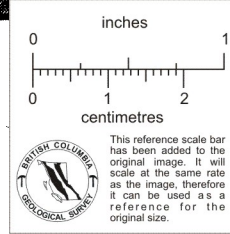
HOPE 1
3965

CLAIM GROUP
OUTLINE

MAY
5177(i)
65-20
(100000)

MORGAN 4
3863 (6)

HOPE
50° 28'



PROGRESSIVE MINERALS LTD.

JOHN L. & MAGGIE MAY
CLAIM AREA

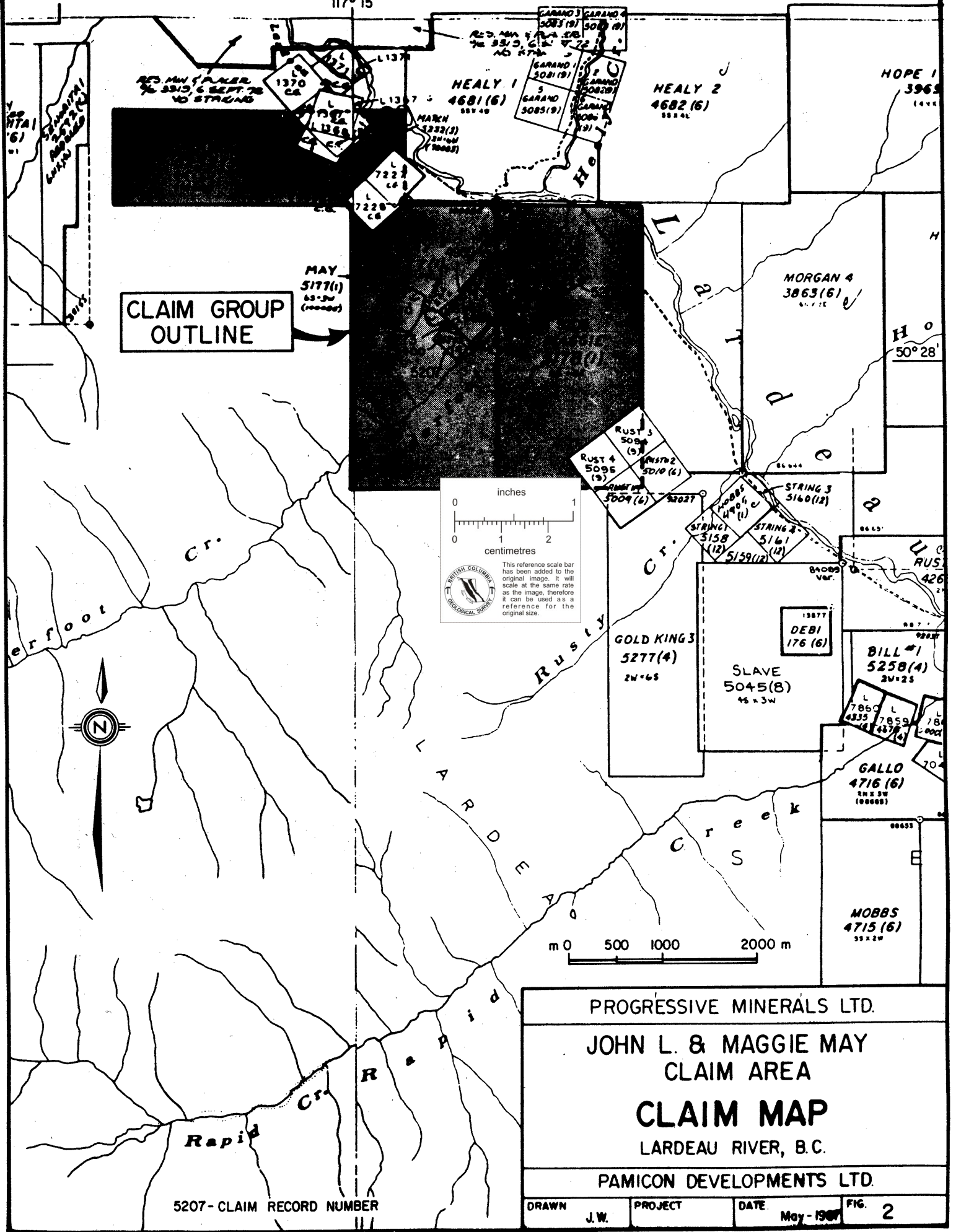
CLAIM MAP

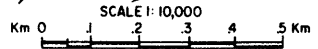
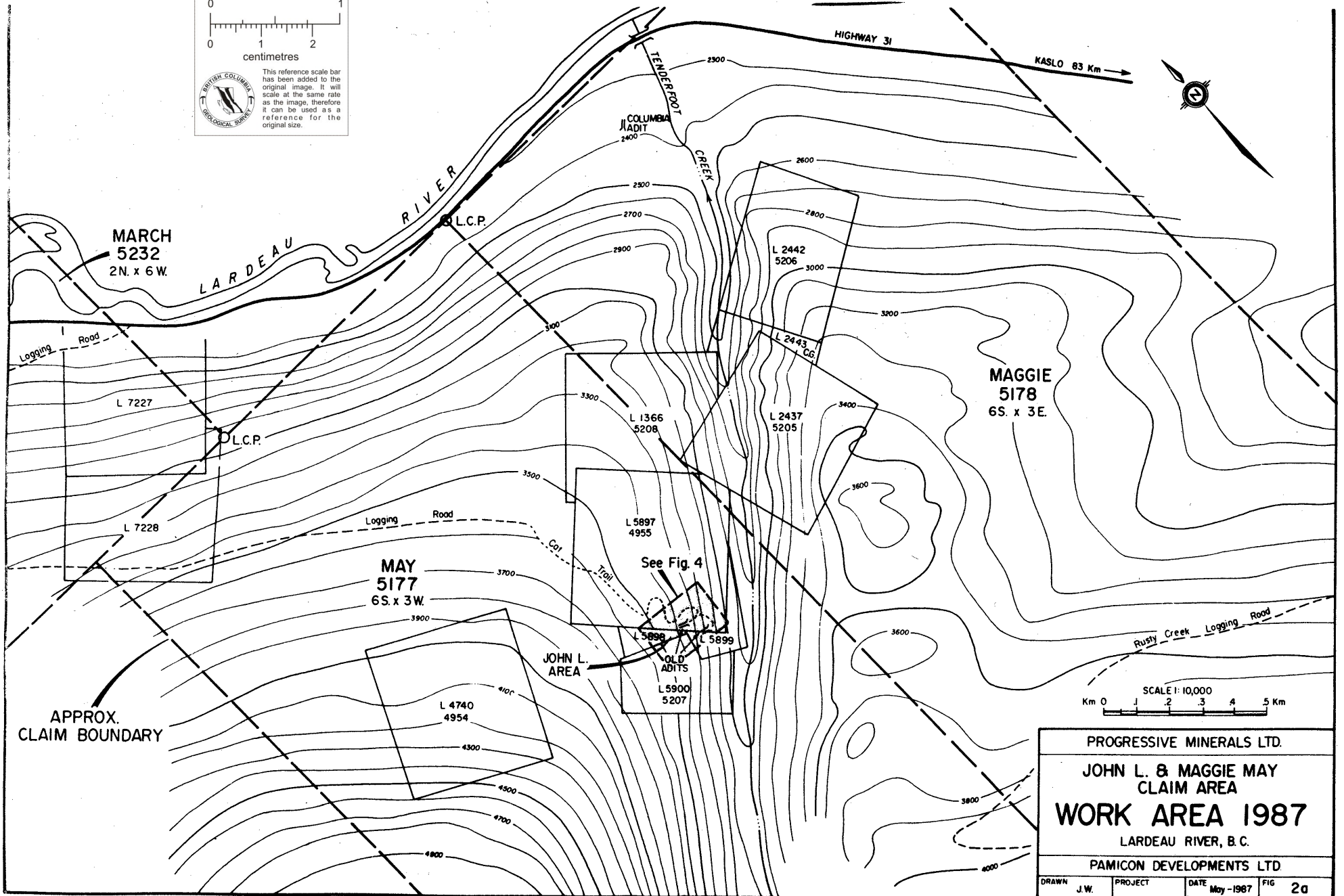
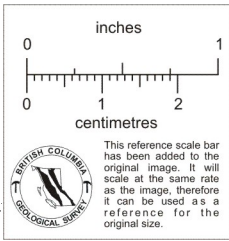
LARDEAU RIVER, B.C.

PAMICON DEVELOPMENTS LTD.

DRAWN J.W.	PROJECT	DATE May - 1987	FIG. 2
---------------	---------	--------------------	-----------

5207 - CLAIM RECORD NUMBER





PROGRESSIVE MINERALS LTD.			
JOHN L. & MAGGIE MAY CLAIM AREA			
WORK AREA 1987			
LARDEAU RIVER, B.C.			
PAMICON DEVELOPMENTS LTD.			
DRAWN	J.W.	PROJECT	DATE May-1987 FIG 2a

the property while the village of Gerrard, at the south end of Trout Lake, is 6 km northwest.

The property is situated between 2,500 and 3,500 feet a.s.l. and generally consists of moderate to steep well treed slopes. The exception to this is in Tenderfoot Creek itself where precipitous canyons occur and in areas where recent logging has removed the timber.

The area has moderately high precipitation but due to its relatively low elevation can generally be easily accessed between early April and November.

4.0 HISTORY

The claim area lies within the Kootenay arch, a geological region extending from northern Washington into south central British Columbia. The region has been responsible for the development of a myriad of mineral producers of both base and precious metals which are too numerous to enumerate within the present context.

Locally the property is located within the Ferguson area of the Kootenay arch. Historical producers from the area include the Triune, Silver Cup, Winslow, Nettie L. Broadview and True Fissure (see Figure 3). These deposits are generally veins containing galena, argentiferous tetrahedrite, sphalerite, and locally chalcopyrite and gold.

More recent interest in the area has been work on the Wagner property by Mikado Resources on the north side of the Lardeau River where extensive lead, zinc, silver and gold mineralization is being developed.

The Maggie May - John L. group has a history dating back to 1898. Reports of the Minister of Mines between 1898 and 1903 are quoted in Appendix 2. These indicate excellent values over good mining widths. Subsequent to

these the property was not developed although reports of attempts to locate these old workings are known.

Recently the claim area was covered during a reconnaissance program conducted by Western Mines in the region. This program consisted for the most part of a broad geochemical survey and although some anomalous values are reported no further work was done.

The claim group was subsequently assembled by the present vendors and the work reported on herein by Progressive was initiated. The location by Progressive personnel of the John L. workings during the program with attendant high assay values in gold and silver must be considered somewhat fortuitous given the age of the workings and the vegetation in the region.

Additional reported workings, notably the Maggie May and Silver Cable (see Appendix 2) have yet to be relocated although high grade, not in place, material has been located in the area of the reported location of the Maggie May.

5.0 REGIONAL GEOLOGY

The area is presented on the Geological Survey of Canada Open File 432. This shows the region underlain by Paleozoic units of the Lardeau group. The following three units of this group have been mapped in the area (Figure 3 and accompanying legend Figure 3a).

Broadview Formation: Grey and green phyllitic grit and phyllite, grey phyllitic limestone and limestone.

Jowett Formation: Green phyllite, limy green phyllite, greenstone, mafic lavas, pyroclastic rocks, argillite, minor limestone.

Index Formation: Grey and light green phyllite, minor phyllitic limestone and quartz grit.

CENOZOIC
 MESOZOIC
 PALEOZOIC to MESOZOIC
 PALEOZOIC
 PALEOZOIC to PROTEROZOIC
 PROTEROZOIC to PALEOZOIC
 PROTEROZOIC

- CENOZOIC**
- PLEISTOCENE AND RECENT**
- Q₁ Clastic deposits, recent alluvium, few if any moraine
 - Q₂ Landslide and rock strike debris
- CRETACEOUS AND/OR JURASSIC**
- K_{gd} CALVIN BAY STRIKE: muscovite-biotite granulite and quartz monzonite
 - K_{gd1} BATTLE MOUNT BATHOLITH (K_{gd1}, K_{gd2}, K_{gd3}): Pyritiferous staurolite
 - K_{gd4} Muscovite-biotite granulite, granulite; includes BUCKLEBAY STRIKE
 - K_{gd5} Biotite-hornblende quartz monzonite, granulite; also quartz diorite; includes BUCKLEBAY BATHOLITH
 - K_{gd6} BUCKLEBAY BATHOLITH (K_{gd6} to K_{gd7}): Biotite-hornblende quartz monzonite, granulite; also quartz diorite and granite. All contain perthite foliation megacrysts
 - K_{gd8} PROTEROZOIC-BASALTS: BROWN AND WAGNER CREEK STRIKES: hornblende-biotite quartz monzonite, also quartz diorite and granulite
 - K_{gd9} SOUTH WAGNER CREEK STRIKE: hornblende quartz monzonite
- JURASSIC AND/OR CRETACEOUS**
- J_{gd10} BROWN BAY STRIKE: biotite-hornblende quartz diorite, diorite, quartz monzonite, monzonite and syenite
 - J_{gd} BROWN BAY STRIKE AND EAST CARBON STRIKES: foliated hornblende quartz diorite; also quartz monzonite
- JURASSIC**
- J₁ SUPERJACOB BATHOLITH AND STRIKES (J₁, J₂, J₃): hornblende-biotite quartz monzonite; also leucogranite and leucogranite
 - J₂ Granite
 - J₃ Foliated and/or laminated leucogranite monzonite
- UPPER JURASSIC**
- UPPER DEVONIAN**
- U₁ ARCHIVAL FORMATION (U₁): grey argillite, shale and siltstone
- TRIASSIC AND (2) JURASSIC**
- TRIASSIC TO (2) LOWER JURASSIC (SERRANIAN)**
- TRIOLE GROUP**
- T₁ Grey meta-ambolite and meta-dolomite flow and tuff
 - T₂ Grey meta-ambolite and meta-dolomite tuff and flow
 - T₃ Grey to black phyllite, argillite, quartzite; also tuffaceous sandstone near top
 - T₄ Grey to black limestone; also argillite and quartzite
 - T₅ Conglomerate, sedimentary breccia; also sandstone
- PERMIAN AND/OR TRIASSIC**
- P₁ Hornblende and perovskite meta-dolomite and meta-ambolite (includes Poplar Creek Complex); texture and structure similar to undeformed
 - P₂ Serpentinized; also talc and tremolite schist
- MIDDLE GROUP**
- P₃ Meta-ambolite flow, tuff, breccia; also meta-dolomite; rare tuffaceous phyllite
- MEMBRANIFORM TO PERMIAN/EARLY OR PERMIAN**
- UPPER MEMBRANIFORM TO PERMIAN/EARLY OR PERMIAN**
- P₄ Light green to white chert
 - P₅ Grey and brown phyllite and meta-sandstone
 - P₆ Grey and white limestone, locally fossiliferous
 - P₇ Amphibolite meta-basalt flow
 - P₈ Conglomerate
- DEVONIAN**
- DEVONIAN (SERRANIAN?)**
- D₁ Biotite-hornblende granulite monzonite
- CAMBRIAN TO DEVONIAN OR OLDER**
- LOWER CAMBRIAN TO UPPER DEVONIAN OR OLDER**
- LOWER CAMBRIAN FORMATION (L₁ to L₁₀)**
- L₁ Limestone, grey phyllite limestone and grey phyllite
 - L₂ Grey and green phyllite grit and phyllite
 - L₃ JOINT FORMATION: green phyllite, light green phyllite, greenstone
 - L₄ BROWN CREEK FORMATION: dark grey to black siliceous phyllite
 - L₅ A.M. FORMATION: massive grey quartzite
 - L₆ TISSUE FORMATION: grey to black siliceous phyllite
 - L₇ TISSUE, A.M., BROWN CREEK FORMATIONS: undivided
 - L₈ TISSUE FORMATION (L₈ to L₁₀): green phyllite, light green phyllite, greenstone
 - L₉ Phyllite and arenaceous limestone/grey phyllite
 - L₁₀ Grey and light green phyllite; also phyllite limestone and quartz grit
 - L₁₁ Quartz grit; also gritty phyllite
 - L₁₂ Undivided: grey phyllite, siliceous phyllite, gritty phyllite, phyllite grit, rare quartzite
 - L₁₃ Undivided: green phyllite, light green phyllite, greenstone
 - L₁₄ Undivided: limestone, phyllite limestone
- CAMBRIAN**
- LOWER CAMBRIAN**
- L₁₅ BROWN FORMATION: Grey and white limestone
- DEVONIAN (SERRANIAN) AND/OR CAMBRIAN**
- DEVONIAN (SERRANIAN) AND/OR LOWER CAMBRIAN**
- MIDDLE GROUP (M₁ to M₁₀)**
- M₁ Green and brown meta-ambolite, siliceous quartzite; also limestone
 - M₂ Green phyllite, also grey phyllite and limestone
 - M₃ White to light grey limestone
 - M₄ BROWN BAY FORMATION: white, grey and brown quartzite, phyllite quartzite; also grey and black phyllite
 - M₅ BROWN BAY FORMATION (M₅, M₆): white quartzite
 - M₆ Green phyllite, greenstone
- DEVONIAN (SERRANIAN)**
- DEVONIAN (SERRANIAN) CREEK GROUP (D₁ to D₁₀)**
- D₁ Lower Devonian: quartzofeldspathic sandstone and siltstone, grey slate; also quartzofeldspathic grit; rare quartz pebble conglomerate
 - D₂ Limestone
 - D₃ Lower Devonian: quartzofeldspathic sandstone and grit; grey slate, also quartz pebble conglomerate; rare limestone
 - D₄ Undivided

- SYMBOLS OF STRIKE AND**
- g Granite, quartz monzonite
 - gd biotite-hornblende quartz monzonite
 - gd6 Limited biotite-quartzite quartz monzonite
 - gd7 Foliated quartzite
 - gd8 Biotite quartz gabbro

SEE CLASS HISTORICAL INDEX

SYMBOLS TO TRIASSIC

- UPPER MEMBRANIFORM GROUP**
- M₁₁ Biotite-quartzite
 - M₁₂ Biotite-quartzite, quartzite, amphibolite
 - M₁₃ Calc-silicate meta-ambolite, quartzite, white quartzite
 - M₁₄ Carbonate-shaped quartzite
 - M₁₅ Layered quartzite
 - M₁₆ Quartzite, also white
 - M₁₇ Biotite-quartzite, quartzite, quartziferous white and quartz
 - M₁₈ Biotite-siliceous white, sparse quartzite
 - M₁₉ Marble
 - M₂₀ Marble, also-basalt quartzite, white
 - M₂₁ Undivided

*Interstratified with unknown

PROGRESSIVE MINERALS LTD.
 JOHN L. & MAGGIE MAY
 CLAIM AREA
 REGIONAL GEOLOGY
 LARDEAU RIVER, B.C.

PAMICON DEVELOPMENTS LTD.
 PROJECT:

DRAWN:

DATE: May-1987

FIG. 3D

In general the units are structurally complex with thickening or thinning caused by isoclinal folding, shearing and flowage. The rocks have a low grade of regional metamorphism.

6.0 PROPERTY GEOLOGY

Figures 4 and 5 of this report present geology of the area investigated to date. These show in general a good correlation with regional mapping by the GSC both in rock types and structural complexity.

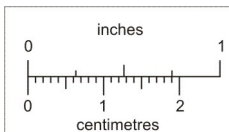
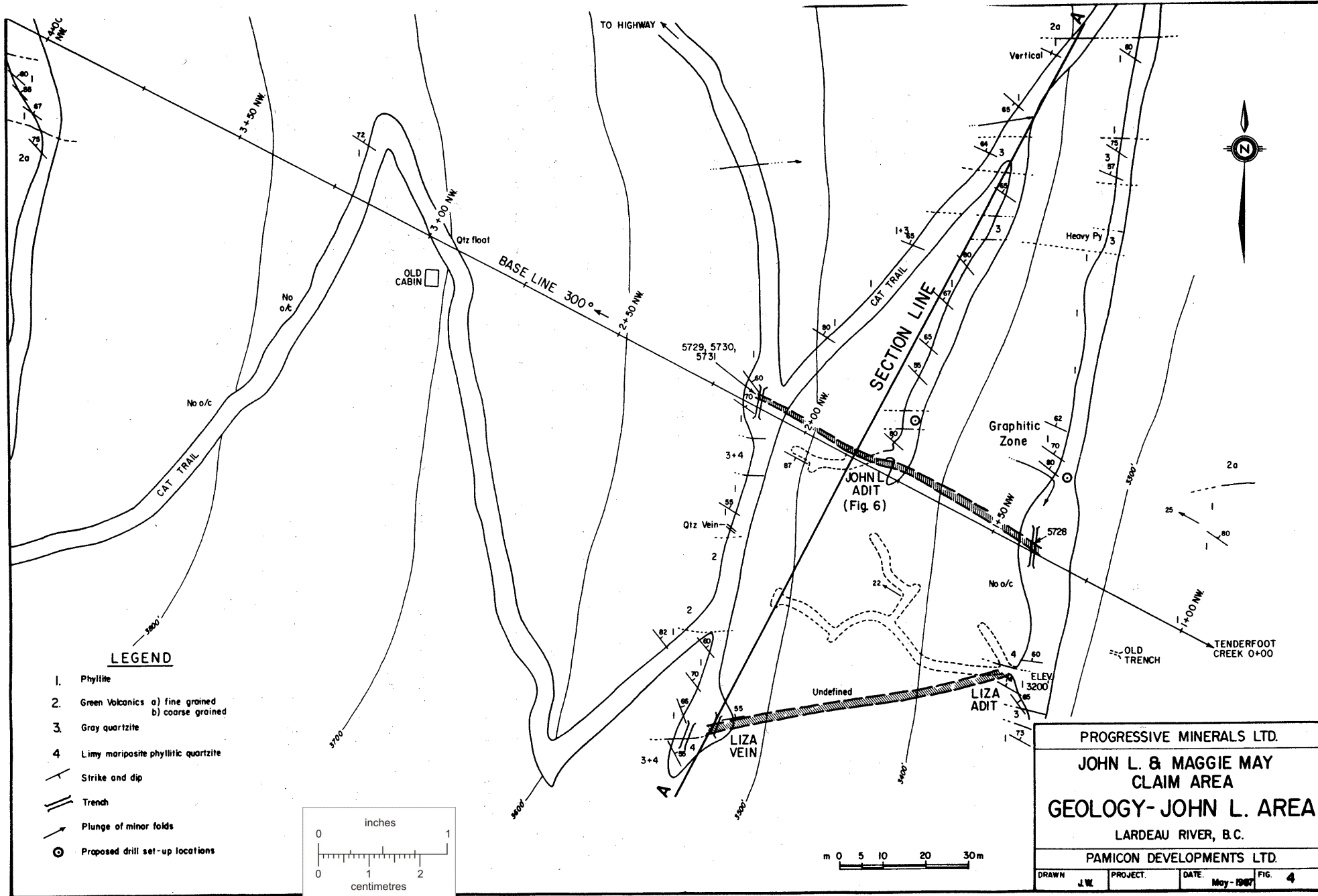
The units consist of phyllites, argillites, andesites and quartzites which generally strike northwesterly and dip steeply to the northeast. Fairly extensive silica flooding of the units on parting planes and fractures is evident along with areas of extensive limonitic alteration.

Within the unit several structurally controlled veins of massive quartz containing pyrite and limonite have been recognized. These strike generally northwest and appear to have a wide distribution. Economic values located to date for these veins have generally been low with the exceptions discussed below.

John L.: Old workings along a strong quartz vein exposed assay values of up to 4 oz/ton Au and 12 oz/ton Ag from selected material along with associated base metals.

Liza: A subparallel structure to the west of John L., not well exposed but silicification and some base metals are present. Precious metal values are low (.002 oz/ton Au and 2.04 oz/ton Ag) but the structure requires further development.

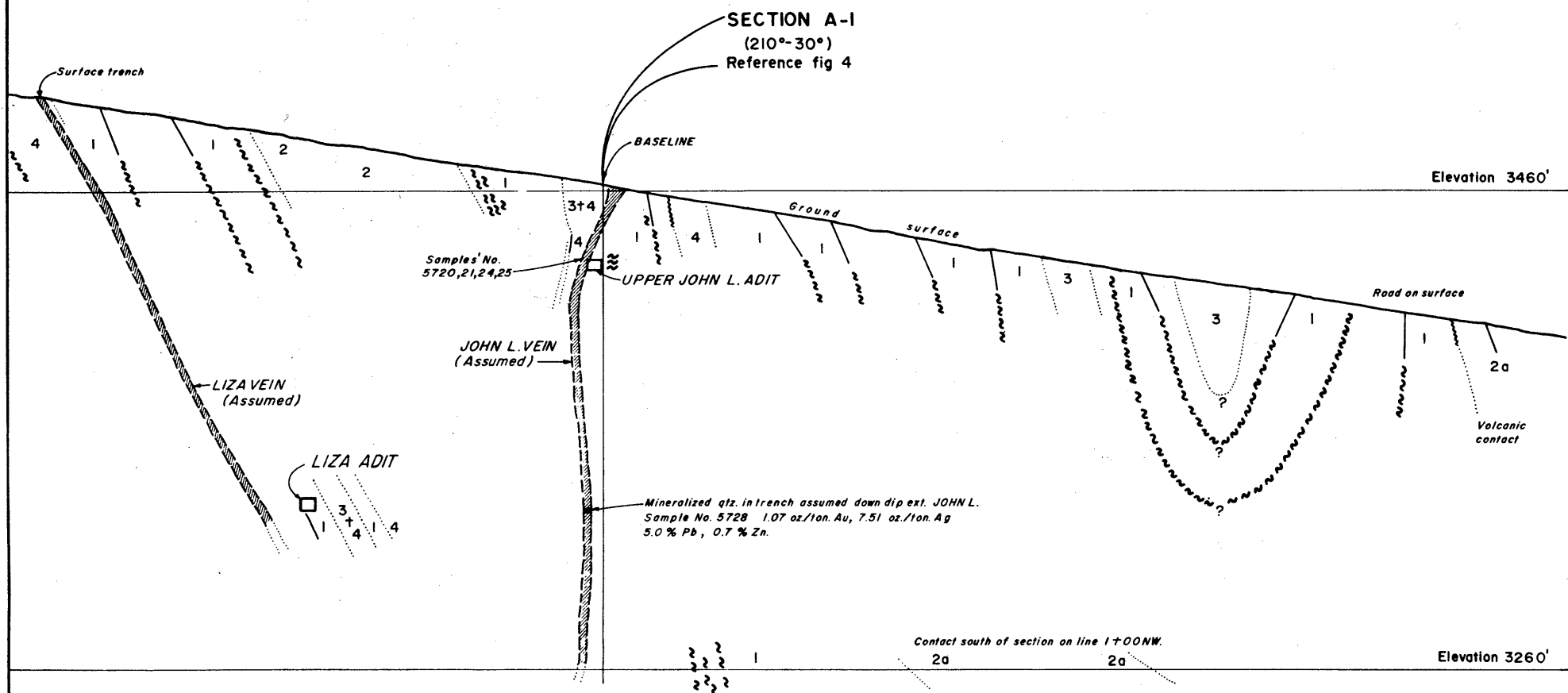
Maggie May: The old workings as reported in the 1902 Minister of Mines Report have not been located as the area is rugged with dense vegetation. While attempting to locate the workings a sample of material,



BRITISH COLUMBIA
 GEOLOGICAL SURVEY

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



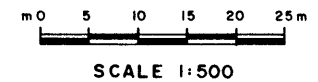
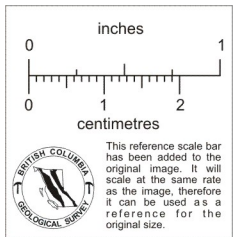


LEGEND

- 1 Phyllite
- 2 Green andesite
 - a. Fine grained
 - b. Coarse grained
- 3 Grey quartzite
- 4 Limy mariposite phyllitic quartzite

NOTE:

Sample results shown in Table 1 and in Appendix



PROGRESSIVE MINERALS LTD.			
JOHN L. AND MAGGIE MAY CLAIM AREA			
CROSS - SECTION			
JOHN L. AREA			
LARDEAU RIVER, B.C.			
PAMICON DEVELOPMENTS LTD			
DRAWN	RM	WT.S. 82K-6E	DATE May 1987
			FIG. 5

not in place but possibly representing fly rock from blasting or downslope material was picked up. This material assayed 70.1% lead and 80.5 oz/ton silver which corresponds to the Minister of Mines description. More prospecting in the area is warranted.

Columbia: The old reported workings were located and mapped. A narrow vein containing lead, zinc and silver is present. Assay results of up to 21.8% zinc, 2.37% lead, and 1.72 oz/ton silver were obtained.

A more complete discussion of these structures is contained in the following sections of this report.

7.0 1987 PROGRAM

7.1 PROJECT BACKGROUND

A discussion of historical reports on the project is contained in Section 4 of this report and Appendix 2. The only previously recorded work was a wide spaced soil geochemical sampling grid by Western Mines in 1980. The grid did not include the Crown grants as they were not controlled by Western at the time. Figure 9 shows the extent of the Western survey and areas of potential interest. In general results of the survey showed some spot highs in precious metals and several areas of very subdued base metal values. Taken independently it is easily apparent why Western Mines did not pursue these results further. With the location of the John L. structure and the absence of geochemically anomalous results obtained from the sampling of its strike extensions the Western results require further re-examination. This is discussed further in Section 7.3.4 of this report.

7.2 PROGRAM

The program conducted by Progressive consisted of:

- reopening of existing logging roads to gain access to the northern portion of the group and reverted Crown grants
- location of 1902 John L. workings followed by construction of a cat trail into these and trenching employing a Cat 225 backhoe
- geological mapping of John L. area and underground workings
- sampling of mineralized structures exposed
- geochemical sampling on John L. to determine what geochemical signature, if any, exists
- geochemical sampling of several of the Western anomalies to reconfirm these
- prospecting in the area of the Maggie May Crown grant to attempt to locate these workings
- location and geological mapping of the Columbia workings

At this point in the program it became evident that additional meaningful work on the property would entail greater expenditures than the existing budget allowed. On my recommendation the program was halted even though the budget had not been fully expended.

7.3 PROGRAM RESULTS

7.3.1 John L. Area

The relocation of the old John L. workings and the subsequent trenching and reopening of the adits is the most significant result of the program. Figures 4 through 7 show the results of this work.

Two adits and a number of old trenches were located. Initial indications were that both adits were located on the same structures. Subsequent work now indicates that they are on separate structures as shown in Figures 4 and 5. The upper adit appears to be located on the main John L. structure, a steeply dipping zone up to 8 feet in width containing massive quartz with areas of extensive sulphide mineralization containing both precious metal and base metal values.

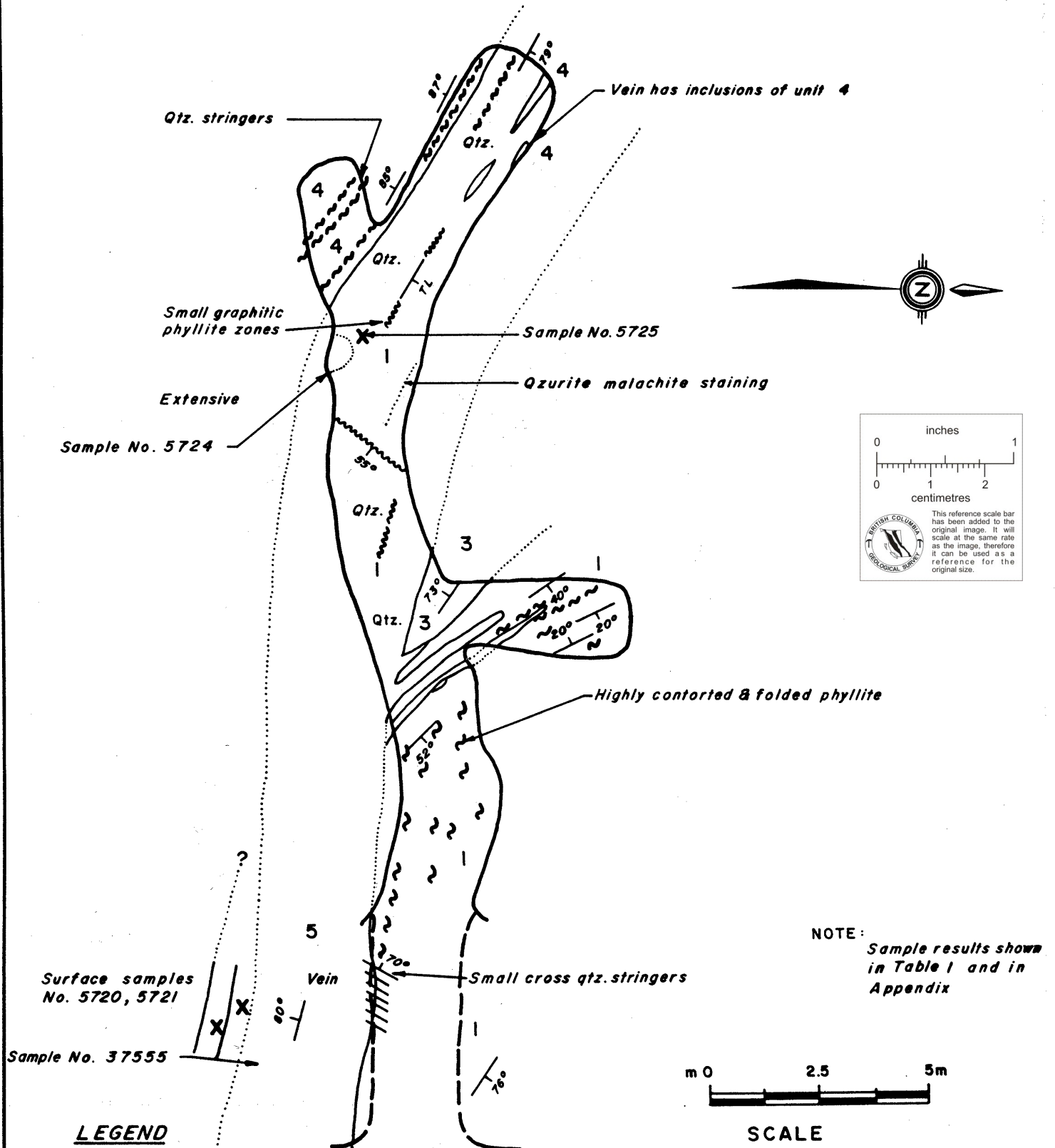
The lower adit appear to be located on a separate structure dipping at approximately 75° east. This structure contains massive quartz with some sulphides although values encountered to date have not approached those of the main John L. structure.

Sample results of significance in the John L. area to date are tabulated below. Appendix 1 shows total assay results on the property.

Table I

Samples - John L.

<u>Sample No.</u>	<u>Description</u>	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
5720	grab of 1' zone hanging wall John L. quartz with ~5% galena	.794	8.68	--	--
5721	grab of adjacent 1' zone hanging wall John L. quartz, minor galena and pyrite	.159	3.61	1.9	3.0
5724	John L. upper adit, 1' quartz vein - heavy sulphides and quartz	.048	2.32	1.7	2.2



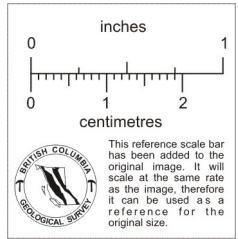
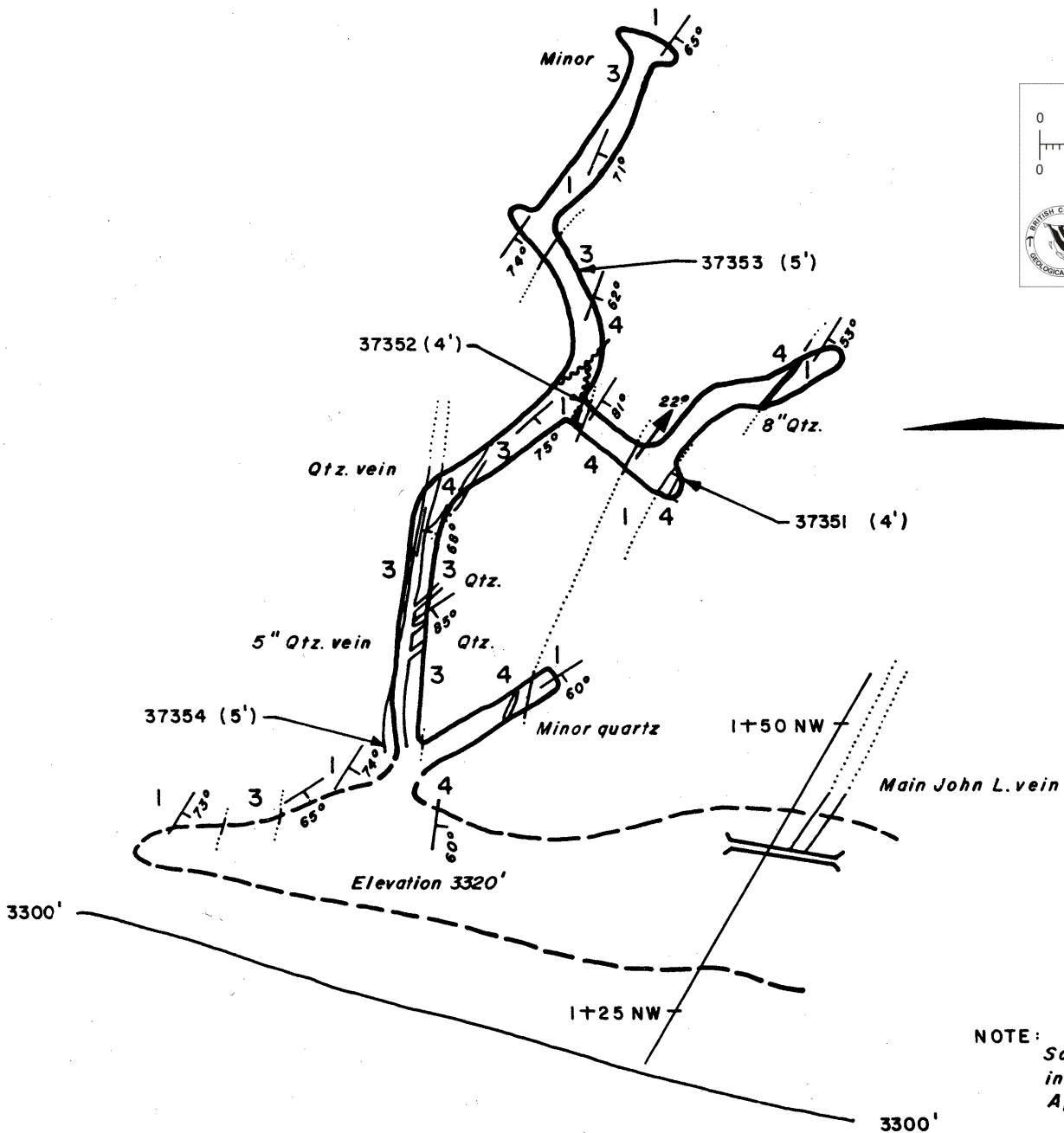
Surface samples
No. 5720, 5721

Sample No. 37555

LEGEND

- 1 Phyllite
- 2 Green volcanics
a. Fine grained
b. Coarse grained
- 3 Grey quartzite
- 4 Limy mariposite
phyllite quartzite
- 5 Massive quartz

PROGRESSIVE MINERALS LTD.			
JOHN L. AND MAGGIE MAY CLAIM AREA			
UPPER			
JOHN L. ADIT			
LARDEAU RIVER, B.C.			
PAMICON DEVELOPMENTS LTD.			
Drawn RM	NT.S. 82K-6E	Date. May 1987	Fig. No. 6



NOTE: Sample results shown in Table 1 and in Appendix



LEGEND

- 1 *Phyllite*
- 3 *Quartzite (similar to 4)*
- 4 *Limy mariposite phyllitic quartzite*

37354 (5') *Assay results*
Sample No., (Sample width)

PROGRESSIVE MINERALS LTD.			
JOHN L. AND MAGGIE MAY CLAIM AREA			
LIZA ADIT			
LARDEAU RIVER, B.C.			
PAMICON DEVELOPMENTS LTD.			
Drawn RM	N.T.S. 82K-6E	Date. May 1987	Fig. No. 7

<u>Sample No.</u>	<u>Description</u>	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
5725	John L. upper adit, grab shattered vein material from floor of adit, quartz, some mineralization	.067	2.20	1.7	.084
5728	quartz, good pyrite and arsenopyrite, some galena and sphalerite from ~ 2' vein excavated in trench on possible John L. extension?	1.07	7.51	5.0	0.70

Samples - John L. Dump Material

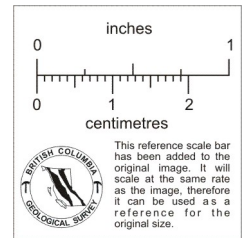
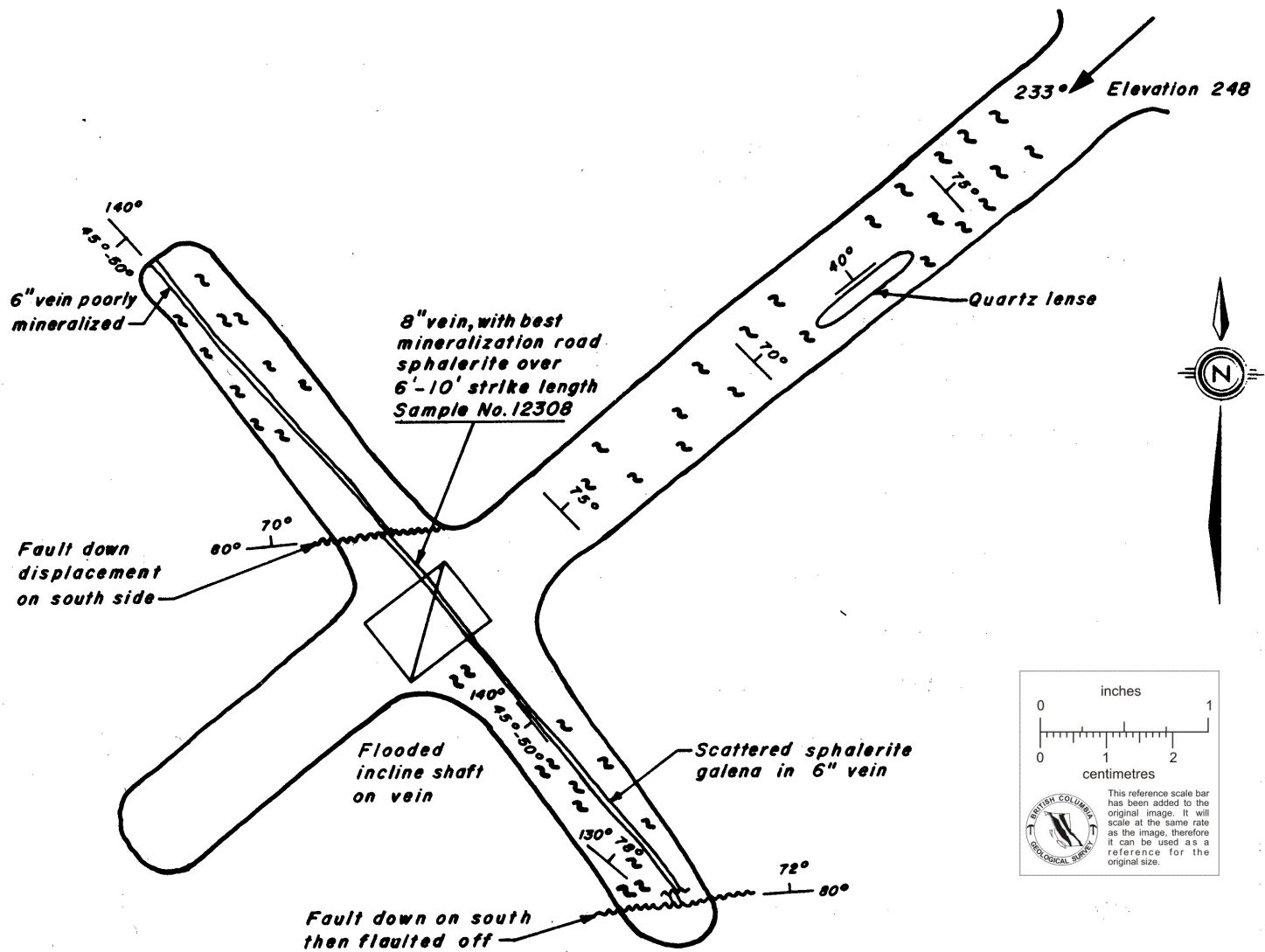
12309	quartz with minor pyrite	.011	.08	--	--
12310	quartz showing malachite, azurite and limonite staining	<.001	<.01	--	--
12311	rose quartz, minor galena, pyrite	.299	7.46	--	--
12312	quartzite with minor pyrite	.003	<.01	--	--
12313	quartz with minor galena	.395	7.23	--	--
12316	quartz with heavy sphalerite and galena	4.17	17.7	12.7	14.9

On the John L. additional old workings have been located on possible strike extensions to the west trending toward Crown grant 4740. Snow cover and permitting with the forestry did not allow follow-up work in this area during the program period.

7.3.2 Maggie May

The program to date has not been successful in locating the Maggie May workings. These were reported on in 1902 Minister of Mines Report as a lead 14 feet wide carrying 2 feet of solid galena averaging from \$50 to \$90 at 1902 prices. The drift was reported as 65 feet long (Appendix 2).

The area in which the Maggie May should be located is steep with thick second growth vegetation.



NOTE: Sample results shown in Table 1 and in Appendix



SCALE 1:100

PROGRESSIVE MINERALS LTD.			
JOHN L. AND MAGGIE MAY CLAIM AREA			
COLUMBIA ADIT			
LARDEAU RIVER, B.C.			
PAMICON DEVELOPMENTS LTD.			
Drawn RM	N.T.S. 82K-6E	Date. May 1987	Fig. No. 8

During the reconnaissance work in this area a piece of fist sized mineralized material was located, while not in place it would appear to be either fly rock from a blast or down slope float from an outcrop. The material assayed (No. 12319) 80.5 oz/ton Ag and 70.1% Pb. These values are similar to those which would be anticipated from the type of mineralization described in the Minister of Mines Report.

The Western Mines geochemical program is described in Section 7.3.4. While not determinate, Figure 9 indicates a possible trend of above background values in lead, silver and gold values which may correlate with this area of the Maggie May Crown grant (L2437).

7.3.3 Columbia Adit

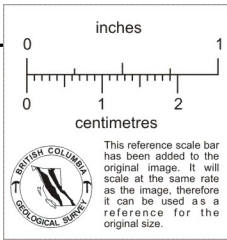
Investigation of the area of above background geochemical results reported by Western Mines between L1366 and the highway on the west bank of Tenderfoot Creek led to the location of the old Columbia workings. Figure 8 presents a geological and sample map of these workings.

A 6" to 8" vein containing some sphalerite and galena with minor silver values is exposed in this adit. A sample of this material returned 21.8% Zn, 2.37% Pb, 1.72 oz/ton Ag and .002 oz/ton Au.

7.3.4 Geochemistry

Figure 9 shows a compilation map for Western Mines geochemical results in the claims area. The map presented is for Pb-Ag-Au. The possible geochemical trends presented have been interpreted from these and Cu, Zn, As values. Background values for the survey as determined by Western Mines are:

Au (ppb)	<10
Ag (ppm)	0.1
Pb (ppm)	6 - 12



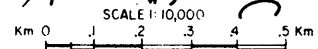
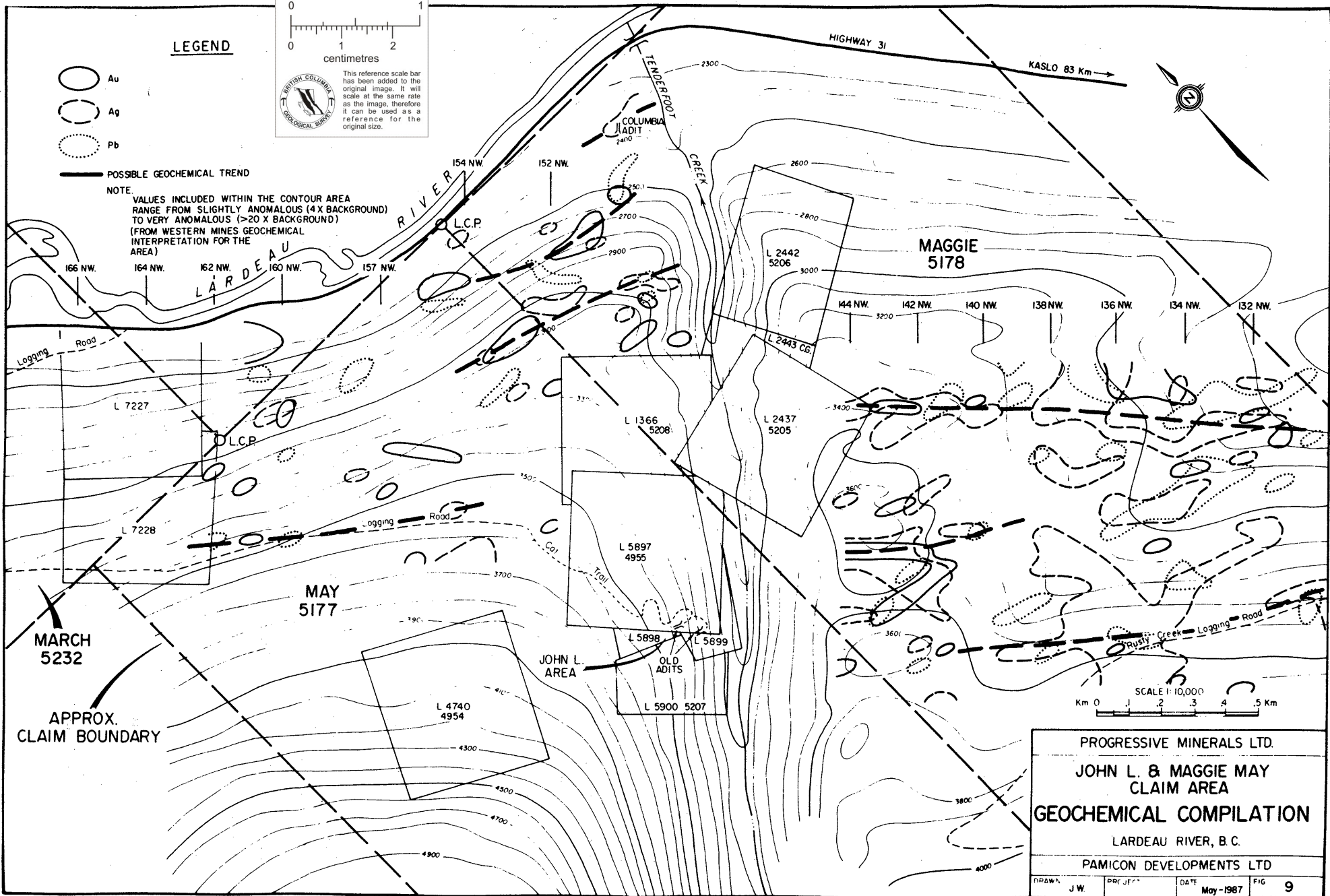
LEGEND

- Au
- Ag
- Pb

— POSSIBLE GEOCHEMICAL TREND

NOTE:

VALUES INCLUDED WITHIN THE CONTOUR AREA RANGE FROM SLIGHTLY ANOMALOUS (4 X BACKGROUND) TO VERY ANOMALOUS (>20 X BACKGROUND) (FROM WESTERN MINES GEOCHEMICAL INTERPRETATION FOR THE AREA)



PROGRESSIVE MINERALS LTD.			
JOHN L. & MAGGIE MAY CLAIM AREA			
GEOCHEMICAL COMPILATION			
LARDEAU RIVER, B. C.			
PAMICON DEVELOPMENTS LTD			
DRAWN: JW	PROJECT:	DATE: May-1987	FIG: 9

Aside from some erratic high values in precious metals most of the results from the survey are low in absolute values presenting numbers only up to several times background. Empiracally these would not normally have much value placed on them. When the results are considered in light of the results of Progressive's work the survey becomes of more interest.

The company's program determined that:

1. A small closely spaced geochemical grid in the area of the known John L. mineralization yielded little or no indication of the zone.
2. The structures located to date all have a general northwesterly trend corresponding to the trends of the above background geochemical results.
3. Extensive variation in overburden can be noted in trenches in the John L. area. Much of this material appears to be of a transported nature and would not reflect bedrock features.
4. Follow-up work on the Western data located the Columbia adit.
5. Reconnaissance sampling by Progressive near the Columbia adit and along the Rusty Creek road confirmed the trend of above background values from the Western survey in these areas.

Based on the above it is recommended that the Western results be followed up by closer spaced sampling, prospecting, and possibly trenching should targets be better defined.

8.0 DISCUSSION AND CONCLUSIONS

Work by Progressive Minerals to date on the John L. and Maggie May area has succeeded in locating three mineralized structures. Of these the John L.

structure has yielded some areas of good grade mineralization and requires additional exploration. Additional structures have been located on the property. While these have not yet indicated the same potential as the John L. either from size, in the case of the Columbia, or from mineralization, in the case of the Liza and other quartz veins, more investigation of these is needed.

The Maggie May has yet to be located. The Minister of Mines Report and the single piece of float discovered indicate good potential for this structure.

The previous survey by Western Mines shows several areas of geochemical values which should be investigated further.

9.0 RECOMMENDATIONS

An exploration and development program for the claim group is recommended as outlined below.

STAGE I

- continue the trenching program on the strike extension of the John L. structure to the west
- continue to attempt to locate the Maggie May workings
- conduct tightly spaced geochemical surveys over the areas indicated by the Western Mines work to attempt to further define the possible sources of the values reported
- additional trenching on other known quartz veins and targets developed by geochemical work and prospecting.

Cost of this program is estimated to be \$50,000 as detailed below.

STAGE I BUDGET

WAGES

Geologist	30 days at \$300 per day	\$ 9,000	
Sampler - Assistant	30 days at \$150 per day	<u>4,500</u>	
			\$ 13,500

ASSAY AND GEOCHEM

3,000

TRAVEL

2,000

SUPPORT

60 man days at \$50 per man day			3,000
---------------------------------	--	--	-------

GENERAL BUSINESS EXPENSE

Telephone, insurance, etc.			500
----------------------------	--	--	-----

TRENCHING

Backhoe and tractor	200 hours at \$80 per hour	\$16,000	
Blasting		<u>2,000</u>	
			18,000

ENGINEERING AND REPORTS

5,000

CONTINGENCY

5,000

Total STAGE I			\$ 50,000
---------------	--	--	-----------

STAGE II

Conditional upon results of the Stage I program a short diamond drill program will be required. Five hundred metres of drilling should be allowed for. This would include three short holes below the upper adit on the John L. structure, two longer holes on the lower exposure of the John L. as exposed in trenching and allow some 100 metres of reserve drilling on any other targets. The two longer holes should be extended to intercept possible down dip extension of the Liza vein. Set up locations for these holes are indicated on Figure 4.

Cost of the Stage II program is estimated below.

500 metre at \$90 per metre	\$45,000	
Supervision, assays and engineering	10,000	
Contingency	<u>5,000</u>	
Total STAGE II		\$ 60,000
Total STAGES I and II		\$110,000

Respectfully submitted,

Charles K. Ikona, P.Eng.

APPENDIX 1
SAMPLE RECORDS

<u>Sample No.</u>	<u>Description</u>	<u>Au</u> oz/t	<u>Ag</u> oz/t	<u>Pb</u> %	<u>Zn</u> %
5718	Liza adit - grab sample quartz, siderite, minor sulphides	<.005	.03	--	--
5719	John L. adit - minor quartz from dump, minor galena and pyrite	.005	.15	--	--
5720	John L. - cut above adit 1' quartz vein, hanging wall 5% galena	0.794	8.68	--	--
5721	John L. - cut above adit 2' quartz hanging wall, minor galena and pyrite	0.159	3.61	--	--
5724	John L. adit - grab 1' quartz vein, heavy sulphides and quartz	0.048	2.32	1.7	2.2
5725	John L. adit - grab shattered vein material from adit, quartz some sulphides	0.067	2.20	1.7	0.84
5726	John L. adit - grab silicified material from face, fine grained pyrite, some green maraposite	<0.005	1.01	.05	.06
5727	John L. adit - material on dump arsenopyrite, pyrite, galena, sphalerite, quartz	0.036	1.63	1.6	.3
5728	quartz with sulphides from trench excavated at BL 1+30 possible down dip extension of John L.	1.073	7.51	5.0	0.70
5729	4' chip - trench at BL 2+20 ~50% quartz stringers - limonite black graphitic schist and argillite	<0.005	0.12	.03	.01
5730	2' chip - adjacent 5729 to west quartz stringers and argillite	0.005	.05	.03	.02
5731	grab sample - quartz with minor sulphides - trench at BL 2+20	<0.005	.06	.01	<.01

<u>Sample No.</u>	<u>Description</u>	<u>Au</u> oz/t	<u>Ag</u> oz/t	<u>Pb</u> %	<u>Zn</u> %
12306H	from location of Columbia soil anomaly 242, quartz - calcite vein with pyrite (float)	<.001	<.01	--	--
12307H	vuggy barren quartz above Columbia adit (2')	<.001	<.01	--	--
12308H	Columbia adit - sphalerite + minor galena in 8" vein	.002	1.72	2.37	21.8
12309H	John L. adit (upper) quartz - pyrite (minor) dump	.011	.08	--	--
12310H	John L. adit (upper) malachite azurite, limonite on quartz	<.001	<.01	--	--
12311H	rose quartz (upper John L.) minor galena, pyrite	.299	7.48	--	--
12312H	upper John L. dump, pyrite in quartzite	.003	<.01	--	--
12313H	upper John L. dump, quartz and galena	.395	7.23	--	--
12316H	upper John L. dump, sphalerite and galena	4.17	17.7	12.7	14.9
12317H	Liza vein in place and dump grab	.002	2.04	--	--
12318H	Glengarnock 3' quartz vein, minor pyrite	<.001	<.01	--	--
37351	Liza adit (Figure 7)	<.005	.01	--	--
37352	Liza adit (Figure 7)	.020	.11	--	--
37353	Liza adit (Figure 7)	<.005	.03	--	--
37354	Liza adit (Figure 7)	.005	.01	--	--
37355	upper John L. 6' quartz at portal (Figure 6)	<.005	.05	--	--
37356	trench BL 2+15 NW	<.005	.06	.02	--
37357	Columbia small cut below soil anomaly at sample location 242	<.005	1.24	.06	--



VANGEOCHEM LAB LIMITED

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VANCOUVER, B.C. V5L 1L8
(604) 251-5656

REPORT NUMBER: 860367 AA

JOB NUMBER: 872357

PANICON DEVELOPMENT LTD.

PAGE 1 OF 1

SAMPLE #	Pb %	Zn %	Cd ppm	Cu ppm
8718	---	---	1.01	1.20E
8719	---	---	1.15	1.20E
8720	---	---	3.65	1.70E
8721	---	---	3.81	1.10E
8722	---	---	3.77	1.20E

DETECTION LIMIT

1 Troy oz/short ton = 34.28 ppm

.01

1 ppm = 0.0001%

.01

ppm = parts per million

.01

.005

(= less than

signed: _____



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870435 AA PAMICON DEVELOPMENT INC.

Page 1 of 1

METALLIC ANALYSIS

SAMPLE #	Weight (gm)	Ag (mg)	Au (mg)	Ag (oz/st)	Au (oz/st)
5724 TOTAL	170.94	--	--	2.32	0.048
5724 +140	12.27	1.481	0.056	--	--
5724 -140	158.67	--	--	2.23	0.042
5725 TOTAL	145.93	--	--	2.20	0.067
5725 +140	6.16	0.609	0.039	--	--
5725 -140	139.77	--	--	2.17	0.062
5726 TOTAL	179.97	--	--	1.01	<0.005
5726 +140	19.40	0.077	<0.001	--	--
5726 -140	160.57	--	--	1.12	<0.005
5727 TOTAL	206.05	--	--	1.63	0.036
5727 +140	3.18	0.250	0.002	--	--
5727 -140	202.87	--	--	1.62	0.036
5728 TOTAL	198.83	--	--	7.51	1.073
5728 +140	0.16	1.037	1.426	--	--
5728 -140	198.67	--	--	7.36	0.865
5729 TOTAL	199.57	--	--	0.12	<0.005
5729 +140	9.30	0.039	<0.001	--	--
5729 -140	190.27	--	--	0.12	<0.005
5730 TOTAL	200.41	--	--	0.05	0.005
5730 +140	8.14	0.061	<0.001	--	--
5730 -140	192.27	--	--	0.04	0.005
5731 TOTAL	227.51	--	--	0.06	<0.005
5731 +140	0.54	0.028	<0.001	--	--
5731 -140	226.97	--	--	0.06	<0.005

Detection Limit
nd = None Detected

0.01 0.001 0.001 0.01 0.005
-- = Not Analysed



VANGEOCHEM LAB LIMITED

MAIN OFFICE
1521 PEMBERTON AVE.
NORTH VANCOUVER, B.C. V7P 2S3
(604) 986-5211 TELEX: 04-352578

BRANCH OFFICE
1630 PANDORA ST.
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

REPORT NUMBER: 870435 AA

JOB NUMBER: 870435

PANICON DEVELOPMENT LTD.

PAGE 1 OF 1

SAMPLE #	Pb %	Zn %
5724	1.70	2.20
5725	1.70	.84
5726	.05	.06
5727	1.60	.30
5728	5.00	.70
5729	.03	.01
5730	.03	.02
5731	.01	<.01

DETECTION LIMIT

1 Troy oz/short ton = 34.28 ppm

.01

1 ppm = 0.0001%

.01

ppm = parts per million

< = less than

signed: _____



KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
V2C 5P5

PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

**B.C. LICENSED ASSAYERS
GEOCHEMICAL ANALYSTS
METALLURGISTS**

TO Hamill Creek Holdings Ltd.
Box 99,
Meadow Creek, B.C. V0G 1N0

Certificate No. K-7927
Date April 7, 1987

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked	Au	Ag	Pb	Zn				
		ozs/ton	ozs/ton	percent	percent				
1	12306 H	L.001	L.01	-	-				
2	12307 H	L.001	L.01	-	-				
3	12308 H	.002	1.72	2.37	21.8				
	L means "less than"								

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged

Jack A. [Signature]

Registered Assayer Province of British Columbia

CTA


 Member
 Canadian Testing
 Association

KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

 912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
 V2C 5P5

PHONE: (604) 372-2764 — TELEX: 048-8320

CERTIFICATE OF ASSAY

 B.C. LICENSED ASSAYERS
 GEOCHEMICAL ANALYSTS
 METALURGISTS

APR 30 1987

 TO Mr. Mike Linn
Box 422,
Kaslo, B.C. VOG 1M0

 Certificate No. K 7936

 Date April 9, 1987

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked	Au ozs/ton	Ag ozs/ton						
1	12309	.011	.08						
2	12310	L.001	L.01						
3	12311	.299	7.48						
4	12312	.003	L.01						
5	12313	* .395	7.23						
L means "less than"									
Sample marked * has been screened and found to contain coarse gold. See below.									
		Percent Weight	Au ozs/ton	Combined Au ozs/ton					
	<u>12313</u> -100 mesh	99.99	.35	.395					
	+100 mesh	.01	1327.0						

 NOTE:
 Rejects retained three weeks
 Pulps retained three months
 unless otherwise arranged

Dick A. Stewart, Director and Analyst



KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.
V2C 5P5

PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

B.C. LICENSED ASSAYERS
GEOCHEMICAL ANALYSTS
METALLURGISTS

TO Hamill Creek Holdings Ltd.
Box 99,
Meadow Creek, B.C. VOG 1N0 Attn: Mr. Ken Surina

Certificate No. K 7949
Date April 22, 1987

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked	Au	Ag	Pb	Zn	Cu			
		ozs/ton	ozs/ton	percent	percent	percent			
1	12314 H	L.001	.03	-	-	-			
2	12315 H	L.001	L.01	-	-	-			
3	12316 H	* 4.17	17.7	12.7	14.9	.19			
	L means "less than"								
	* Sample has been screened and found to contain coarse gold. See below								
		Percent Weight	Au ozs/ton	Combined Au ozs/ton					
	12316 H -100 mesh	97.66	3.92	4.17					
	+100 mesh	2.34	14.76						

RECEIVED
APR 24 1987
RESOLVED

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged

Ken A. Surina

Registered Assayer - Province of British Columbia



KAMLOOPS RESEARCH & ASSAY LABORATORY LTD.

912 - 1 LAVAL CRESCENT — KAMLOOPS, B.C.

V2C 5P5

PHONE: (604) 372-2784 — TELEX: 048-8320

CERTIFICATE OF ASSAY

B.C. LICENSED ASSAYERS
GEOCHEMICAL ANALYSTS
METALLURGISTS

TO Hamill Creek Holdings Ltd.
Box 99,
Meadow Creek, B.C. VOG 1N0

Certificate No. K 7961

Date April 29, 1987.

Project: Maggie May

I hereby certify that the following are the results of assays made by us upon the herein described _____ samples

Kral No.	Marked	Au	Ag	Pb					
		ozs/ton	ozs/ton	percent					
1	12317	.002	2.04	-					
2	12318	L.001	L.01	-					
3	12319	L.001	80.5	70.1					
L means "less than"									

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged

[Signature]



VANGEOCHEM LAB LIMITED

MAIN OFFICE
1521 PEMBERTON AVE.
NORTH VANCOUVER, B.C. V7P 2S3
(604) 986-5211 TELEX: 04-352578

BRANCH OFFICE
1630 PANDORA ST.
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

REPORT NUMBER: 870452 AA

JOB NUMBER: 870452

PRIMICON DEVELOPMENT LTD.

PAGE 1 OF 1

SAMPLE #	Ag oz/st	Au oz/st	Pb %
37351	.01	<.005	---
37352	.11	.020	---
37353	.03	<.005	---
37354	.01	.025	---
37355	.05	<.005	---
37356	.06	<.005	.02
37357	1.24	<.005	.06
37358	.02	<.005	---
37359	.05	<.005	---

DETECTION LIMIT

1 Troy oz/short ton = 34.28 ppm

.01
1 ppm = 0.0001%

.005
ppm = parts per million

.01

(= less than

signed: _____

KAMLOOPS RESEARCH
&
ASSAY LABORATORY
LTD.

B.C. CERTIFIED ASSAYERS

912 LAVAL CRESCENT
PHONE 372-2784 - TELEX 046-8320

GEOCHEMICAL LAB REPORT

HAMILTON CREEK HOLDINGS LTD.
BOX 99,
MEADOW CREEK, B.C.
V0G 1N0

DATE APRIL 7, 1987

FILE NO. 3 1536

ATTN: MR. KEN SURINA

PAGE 1 / 1

SERIAL NO.	IDENTIFICATION	AU	CU	PB	ZN	AG
1	242.5N	3.0	34.0	16.0	93.0	0.0
2	242.5S	3.0	96.0	19.0	132.0	0.1
3	24195	260.0	41.0	15.0	94.0	0.1
4	24200	3.0	55.0	17.0	127.0	0.0
5	24205	3.0	18.0	17.0	109.0	0.0
6	24210	3.0	8.0	16.0	63.0	0.0

IN AU COLUMN 3 INDICATES <5 PPB

ALL OTHER VALUES REPORTED IN PPM

IN AG COLUMN 0.0 INDICATES <0.1 PPM

Columbia area



VANGEOCHEM LAB LIMITED

MAIN OFFICE
1521 PEMBERTON AVE.
NORTH VANCOUVER, B.C. V7P 2S3
(604) 986-5211 TELEX: 04-352578

BRANCH OFFICE
1630 PANDORA ST.
VANCOUVER, B.C. V5L 1L6
(604) 251-5656

REPORT NUMBER: 870453 GA

JOB NUMBER: 870453

PANICON DEVELOPMENT LTD.

PAGE 1 OF 1

SAMPLE #	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb
A2	48	26	165	2.8	nd
A3	28	49	130	1.4	5
A4	36	42	152	1.6	5
B2	55	35	245	3.1	5
B3	72	24	159	1.1	10
B4	45	26	130	1.5	5
C2	40	40	233	2.0	nd
C3	40	31	140	1.8	5
C4	46	26	134	1.8	nd
D2	35	72	275	.5	5
D3	24	23	72	.9	nd
D4	20	24	76	1.0	nd
E2	49	82	283	2.8	5
E3	254	81	275	.7	nd
E4	105	44	154	1.4	10
F2	220	51	198	.8	10
F3	65	31	240	2.2	nd
F4	72	30	125	.8	nd
G2	61	59	160	.7	nd
G3	40	51	162	1.8	nd
G4	31	59	124	.6	nd

*WESTMIN ANOMALY
see fig 3*

DETECTION LIMIT
nd = none detected

1 2
-- = not analysed

1 0.1 5
is = insufficient sample

KAMLOOPS RESEARCH
 &
 ASSAY LABORATORY
 LTD.

B.C. CERTIFIED ASSAYERS

312 LAVAL CRESCENT
 PHONE 372-2784 - TELEX 848-8330

 GEOCHEMICAL LAB REPORT

MR. MIKE LINN
 BOX 482
 KASLO, B.C.
 V8E 1Y0

DATE APR. 30, 1987

FILE NO. S 1501

KRAL NO.	IDENTIFICATION	AR	CU	PB	ZP	PBBE	
						1	2
1	200 B/L	3.0	24.0	31.0	149.0	0.2	
2	200/10N	3.0	23.0	30.0	180.0	0.4	
3	200/20N	3.0	27.0	20.0	145.0	0.2	
4	200/30N	3.0	41.0	17.0	125.0	0.1	
5	200/10S	3.0	50.0	20.0	149.0	0.2	
6	200/20S	3.0	41.0	25.0	120.0	0.1	
7	200/30S	3.0	19.0	31.0	131.0	0.4	
8	225/B/L	3.0	52.0	20.0	118.0	0.2	
9	225/10N	3.0	18.0	19.0	109.0	0.0	
10	225/25N	3.0	19.0	18.0	158.0	0.2	
11	225/30N	3.0	13.0	20.0	128.0	0.2	
12	225/10S	3.0	28.0	24.0	143.0	0.1	
13	225/20S	3.0	53.0	33.0	124.0	0.4	
14	225/30S	3.0	29.0	30.0	115.0	0.4	
15	400/10N	3.0	8.0	13.0	122.0	0.2	
16	400/20N	3.0	13.0	19.0	186.0	0.4	
17	400/30N	3.0	6.0	21.0	103.0	0.2	
18	400/10S	3.0	20.0	16.0	83.0	0.4	
19	400/20S	3.0	45.0	18.0	110.0	0.3	
20	400/30S	3.0	27.0	19.0	145.0	0.2	

IN AR COLUMN ALSO INDICATES (5 PBB

ALL OTHER VALUES REPORTED IN PPY

IN AS COLUMN ALSO INDICATES (0.1 PPY

*John L. extension
 geochem grid.*

APPENDIX 2
REPORTS OF THE MINISTER OF MINES

1898, p. 1067, 21 Columbia

"The Columbia and Latton groups, near by, comprise in all ten full claims. On the Latton, an incline shaft is sunk to a depth of 82 feet, the upper part of which is in a vein of concentrating galena ore. After sinking to a depth of 20 feet, the vein straightens up, and the work of running a cross-cut from the bottom of the shaft to tap the vein has begun. On the Columbia, a shaft has been sunk on the lead for 66 feet."

1899, p. 686

"The Silver Cable Group of three claims on Tenderfoot Creek is a recent location, but should develop well, judging from the surface appearances. The ledge is a strong one, and outcrops in several places. The ore on the surface, taken from an 8-inch vein, gave assay values of \$91 in silver per ton."

1901, p. 1020, Maggie May

"The Maggie May Group situated on Tenderfoot Creek has passed into the hands of the Lardeau Valley Mines Ltd. On the John L. claim of this group an adit tunnel has been driven 100 feet on a vein from 3 to 12 feet wide carrying good gold values. Two shorter tunnels have also been put in at a lower level. On the Maggie May claim a tunnel is being driven to intersect an ore chute seen at the surface. The ore is argentiferous galena of an average value of about \$50 per ton."

1902, p. H141, Maggie May Group

"This group is situated near the mouth of Tenderfoot Creek and is owned by the Lardeau Valley Mines Company, Limited. The Maggie May has a lead of about 14 feet wide, carrying 2 feet of solid galena, averaging from \$50 to \$90 a ton. About 65 feet of a tunnel has been driven and also a considerable amount of prospecting work done."

On the JOHN L claim of this group a tunnel of about 112 feet was driven on a quartz lead about 13 feet wide. The ore chute is 3 feet wide and has been opened up for 60 feet. The average assays were 1 to 4 ounces in gold, the values occurring in iron pyrites and zinc."

1903, p. H126, Columbia

"On the Columbia, situated near the mouth of Tenderfoot Creek and owned by P.L. Huffman et al., a cross-cut tunnel has been driven for a distance of about 100 feet. Gold values are obtained from this property."

APPENDIX 3
BIBLIOGRAPHY

Annual Reports of Minister of Mines for B.C.:

1898 - page 1067

1899 - page 686

1901 - page 1020

1902 - page H141

1903 - page H126

Geological Survey of Canada, Open File 432.

Geological Survey of Canada, Bulletin No. 45, Geology of the Ferguson Area.

Report on a soil sampling program by Western Mines Ltd. 1980, Assessment Report 8483.

Report on Maggie May area including Reverted Crown Grants by M. Linn, Geologist, March 10, 1987.

Progressive Minerals Ltd., progress reports Maggie May project, April - May, 1987.

APPENDIX 4
ENGINEER'S CERTIFICATE

I, CHARLES K. IKONA, of 5 Cowley Court, Port Moody, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Consulting Mining Engineer with offices at Suite 711, 675 West Hastings Street, Vancouver, British Columbia.
2. THAT I am a graduate of the University of British Columbia with a degree in Mining Engineering.
3. THAT I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
4. THAT this report is based on all available information on the property and on work performed under my direction. I examined the property and progress on the project on April 10 and 11 and May 5 and 6, 1986.
5. THAT I have no interest in the property described herein, nor in securities of any company associated with the property, nor do I expect to acquire any such interest.
6. THAT I consent to the use by Progressive Minerals Ltd. of this report in a Prospectus or Statement of Material Facts or any other such document as may be required by the Vancouver Stock Exchange or the Office of the Superintendent of Brokers.

DATED at Vancouver, B.C., this 30th day of *Sept*, 1987.


Charles K. Ikona, P.Eng.

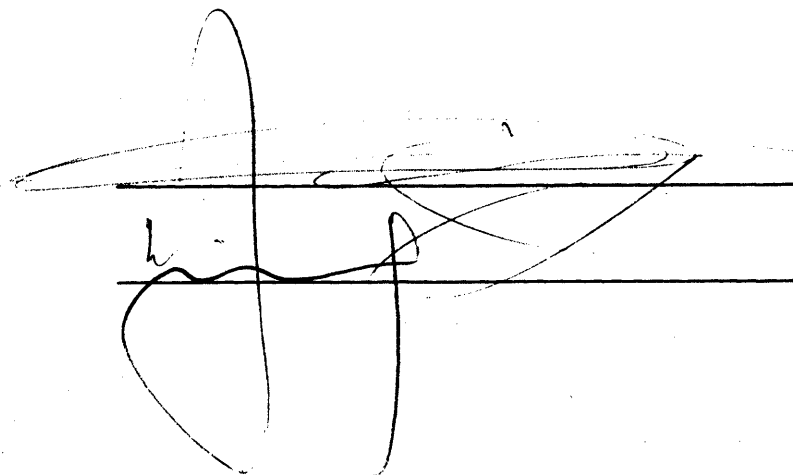
CERTIFICATE OF THE AGENT

To the best of our knowledge, 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.

DATED: September 30th, 1987

YORKTON SECURITIES INC.

Per:

A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be a cursive name. The line is a solid black horizontal bar.

CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

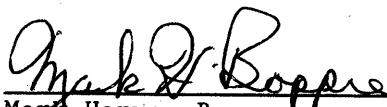
DATED: September 30th, 1987



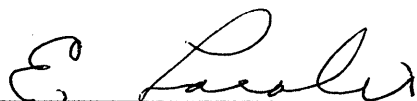
Alex Paul Guidi,
President, Chief Executive Officer
Director and Promoter



Margaret Johanna Maria Guidi
Secretary, Treasurer and Chief
Financial Officer



Mark Harvey Bopp
Director



Eugene Napoleon Larabie
Director