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US

EFFECTIVE DATE: NOVEMBER 30, 1987

APPROACH RESOURCES INC.
550-1130 West Pender Street
Vancouver, British Columbia
V6E 4A4

PUBLIC OFFERING: 350,000 Common Shares

	Price to Public	Commissions	Net Proceeds to be received by the Company
Per Share	\$0.50	\$0.05	\$0.45
Total	\$175,000	\$17,500	\$157,500

IS PRESENTLY NO MARKET FOR THE SHARES OF THE COMPANY.

USE OF SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED SPECULATIVE INVESTMENT. THE PROPERTY IN WHICH THE COMPANY HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE COMPANY'S PROPERTY HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTY IS SITUATED ITS LOCATION AND AREA COULD BE IN DOUBT. SEE RISK FACTORS ON PAGE 12 HEREIN.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 47.73% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 52.26% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE COMPANY. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 17 HEREIN FOR THE DETAILS OF SHARES HELD BY CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS.

ONE OR MORE OF THE DIRECTORS OF THE COMPANY HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO ITEM "CONFLICT OF INTEREST" ON PAGE 15 FOR COMMENTS AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE COMPANY FULFILLING THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE MAY 30, 1988 INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

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

R.M.
PROPERTY FILE

Pit
624/1NW, 2 NE
[0885E060]

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE OF MAY 30, 1987. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED ON PAGE 2 UNDER THE CAPTION "USE OF PROCEEDS".

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE COMPANY AND ACCEPTED IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 1 OF THIS PROSPECTUS.

AGENT

**WEST COAST SECURITIES LTD.
400-815 WEST HASTINGS STREET
VANCOUVER, B. C.**

DATED: November 20, 1987

HAROLD M. JONES & ASSOCIATES INC.

CONSULTING GEOLOGISTS

310 - 543 GRANVILLE STREET
VANCOUVER B.C.
V6C 1X8

TELEPHONE: (604) 689-5533

A REPORT ON THE

PITA CLAIMS

HECKMAN - MONASHEE PASS CREEKS

VERNON AREA

Vernon Mining Division

British Columbia

82 L / 1 W, 2 E

for

APPROACH RESOURCES LTD.

400 - 601 West Cordova Street

Vancouver, B.C. V6B 1G1

by

HAROLD M. JONES, P.ENG.

HAROLD M. JONES & ASSOCIATES INC.

March 16, 1987

APPROACH RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

For the Period from Incorporation September 4, 1986 to February 28, 1987

5. INTEREST IN AND EXPENDITURE ON RESOURCE PROPERTIES

The realization of acquisition costs of mineral claims and option and expenditures aggregating \$67,802 is dependent upon the future commercial success of the properties on proceeds from disposition thereof.

6. RELATED PARTY TRANSACTION

During the period management fees of \$9,000 were paid to a company controlled by a director.

7. SUBSEQUENT EVENTS

- (a) The company intends to issue 350,000 Common shares at a price of \$0.50 per share to net the company \$157,500 in accordance with an agency agreement filed with the regulatory authorities.
- (b) Subsequent to the period end, the company has granted employee and directors' incentive stock options to purchase 150,000 shares at \$0.50 per share, exercisable on or before May 21, 1992.

TABLE OF CONTENTS

	Page
Summary	1
Introduction	3
Location and Access	3
Topography and Vegetation	6
Property	6
History	8
Geology	10
Regional Geology	10
Local Geology	11
Alteration and Mineralization	13
Discussion of Results of Previous Work	16
Conclusions	19
Recommendations	19
Cost Estimate	20
References	21
Certificate	22

LIST OF ILLUSTRATIONS

Figure 1	Location Map	4
Figure 2	Claim Map	5
Figure 3	Regional Geology	10
Figure 4	Property Geology	12
Figure 5	Mineral Occurrences in Vicinity of Pita Claims	14
Figure 6	Compilation Map - Geochemical	17
Figure 7	Compilation Map - Geophysical	17a

SUMMARY

The Pita claims are located in the Vernon Mining Division, 50 km southeast of Vernon, British Columbia. They are readily accessible via Highway 6 and internally by good logging roads.

The general Monashee Mountain area in which the claims are located has a long history of gold exploration. Both placer and lode gold deposits were located and mined, producing small but significant amounts of gold and base metals. All old mining areas are underlain by the same geological formations as those on the Pita claims. Recent work in the district located a number of other areas anomalous in gold.

The property is underlain by sediments and volcanics of the Thompson Assemblage (formerly Cache Creek Group) and Slocan Group. These are intruded by two stages of plutonic rocks, the larger granitic masses being related to the Nelson batholith and smaller dioritic dykes of younger age. Locally, the bedded rocks are capped by volcanic flows of the Kamloops Group.

Three distinct geological assemblages favourable for hosting a variety of mineral deposits are recognized on the property. They are:

Southern Section: A submarine assemblage of andesites overlapping a sequence of argillites and limestone. This setting is favourable for hosting base and precious metal massive sulfide deposits within the volcanics or a skarn-typed deposit associated with an intrusive-limestone contact.

Central Section: Predominantly a diorite intrusive flanked to the south by a granodiorite intrusive. This setting is favourable for hosting epithermal gold-silver veins in pyritized, hydrothermal alteration zones.

Northern Section: An assemblage of tuffs, andesites, argillaceous sediments and minor limestone. This setting is favourable for hosting a large tonnage, low grade, disseminated or fracture filled gold-silver deposit.

The Pita claims were acquired by Mohawk Oil Co. Ltd. between 1981-84. They were explored mostly in a reconnaissance manner between 1981-85 by Mohawk Oil Co. Ltd. and in 1986 by Approach Resources Ltd. During this period, geochemical soil and silt, magnetometer, VLF-EM and induced polarization surveys, geological mapping and backhoe trenching were conducted on various parts of this large 193 unit property. The results of this work indicate one large and a number of smaller areas as being geochemically anomalous in one or more of gold, silver, copper, lead and zinc. The larger area includes a significant sericite-pyrite hydrothermal alteration zone and induced polarization-resistivity anomalies. Minor chalcopyrite, galena and sphalerite was exposed by trenching.

It is concluded that the Pita claims are underlain by three distinctive geological assemblages which could host gold and silver mineralization in large tonnage, low grade-type deposits, epithermal veins, massive sulfide deposits, and skarn type deposits. It is also concluded that results to date indicate that detailed exploration is warranted in selected areas to search for the above type of deposits.

A staged exploration program is recommended. Stage I, estimated to cost \$130,000, includes detailed geochemical soil sampling, geological mapping, trenching and limited diamond drilling. Stage II, contingent on Stage I, is estimated to cost \$210,000 and consists of diamond drilling of areas of interest generated in Stage I work.

INTRODUCTION

This report was prepared at the request of the president of Approach Resources Ltd. Data for this report was obtained from a review of previous exploration reports on the property and from the writer's personal experience in the area.

The writer did not examine the Pita claims, however, he is familiar with the area and geology. He conducted a major exploration program on the Dona property, located at Keefer Lake, 8 km east-southeast of the subject claims. Both properties are underlain by similar geology.

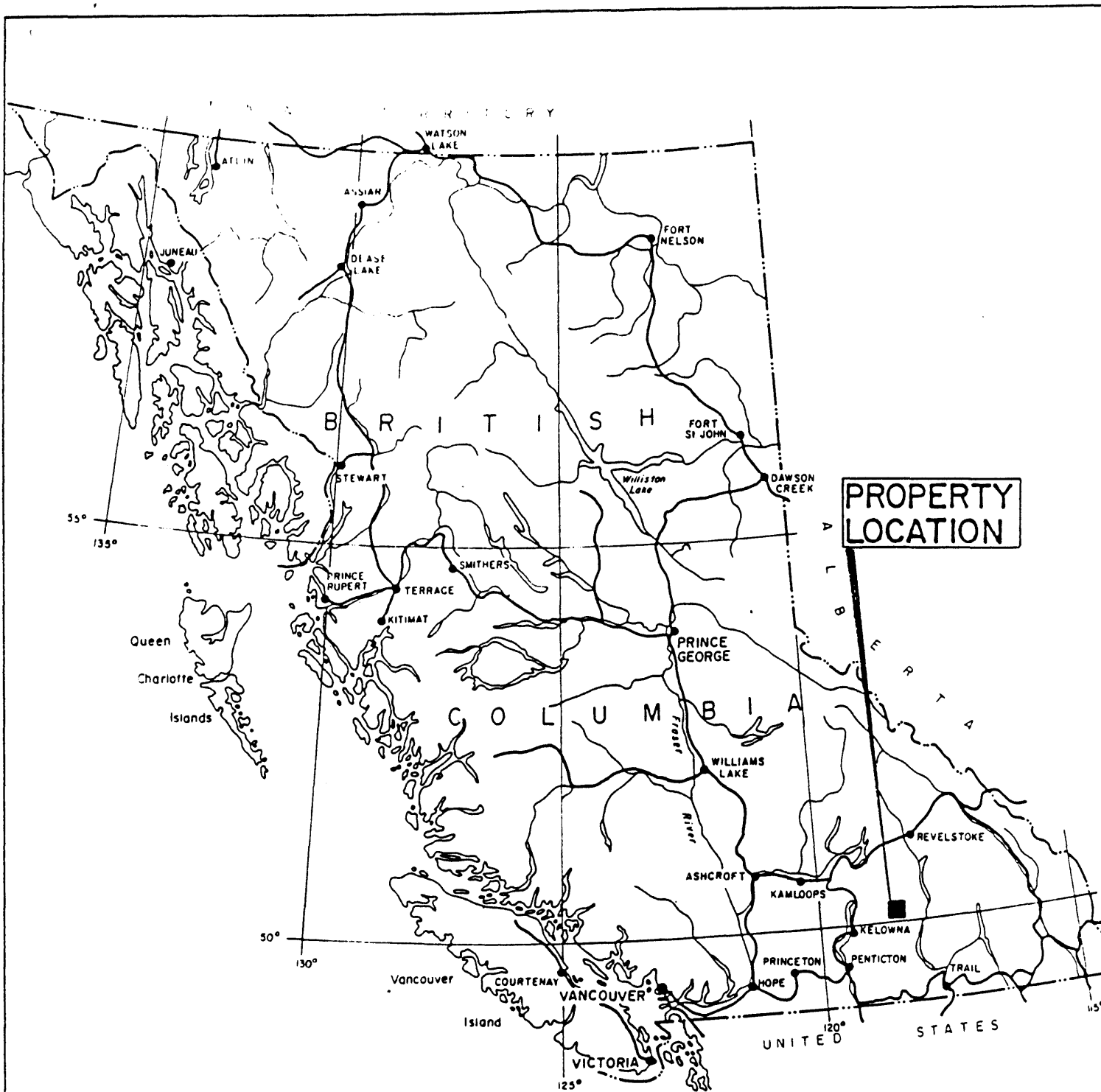
Location and Access

50° 09' North Latitude)	to approximate center
118° 33' West Longitude)	of claims

The Pita property is located within the Vernon Mining Division in south central British Columbia, approximately 50 km east-southeast of Vernon and 7 km south-southeast of Cherryville (Figure 1). This large property is approximately bounded by Heckman Creek to the west and Monashee Pass Creek to the east (Figure 2).

The claims are readily accessible from Vernon via Highway 6, which parallels Monashee Pass Creek through the eastern edge of the property. Logging roads originating from Highway 6 provide good access within the claim block.

Transportation to and supplies and services within the area are excellent. Kelowna airport, located 50 km south of Vernon, is serviced by numerous, daily, commercial airline flights from Vancouver and Calgary. The area is also serviced by Greyhound Bus. Most services and supplies may be obtained from either Lumby, 30 km west of the property or from Vernon.



**PROPERTY
LOCATION**

APPROACH RESOURCES LTD.

H. M. JONES & ASSOCIATES INC.

VANCOUVER, B.C.

**PITA CLAIMS
LOCATION MAP**

HECKMAN - MONASHEE PASS CREEKS AREA

N.T.S. 82L - 1W, 2E

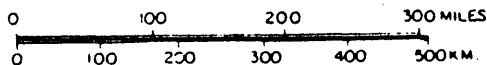
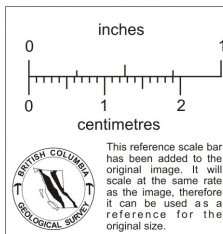
VERNON M.D., B.C.

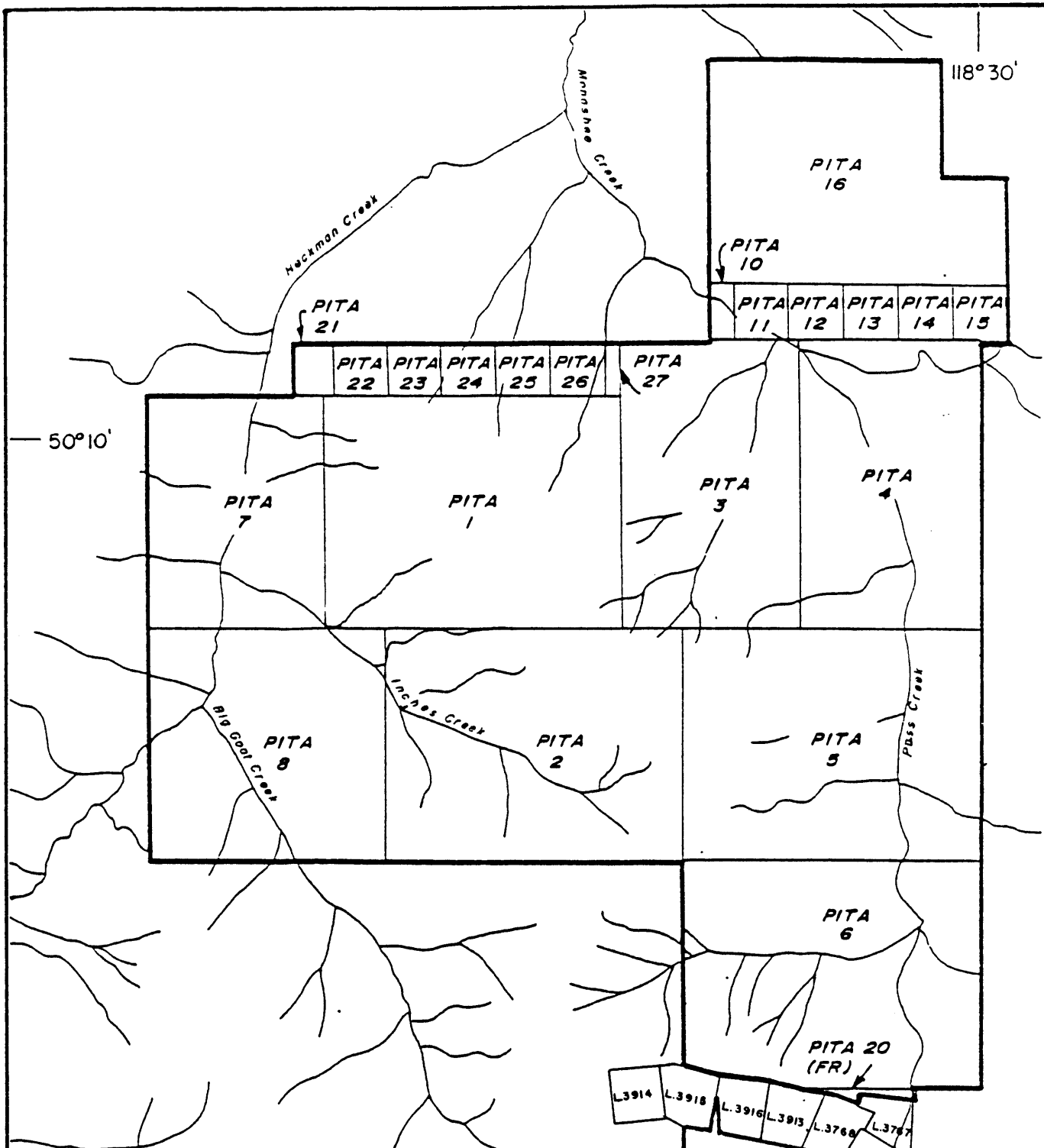
SCALE AS SHOWN

H. M. JONES

MARCH 1987

FIG. 1





APPROACH RESOURCES LTD.
 H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

**PITA CLAIMS
 CLAIM MAP**

HECKMAN - MONASHEE PASS CREEKS AREA
 N.T.S. 82 L-1W, 2E VERNON M.D., B.C.

0 1 2 KM

SCALE 1:50,000

H. M. JONES MARCH 1987 FIG. 2



inches 0 1

centimetres 0 1 2

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Topography and Vegetation

The property is located on the westerly flank of the Monashee Mountain Range in terrain characterized by steep-sided, deeply incised valleys separated by rounded to flat-topped ridges. Slopes are generally well forested from the valley bottoms to the heights of land with mature fir, pine, spruce, cedar, poplar and birch. Locally, some ridges in the area are open grasslands.

The claims are located within an active logging area. To date, approximately 20% of the claims area has been logged.

Property

The property consists of ten metric claims, three fractional claims and 12 two-post claims. They total 193 units (see Figure 3).

The claims are:

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date*</u>
Pita 1	1032	20	March 6, 1989
Pita 2	1033	20	March 6, 1987
Pita 3	1034	15	March 6, 1988
Pita 4	1035	15	March 6, 1988
Pita 5	1036	20	March 6, 1987
Pita 6	1037	20	March 6, 1988
Pita 7	1038	12	March 6, 1989
Pita 8	1039	16	March 16, 1987
Pita 10-15	1205-1210	1 unit each	March 18, 1987
Pita 16	1518	20	June 18, 1987
Pita 20 Fr.	1221	1	March 18, 1987
Pita 21 Fr.	1519	1	June 9, 1987
Pita 22	1788	1	June 11, 1988
Pita 23-27	1789-1793	1 unit each	June 11, 1988
Pita 28 Fr.	1787	1	June 11, 1988
Pita 29	2161	20	October 28, 1987

*One year's assessment work was applied to each of the above claims on March 6, 1987. Upon acceptance of this work, the expiry date of each of the above claims will be extended for one year.

All of the Pita claims are owned by Mohawk Oil Co. Ltd., 6400 Roberts Street, Burnaby, B.C. and held under an option agreement by Approach Resources Ltd., 400 - 601 West Cordova Street, Vancouver, B.C.

Any legal aspects pertaining to the claims is beyond the scope of this report.

History

The Pita 1 - 28 claims were acquired by Mohawk Oil Co. Ltd. between 1981-84 to explore an area considered to have a geological setting favourable for hosting precious and base metal mineralization. Pita 29 claim was located in 1986 to cover favourable geology north of the Top property as well as possible extensions of the McPhail and Monashee Mines vein systems.

Between 1981-85, Mohawk Oil Co. Ltd. conducted geological mapping, soil and silt sampling, induced polarization, VLF-EM, and magnetometer surveys, and trenching on various parts of this large property. The results of this work indicated that a number of areas were geochemically anomalous in one or more of gold, silver, copper, lead and zinc. The greatest concentration of anomalies occurred on Pita 1 and 7 claims. All anomalies were generated from soil samples taken along relatively wide spaced grid lines and sample sites. This work was of a reconnaissance nature.

The induced polarization survey was run in detail over a part of Pita 1, 2, 7 and 8 claims. This survey located several areas of low resistivity and moderate chargeability.

Trench samples returned some anomalous values in gold, silver, copper, zinc and lead, but gold and silver did not correlate well with the other elements.

During the period 1981-85, Mohawk Oil Co. Ltd. claimed a total of \$147,025 in assessment work expenditures.

In 1986 Approach Resources Ltd. conducted additional geological, geochemical and geophysical surveys on the Pita claims. This work was also of a reconnaissance nature.

Mining activity in the vicinity of the Pita claims commenced in the mid-1800's with placer testing and mining on a number of the creeks in the area. Significant gold was found on Cherry and Monashee Creeks and some of their tributaries. Most of the placer mining was conducted between 1874 and 1895, during which time the operations yielded 5,210 ounces of gold (Jones, 1959). Minor placer mining has continued along these creeks in recent times but their production is unknown.

Early placer mining in 1865 uncovered rich silver-bearing quartz veins in the bank of Cherry Creek. In the late 1800's, a gold-silver bearing vein was discovered in Monashee Pass, immediately east of the present Pita claims. This was later worked as the Monashee Mine which operated intermittently from the 1890's to 1940. During 1939-40 it is reported to have produced 2,410 tons yielding 367 oz. gold, 1,639 oz. silver, 1,556 lbs. lead and 418 lbs. zinc.

The McPhail Group, situated immediately west of the Monashee Mine, was also located in the late 1800's. Three gold-silver bearing veins were tested by underground workings. This old property lies immediately east of Pita 6 and 29 claims.

The St. Paul Mine, located on Monashee Mountain 6 km east of the Pita claims, was mined intermittently between 1914 and 1973. During this period, production totalled 430 tons yielding 181 oz. gold, 3,614 oz. silver, 8,199 lbs. lead and 2,773 lbs. zinc. The Minerva (Morgan) property, adjacent to the above mine, was located about the same time and was tested by several shallow shafts, pits and trenches. The St. Paul Mine and Minerva properties and the area in general have received considerable exploration since the rise in gold prices. Brican Resources Ltd., the present owners, report large zones of disseminated arsenopyrite and pyrite on the east flank of Monashee Mountain.

The Dona property, situated 5 km southeast of the above two properties, was located as a result of a stream sediment sampling program conducted by El Paso Mining and Milling Company in 1972. In 1973, detailed geological, geochemical and geophysical surveys, followed by trenching and percussion drilling partially defined a broad zone of gold-silver bearing quartz vein stockworks in and adjacent to a diorite sill in Cache Creek sediments and volcanics. Due to political, then

financial problems, the exploration on this property terminated. It is currently held under option with a drill program planned for 1987.

National Resource Exploration Ltd. and Cominco outlined several anomalous gold areas on their Keefer Lake property during 1983. Also, Demus Petro Corp. discovered significant gold anomalies on their Monashee property and reported assays of 6.84 oz/ton gold west of their property.

All of the above properties are in the same geological formations as the Pita claims.

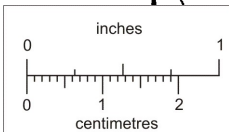
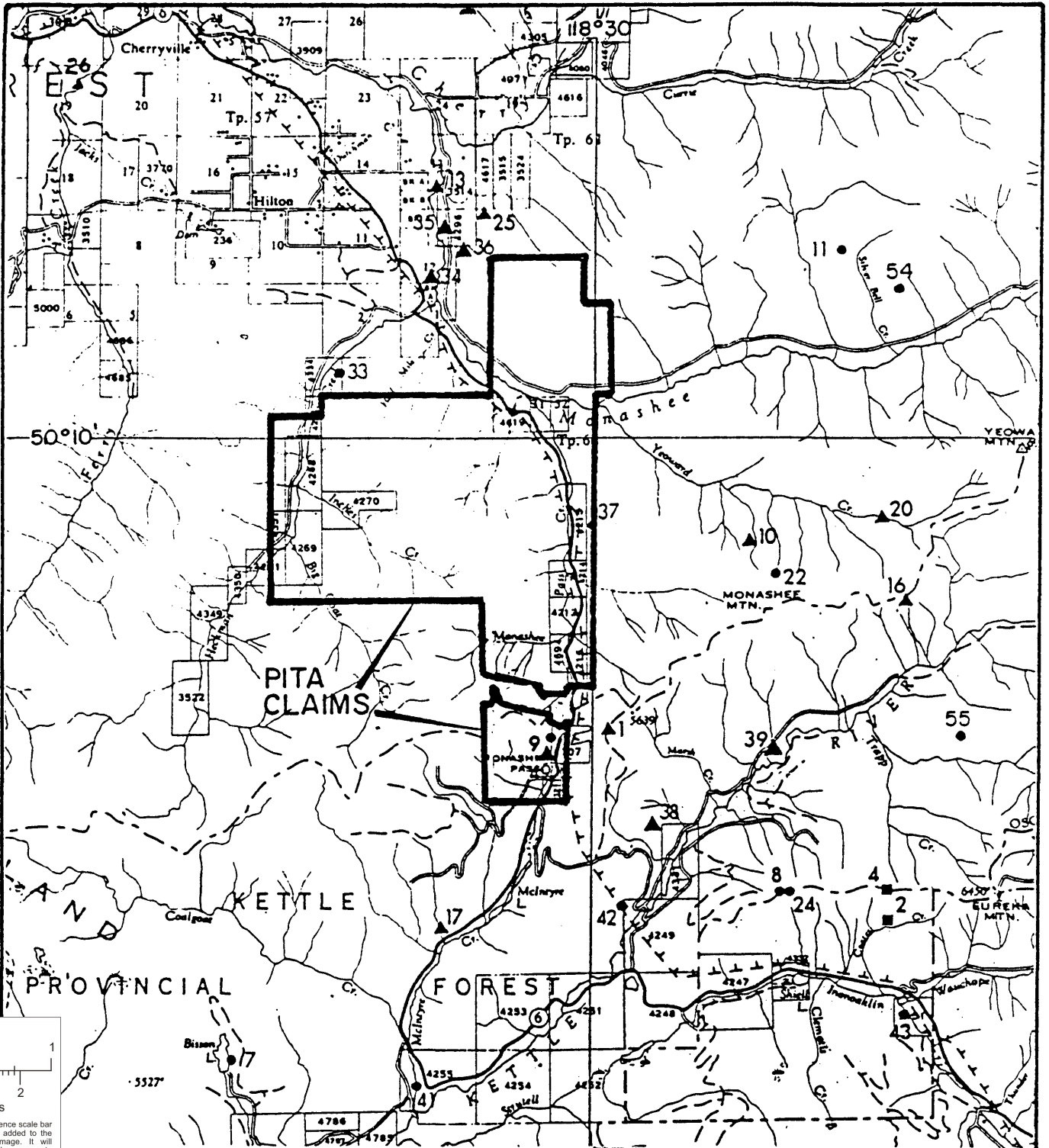
The Top property, located in 1974, lies immediately south of Pita 29 claim. In 1974 it was owned by New Cinch Uranium, who drilled four holes into a mineralized shear zone. The property was acquired by Brican Resources Ltd. in 1980. A considerable amount of surface exploration followed by diamond drilling was undertaken by this company and by Kerr Addison Mines, who optioned it in 1984. Significant gold-silver mineralization was encountered in a well-developed shear zone in granodiorite.

GEOLOGY

Regional Geology

The Pita claims are located within rocks of Permian-Pennsylvanian-aged "Thompson Assemblage" (formerly Cache Creek Group) and Upper Triassic Slocan Group. Both units are similar, consisting of interbedded sediments, including limestone and volcanics. They form a continuous belt trending northwesterly from Vernon while to the east of this city, they occur as discontinuous, block faulted sections. An unconformity was recognized between the two formations near Lavington, 37 km to the west of the property (Okulich, 1979). This structure should pass through the northern part of Pita 16 claim.

These rocks are intruded by large granitic masses, related to the Jurassic-aged Nelson batholith, and smaller ones of possibly Cretaceous age. Tertiary volcanics of the Kamloops Group cap much of the area (Figure 3).



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MINERAL OCCURRENCES REFERED TO IN REPORT

Deposit No.	Name	Products
1	Monashee Mine	Au, Ag, Pb, Zn
9	McPhail	Au, Pb, tellurides
10	St. Paul (Toughnut)	Au, Ag, Pb, Zn, Sb, Cu, As
16	Dona	Au, Ag, Pb, Zn
17	Top	Au, Ag
22	Minerva (St. Paul, Morgan)	Au, Ag, Pb, Zn

After B.C. Min. Inventory Map 82L-5E

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PITA CLAIMS
MINERAL OCCURRENCES IN VICINITY OF PITA CLAIMS

HECKMAN - MONASHEE PASS CREEKS AREA
 N.T.S. 82L-IW, 2E VERNON M.D., B.C.

0 1 2 5 KM.

SCALE 1:125,000
 H. M. JONES

MARCH 1987

FIG. 3

Northwest-striking faults and folds are common within the Thompson Assemblage. These parallel the regional northwesterly trend. Due to the lack of good marker beds, these structures are not obvious.

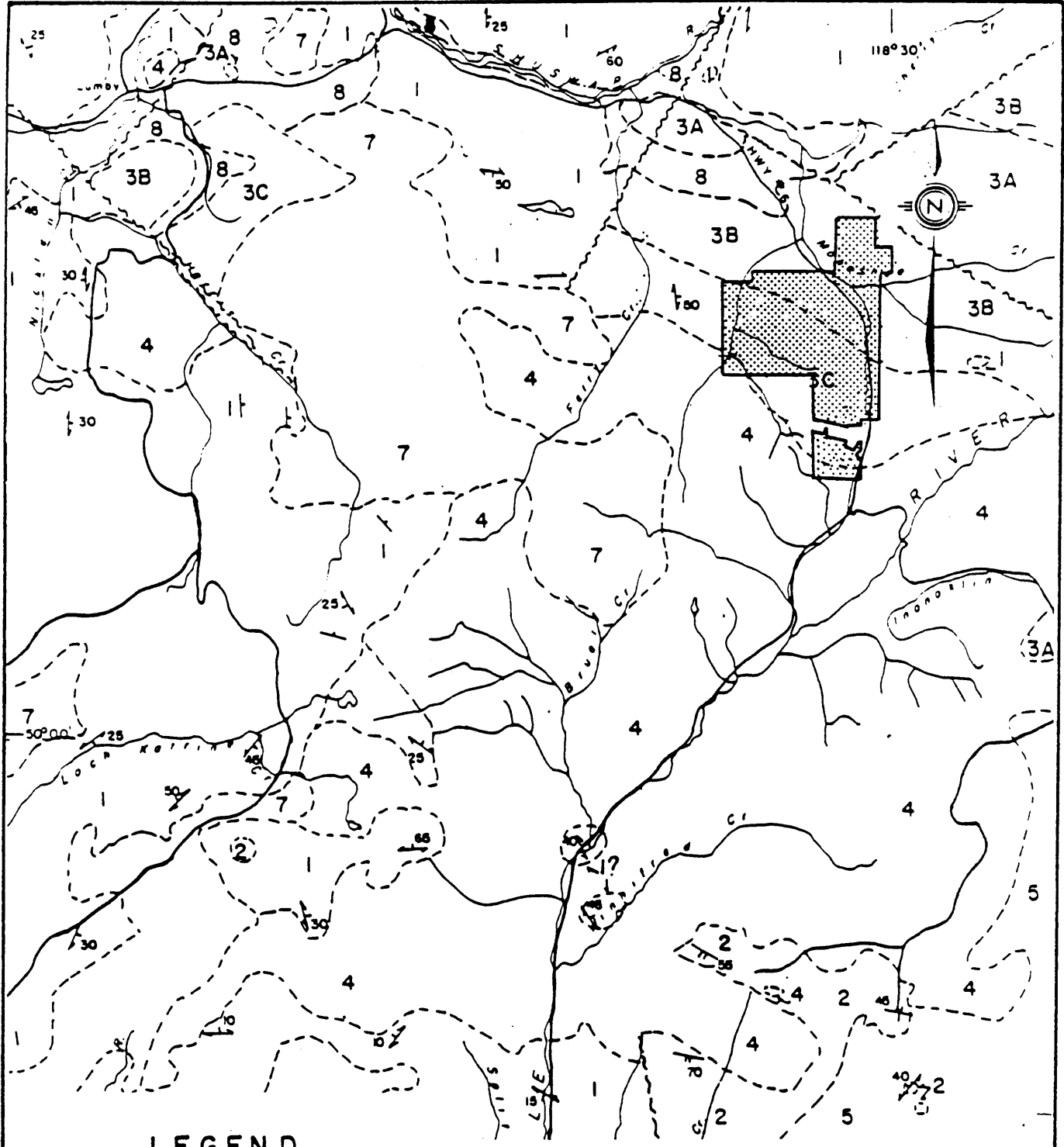
The Slocan Group, which in the property area was formerly included in the Cache Creek Group, may also correlate with the Milford Group located 40 km to the west of the Pita claims in the Tillicum Mountain area (Okulitch, 1979). Significant gold also occurs in the latter area.

Local Geology

The property is underlain by rocks of the Thompson Assemblage except near its northern and southern boundaries. To the north rocks of the Slocan Group (formerly included in the Cache Creek Group) are inferred (Okulitch, 1979), while to the south granitic rocks of the Nelson batholith intrude the bedded rocks of the Thompson Assemblage.

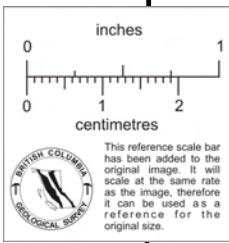
On the north side of Monashee Creek, on Pita 16, Waldner (1985) describes the geology as "northwesterly-trending, prominently bedded, dark, calcareous argillites and blue-green fine-grained andesites." They strike N30W and dip mostly to the southwest. They contain minor calcite veinlets and fine quartz veins. Andesites and coarse volcanic breccias also occur in the area with hornblende porphyry dykes. Only mineralization found in this area consisted of minor pyrite in quartz-calcite veins. These rocks probably include both Slocan Group and Thompson Assemblage. (Figure 4 - Unit 3B - Jones, 1959).

Similar rocks occur to the south and west of Monashee Creek and are probably all within the Thompson Assemblage. Basalts, porphyritic andesites and limestone lenses (Figure 4 - Unit 3C) also occur in this area and are exposed in road cuts near the height of land in the centre of the property. Dioritic intrusive complexes with ultramafic dykes also occur within unit 3C. Weak epidote - garnet - diopside skarn is developed along the contacts of these intrusive rocks with limestone lenses.



LEGEND

- 8 Pleistocene and Recent
- 7 Tertiary Basalts
- 6 Phoenix Volcanics Group
- 5 Valhalla Intrusions
- 4 Nelson Intrusions
- 3 Cache Creek Group (3A, 3B, 3C)
- 2 Anarchist Group
- 1 Monashee Group



APPROACH RESOURCES LTD.		
H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.		
PITA CLAIMS		
REGIONAL GEOLOGY		
HECKMAN - MONASHEE PASS CREEKS AREA N.T.S. 82 L-1W, 2E VERNON M.D., B.C.		
SCALE 1:253,400	MARCH 1987	FIG. 4
H. M. JONES		

AFTER JONES, 1959

Tertiary basalts of the Kamloops Group cover much of the area on Pita 2 and 8 between Big Goat and Inches Creeks.

Waldner (1984) recognized that the property geology exhibits three distinctive geological assemblages. These are, from south to north:

- a submarine assemblage of andesites which may conformably overlay a sequence of argillites and limestone;
- a central section dominated by a diorite intrusion and a granite to granodiorite intrusion flanking the north-central sector;
- an assemblage of tuffs, andesites, argillaceous sediments and minor limestone.

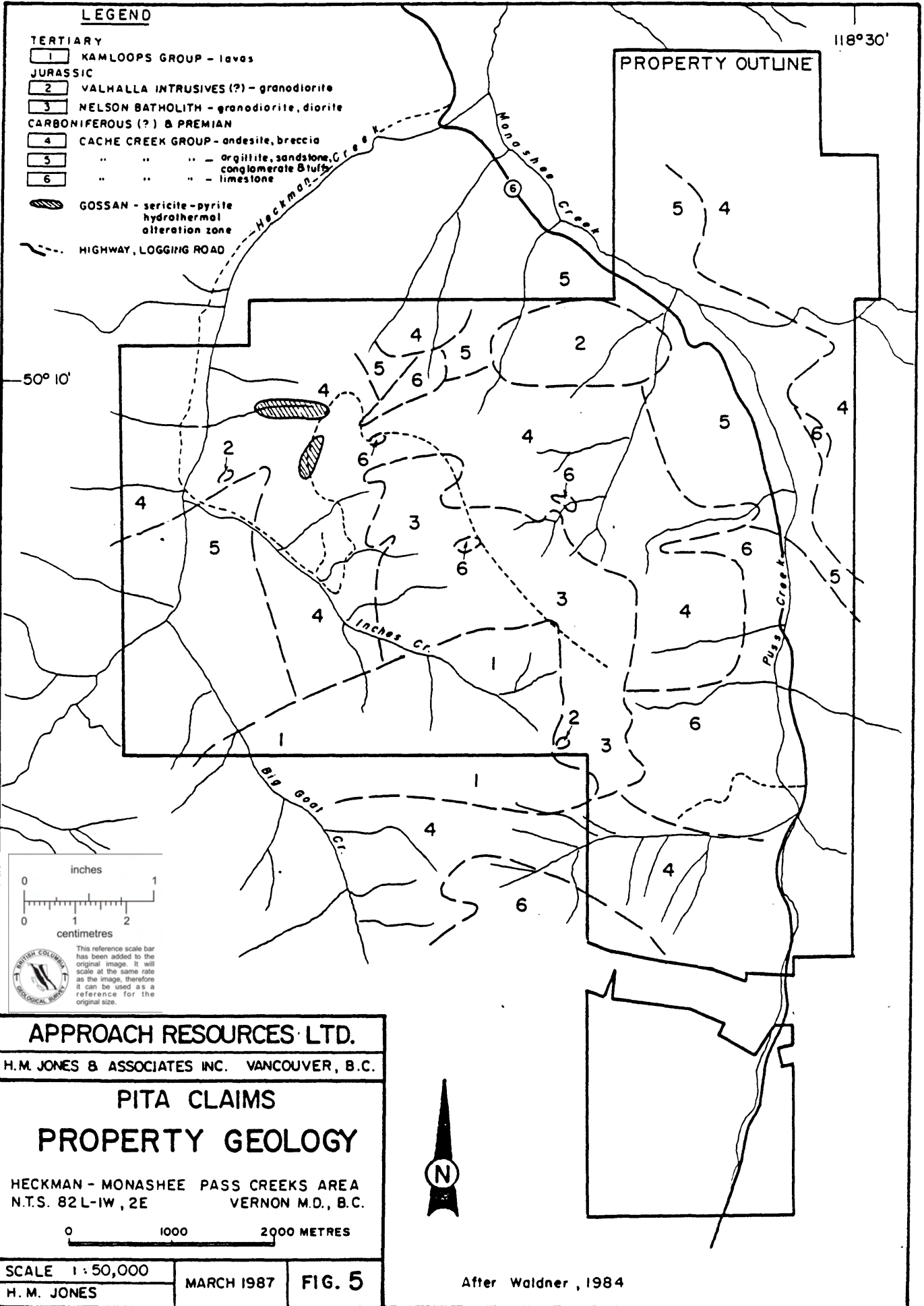
ALTERATION AND MINERALIZATION

A prominent sericite-pyrite gossanous alteration zone in volcanics is exposed on Pita 1 claim on and below the logging road (Figure 4). It is exposed over a width of about 500 m and for about 600 metres downslope to the west in a steep dry gulley. The normally dark green volcanics are bleached, strongly sericitized and pyritized, and sheared. Traces of chalcopyrite, galena and sphalerite were exposed in backhoe trenches in this area (Waldner, 1984).

Weak epidote - garnet - diopside skarn is developed along some of the contacts between limestone lenses (Unit 3C) and the dioritic and ultramafic dykes.

A number of faults were mapped on the property. Several were accompanied by strong clay-pyrite alteration.

While no zones of economic mineralization are known on the property, a number of significant mineral occurrences are known in proximity to it in similar geological settings in Slocan Group and/or Thompson Assemblage rocks. The following is a summary of some of these mineral occurrences: (See Figure 5 for their locations).



PROPERTY	GEOLOGY	MINERALIZATION
Monashee Pass (1)	Northeast striking quartz veins , 30-150 cm wide in Thompson Assemblage argillite and metamorphosed volcanics at contact with Nelson batholith.	Pyrite, galena, chalcopyrite, sphalerite, magnetite and native gold; production 2,410 tons yielding 367 oz. gold and 1,636 oz. silver.
McPhail (9)	Northwest striking quartz veins in metamorphosed limestone and lesser argillite of Thompson Assemblage where intruded by mass from Nelson batholith. Seven veins, three 30-90 cm wide, remainder narrow.	Pyrite, galena, sphalerite, minor chalcopyrite, tetrahedrite; assays variable, wider veins average < 1.00 oz per ton gold.
St. Paul Mine (10, 22) (includes a group of Crown Grants on Monashee Mountain)	Green volcanics with intercalated sediments (Thompson Assemblage) intruded by diorite body. Northwest striking vein system mostly within diorite near south contact.	Morgan veins - free gold with pyrite, arsenopyrite and minor sphalerite and galena. Lower St. Paul workings - veins with arsenopyrite, stibnite?, tetrahedrite and jamesonite; minor pyrite, pyrrhotite, sphalerite and galena, some native silver.
Top Property (17)	Northerly trending shear zone up to 15 m wide in Nelson batholith. Intensely altered granodiorite and carbonate altered lamprophyre dykes within shear zone.	Pyrite, arsenopyrite, drilling indicates grades between 0.1 and 0.2 oz/ton gold.
Dona Property (16)	Quartz vein stockwork in diorite sill in Thompson Assemblage sediments and volcanics. Veins generally very narrow, attitude NW/20SW. Occasional vein +25 cm. Sulfides also present in weakly skarnified sediments and volcanics on margin of intrusion.	Occasional pod massive arsenopyrite, stibnite, pyrite; possible large tonnage < 0.1 oz/ton gold.

While no economic mineral occurrences are presently known on the Pita claims, there are ample indications that one or more could be present, i.e., the large mineralized hydrothermal alteration zone and the large areas of geochemical anomalies.

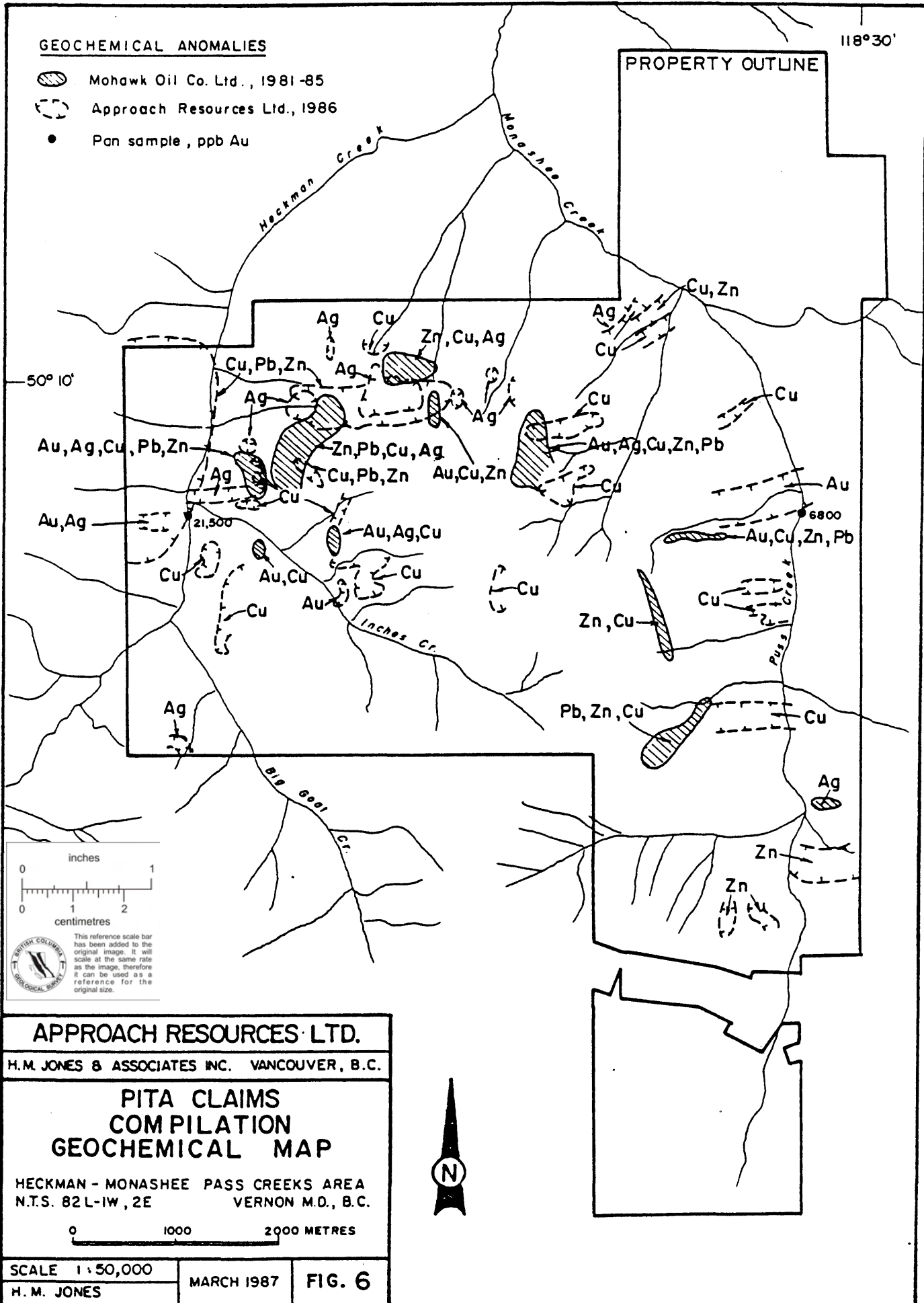
The three distinctive geological assemblages offer a variety of possible types of mineralization. The northern section has the potential for hosting a large tonnage, low grade, disseminated or fracture filled gold-silver deposit in the volcanics or sedimentary rocks (northern part Pita 1 claim). The central section may host epithermal gold-silver veins in pyritized, hydrothermal alteration zones (Pita 1 and 7 claims). The southern section has the potential for hosting base and precious metal massive sulfide deposits within the volcanics or a skarn-type deposit associated with an intrusive limestone contact (Pita 5 and 6 claims).

DISCUSSION OF RESULTS OF PREVIOUS WORK

A considerable amount of geochemical soil sampling was conducted on the property during the period 1981-86. Much of this was done on widely spaced sample lines - 100 m to 500 m separations - with samples at 50 m intervals. This work was successful in locating a number of areas anomalous in one or more of gold, silver, copper, lead and zinc. Numerous large scale maps of these results are on file but are not included in this report because of their size. Figure 6 is a simplified compilation of the above geochemical data.

On Figure 6, the areas of geochemical interest are defined by the following contours:

<u>Element</u>	<u>Area of Interest</u>	<u>Definitely Anomalous Values</u>
Gold	10 ppb contour	> 30 ppb gold
Silver	0.6 ppm contour	> 1.0 ppm silver
Copper	50 ppm contour	> 100 ppm copper
Zinc	100 ppm contour	> 150 ppm zinc
Lead	25 ppm contour	> 50 ppm lead



APPROACH RESOURCES LTD.

H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

**PITA CLAIMS
COMPILATION
GEOCHEMICAL MAP**

HECKMAN - MONASHEE PASS CREEKS AREA
N.T.S. 82L-1W, 2E VERNON M.D., B.C.

0 1000 2000 METRES

SCALE 1:50,000




MARCH 1987

FIG. 6

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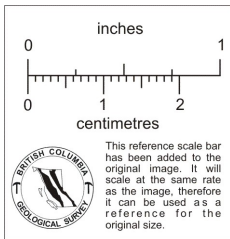
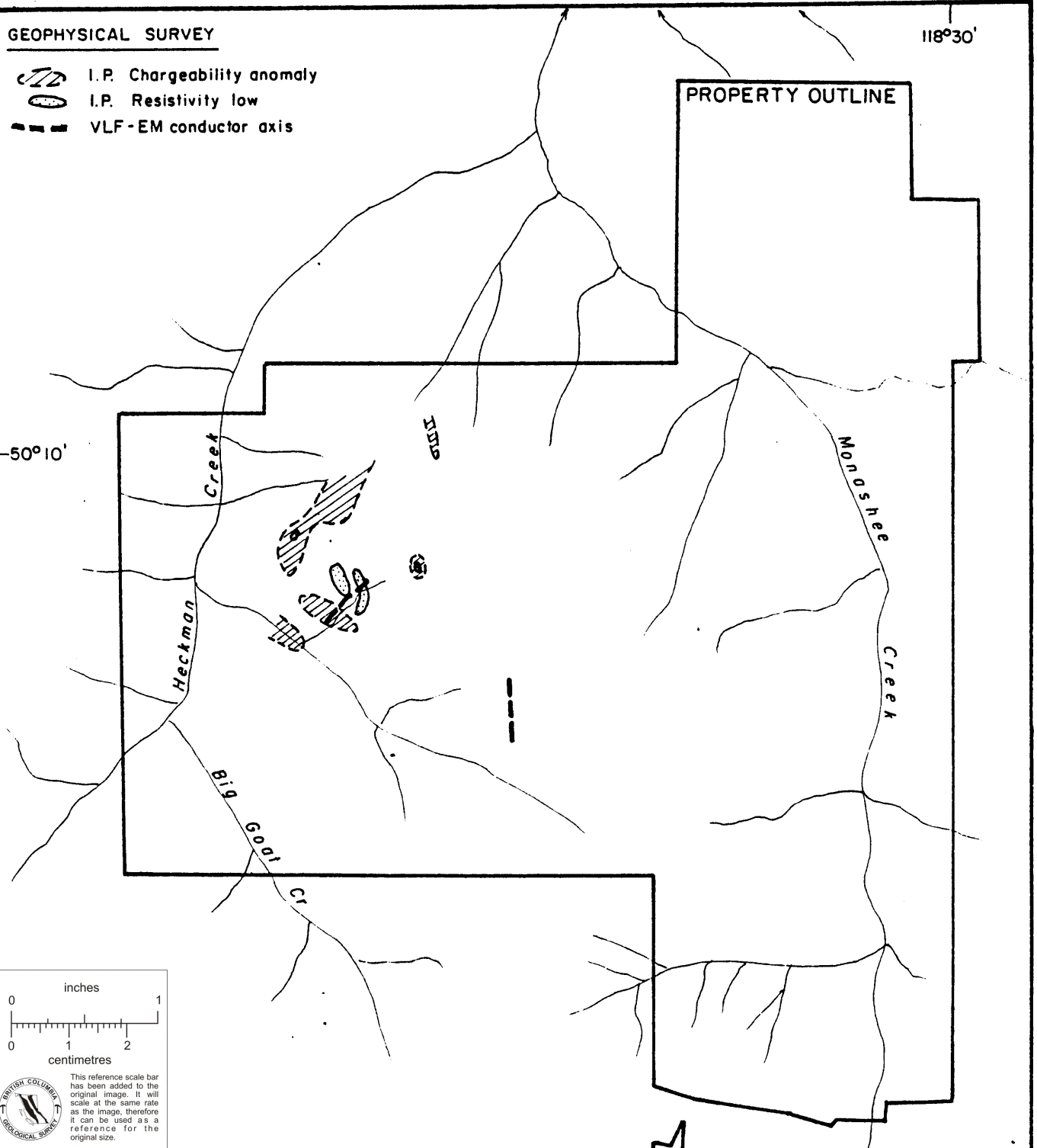
GEOPHYSICAL SURVEY

118°30'

-  I.P. Chargeability anomaly
-  I.P. Resistivity low
-  VLF-EM conductor axis

PROPERTY OUTLINE

50°10'



APPROACH RESOURCES LTD.

H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

**PITA CLAIMS
COMPILATION
GEOPHYSICAL MAP**

HECKMAN - MONASHEE PASS CREEKS AREA
N.T.S. 82 L-1W, 2E VERNON M.D., B.C.

0 1000 2000 METRES



SCALE 1:50,000

H. M. JONES

MARCH 1987

FIG. 7

Figure 6 illustrates that a cluster of anomalies occur in the northwestern part of Pita 1 claim and extend into Pita 7 claim. The prominent sericite - pyrite hydrothermal alteration zone, mentioned earlier, is located in the centre of this area. It is accompanied by large copper, lead and zinc anomalies and scattered smaller areas anomalous in gold and silver (gold values in the 100-350 ppb range). Because of the line spacing, significant parts of this area were not soil sampled. Detailed samplings is required in this area.

A number of other scattered anomalies are present on the property (see Figure 6). These also require field examinations.

A number of silt and panned stream samples were taken from the drainages on the Pita claims. Assays from two of the panned concentrates returned values of 21,500 and 6,800 ppb gold. The former was taken from Heckman Creek, the latter from Monashee Creek. These are significant values. They should be resampled and if results are substantiated, then exploration should be conducted in their vicinities to search for the source of the gold.

A VLF-EM survey was run over a part of Pita 1 and 7. A number of weak cross-overs were recorded which were interpreted to reflect shearing and a moderate sulfide content of the rocks (Waldner 1984). The writer's experience in the general area is that argillites in the Thompson Assemblage commonly have graphitic slips along bedding which respond to VLF-EM. Conductors of interest should be ground checked before undertaking further work in their vicinities.

Magnetometer surveys conducted to date added little information. It was suggested (Christopher, 1986) that magnetometer surveys over the southeastern part of the property would be useful in exploring for magnetic skarns on intrusive-limestone contacts in this area. The writer concurs.

An induced polarization survey was conducted over a part of Pita 1 and 7 claims. Two northwest trending resistivity "lows" were recorded in areas of gold, silver, copper and lead soil anomalies and hydrothermally altered rocks. These may(?) represent mineralized epithermal zones. Several high changeability - low resistivity anomalies of broader areal extent were also recorded which coincide

with geochemical anomalies and areas of hydrothermal alteration. These are in the area of the strongly pyritized hydrothermal alteration zone described earlier.

CONCLUSIONS

It is concluded that the Pita claims are underlain by three distinctive geological assemblages which could host gold and silver mineralization in large tonnage, low grade deposits, epithermal veins, massive sulfide deposits and skarn-type deposits.

It is also concluded that results to date indicate that detailed exploration is warranted in selected areas to search for the above type of deposits.

RECOMMENDATIONS

It is recommended that detailed geochemical soil sampling be conducted on Pita 1 and 7 claims to better define the numerous gold, silver, copper, lead and zinc anomalies found in this area from the reconnaissance surveys. Significant anomalies resulting from this sampling should be trenched, preferably with a backhoe, rock sampled in detail, and diamond drilled.

Other geochemical anomalous areas on this large property should be examined and check sampled before planning detail exploration on them. This should include the two stream sediment sample sites, the concentrates from which were highly anomalous in gold.

COST ESTIMATE

Stage I

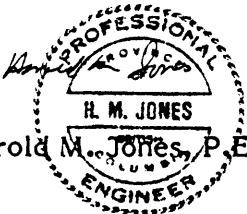
Geochemical soil survey, including 1,150 samples at \$10 per sample	\$ 25,000
Trenching - backhoe at \$500 per day, including trench mapping and sampling	20,000
Diamond drilling - say 600 m at \$105 per metre all inclusive	63,000
Supervision	<u>6,000</u>
	114,000
Contingencies	<u>16,000</u>
Total Stage I	<u><u>\$ 130,000</u></u>

Stage II - contingent on Stage I

Diamond drilling, say 2,000 m at \$105 per metre, all inclusive	<u>\$ 210,000</u>
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Total Stage I & II	<u><u>\$ 340,000</u></u>
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Respectfully submitted,


Harold M. Jones, P. Eng.

REFERENCES

- Callahan, B. (1982) - Geological - Geochemical Report on Geological Mapping and Soil -Silt Sampling Survey, Pita 1, 2, 3, 4, 5, 6, 7, 8 and 9 Mineral Claims, Vernon M.D., for Mohawk Oil Co. Ltd.
- (1986) - Report on the Trenching and Geological Mapping Conducted on the Pita 16 Mineral Claim, Vernon, M.D., for Mohawk Oil Co. Ltd.
- Cairnes, C.E. (1930) - St. Paul Group of Mineral Claims, Osoyoos District, B.C., Geol. Surv. Can. Summ. Report 1930, Part A.
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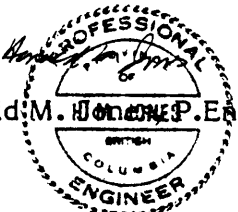
CERTIFICATE

I, Harold M. Jones, of the City of Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geological Engineer with offices at 310-543 Granville Street, Vancouver, British Columbia.
2. I am a graduate of the University of British Columbia in Geological Engineering, 1956.
3. I have practised my profession as a Geological Engineer for over 30 years.
4. I am a member of the Association of Professional Engineers of British Columbia, Registration No. 4681.
5. I did not examine the Pita claims, however, I am familiar with the geological setting having supervised a major exploration program during 1973-74 on the Dona claims, located at Keefer Lake, 8 km southeast of the Pita claims. Both properties are in the same geological formations.
6. I reviewed all of the data listed under "References" in this report, and concur with the various authors who all recommended additional exploration on the property.
7. I have no interest in, nor do I expect to receive any, in the Pita claims or in the securities of Approach Resources Ltd.
8. Approach Resources Ltd. are hereby given permission to reproduce this report, or any part of it, in a Prospectus, Statement of Material Facts or other documents as required by the regulating authorities, provided, however, that no portion may be used out of context in such a manner as to convey a meaning differing from that set out in the whole.

Dated at Vancouver, B.C. this 24th day of March, 1987

Harold M. Jones P. Eng.

A circular professional seal for a Geological Engineer in British Columbia. The seal features a central horizontal line with the text "PROFESSIONAL" above it and "ENGINEER" below it. The words "BRITISH COLUMBIA" are written in a smaller font across the middle. The outer border of the seal contains the text "PROFESSIONAL ENGINEER" at the top and "BRITISH COLUMBIA" at the bottom. A handwritten signature, "Harold M. Jones", and the year "1987" are visible over the seal.

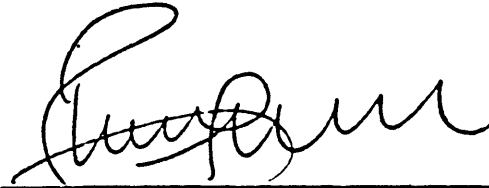
CERTIFICATES

DATED: November 20, 1987

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.



ROBERT S. ADAMSON
Chief Executive Officer
and Promoter



TOM KING-TONG CHENG
Chief Financial Officer
and Promoter



PAUL PARE
Director and Promoter

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

DATED: November 20, 1987

WEST COAST SECURITIES LTD.

Per:

