

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

006161 NEW ISSUE

# LUCKY 7 EXPLORATION LTD.

(hereinafter called the "Issuer")

308 - 1155 West Pender Street  
Vancouver, British Columbia V6E 2P4

DATED: June 22, 1988

## 500,000 Common Shares

	Price to Public	Agent's Commission	Net Proceeds to be received by the Issuer*
.....	\$0.60	\$0.09	\$0.51
.....	\$300,000	\$45,000	\$255,000

\* Portion of the balance of the cost of the issue estimated to be \$20,000.

TO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD. THE PRICE OF THIS ISSUE HAS BEEN DETERMINED BY NEGOTIATION BETWEEN THE ISSUER AND THE AGENT. THE ISSUE PRICE TO THE PUBLIC PER SHARE EXCEEDS THE NET BOOK VALUE PER COMMON SHARE IMMEDIATELY PRIOR TO THE DATE OF THIS PROSPECTUS BY \$0.54 PER SHARE. THE NET BOOK VALUE PER COMMON SHARE AFTER GIVING EFFECT TO THE DILUTION WILL BE \$0.16 PER COMMON SHARE REPRESENTING A 73% DILUTION OF THE OFFERING PRICE PER COMMON SHARE.

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 DECEMBER 28, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE PROPERTIES OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATED, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. REFER TO THE HEADING "RISK FACTORS" ON PAGE 9 FOR FURTHER DETAILS.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 23.5% OF THE SHARES THEN OUTSTANDING. THE SHARES NOW OWNED BY CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER, UNDERWRITER AND THEIR ASSOCIATES REPRESENT 46.2% OF THE SHARES WHICH WILL BE ISSUED AND OUTSTANDING ON COMPLETION OF THIS OFFERING. REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS OF SHARES HELD BY UNDERWRITERS AND THEIR ASSOCIATES.

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 "DIRECTORS AND OFFICERS" FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

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 SALE OF THE SECURITIES OFFERED BY THE ISSUER.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION BEING RECEIVED BY THE ISSUER WITHIN 180 DAYS OF THE EFFECTIVE DATE. REFER TO HEADING "MINIMUM SUBSCRIPTION" ON PAGE 3 FOR FURTHER DETAILS.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC ANY SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE GREENSHOE OPTION. REFERENCE SHOULD BE MADE TO "PLAN OF DISTRIBUTION" ON PAGE 1.

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

AGENT

### HAYWOOD SECURITIES INC.

11th Floor, 400 Burrard Street  
Vancouver, British Columbia

EFFECTIVE DATE: June 30, 1988

R.M.  
P.W.  
PROPERTY FILE  
White Elephant 82654042  
NI 1,2,3 926092

REPORT ON  
GEOLOGY, GEOLOGICAL SOIL SAMPLING,  
V.L.F.E.M. SURVEYS AND EXPLORATION POTENTIAL

Ni 1, 2, 3 (2184, 3175, 3176) CLAIMS  
PORT ALBERNI MINING DIVISION,  
VANCOUVER ISLAND, BRITISH COLUMBIA

Latitude: 48°52'N

Longitude: 124°41'W

N.T.S. 92-C-15E

for

LUCKY 7 EXPLORATION LTD.,  
308 - 1155 West Pender Street  
Vancouver, B. C.  
V6E 2P4

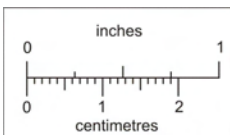
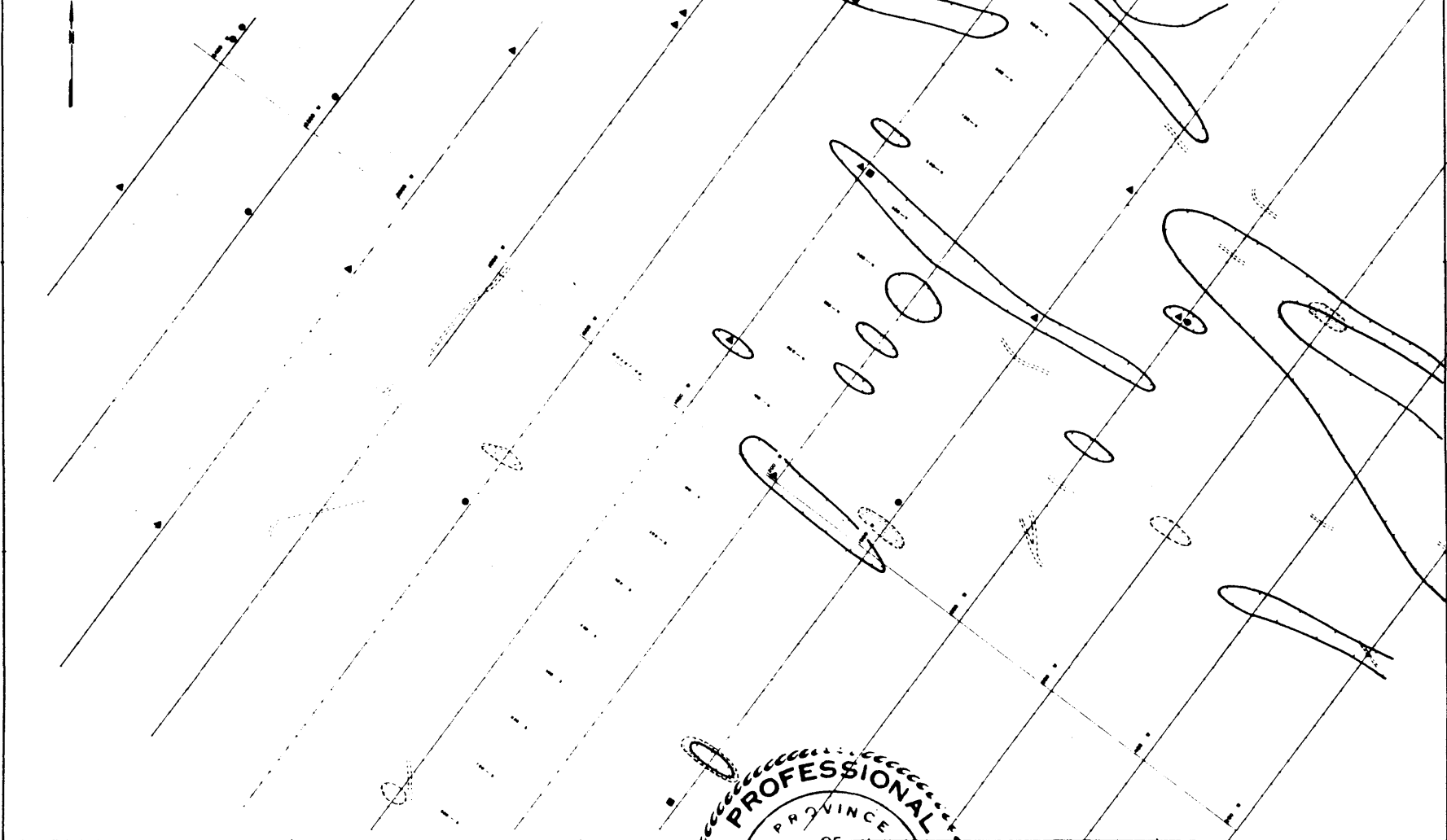
Vancouver, B.C.  
18 October 1987

Chris J. Sampson, P.Eng.  
Consulting Geologist

**SAMPSON ENGINEERING INC.**

2696 West 11th Avenue  
Vancouver, B.C. V6K 2L6

606 001 014 PHANT  
1:50

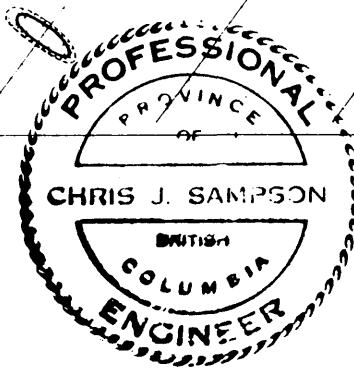


This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



LEGEND:

- ANOMALOUS AM >20 PPB
- ANOMALOUS Ag >0.4 PPM
- ANOMALOUS Pb >35 PPM
- ANOMALOUS Zn >255 PPM
- ANOMALOUS Cu >45 PPM



**LUCKY 7 EXPLORATION LTD**  
 GOLDEN ELEPHANT CLAIM  
 SOIL GEOCHEMISTRY  
 ANOMALY MAP  
 01 0000A 001A 001 001A 15

## TABLE OF CONTENTS

	Page
SUMMARY	1
INTRODUCTION	2
LOCATION AND ACCESS	2
CLAIM DATA	2
TOPOGRAPHY	3
HISTORY OF THE PROPERTY	3
REGIONAL GEOLOGY	5
PROPERTY GEOLOGY	6
MINERALIZATION	11
GEOCHEMISTRY	14
CONCLUSIONS	14
RECOMMENDATIONS	15
REFERENCES	17
CERTIFICATE	18

### FIGURES

1. LOCATION MAP	Follows page 2
2. TOPOGRAPHY MAP	Follows page 2
3. CLAIM MAP	Follows page 3
4. GEOLOGICAL SKETCH MAP OF VANCOUVER ISLAND	Follows page 5
5. COMPILATION MAP	In pocket
6. GEOCHEMICAL SOIL SAMPLING: Au-Ag	In pocket
7. GEOCHEMICAL SOIL SAMPLING: PB-Zn	In pocket
8. GEOCHEMICAL SOIL SAMPLING: Cu	In pocket
9. V.L.F. E.M. SURVEY	In pocket

## SUMMARY

Lucky 7 Exploration Ltd. hold the 33 metric units Ni claims which are situated on the Little Nitinat River 40 kms south of Port Alberni, Vancouver Island, B.C.

Although outcrop is relatively scarce on the property, there are two main mineral showings, the «Camp» and «Copper» zones, which are situated close to the Nitinat main haulage logging road. These mineralized zones have been trenched and sampled by previous owners of the property. Three diamond holes were drilled on the Camp zone in 1979, 1980.

Chip samples taken from both zones have shown significant silver, lead, zinc and copper values.

Other, less explored showings occur on the Ni claims. To the north of the Camp zone, between the Nitinat logging road and the Little Nitinat River, a 20 ft adit explored a zone of disseminated pyrite and galena which maybe conformable with the rhyolite country rock.

In the northwestern quadrant of the property, there are several pyrite and sphalerite filled fractures up to 1.5 wide.

In 1984 and 1985, Falconbridge ran programmes of geochemical soil sampling over most of the Ni claims. Several good strength coincident lead, zinc, silver anomalies were located.

In summer 1987, Lucky Seven ran lines between those sampled by Falconbridge - thus reducing the spacing to 75 m and collected soil samples at 25 m intervals. Values obtained for lead, zinc and silver were similar to those of Falconbridge - thus defining and extending the anomalies.

## INTRODUCTION

On Wednesday, September 2nd, 1987, the writer accompanied by Lloyd Addie, visited the Ni Claims of Lucky Seven Resources. The 33 metric unit claim group is situated on the Little Nitinat River, 40 kms south of Port Alberni, Vancouver Island, B.C.

During the course of the property examination, the writer examined the showings and adits which are located along the Nitinat main haulage logging road and some mineralized shears situated in the north-western part of the property where geochemical soil sampling by Lucky Seven personnel in summer 1987 had indicated presence of geochemical anomalies. This report is based on the field examination together with study of data from Lucky 7 files, particularly reports by Falconbridge on work they did in 1984 and 1985.

## LOCATION & ACCESS

The property is situated on the Little Nitinat River, approximately 40 kms south of Port Alberni, Vancouver Island, B.C. and 6 kms north of the north end of Nitinat Lake. The property is 43 kms west of Lake Cowichan and is situated at 48°54'N latitude and 124°43'W longitude, N.T.S. 92-C-15E.

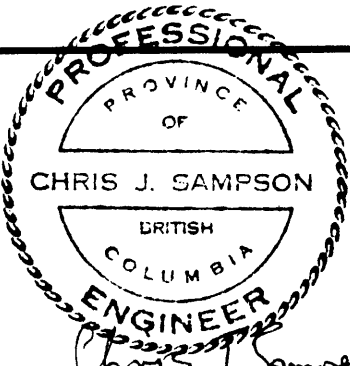
Access is easily gained, using a regular two wheel-drive vehicle, by a system of logging roads either from Port Alberni through the Franklin Camp and thence 10 km south, or alternatively from Lake Cowichan west to the Nitinat River and then via the road along the Little Nitinat River. There is an extensive network of logging roads on the property, but four wheel-drive vehicle is necessary on some of these roads.

## CLAIM DATA

The 33 metric unit Ni claims are situated in the Port Alberni Mining Division. They are shown on Map 92-C-15E. Claim details are as follows:

**SAMPSON ENGINEERING INC.**

2696 West 11th Avenue  
Vancouver, B.C. V6K 2L6



*Chris J. Sampson*

**LUCKY 7 EXPLORATION LTD.**

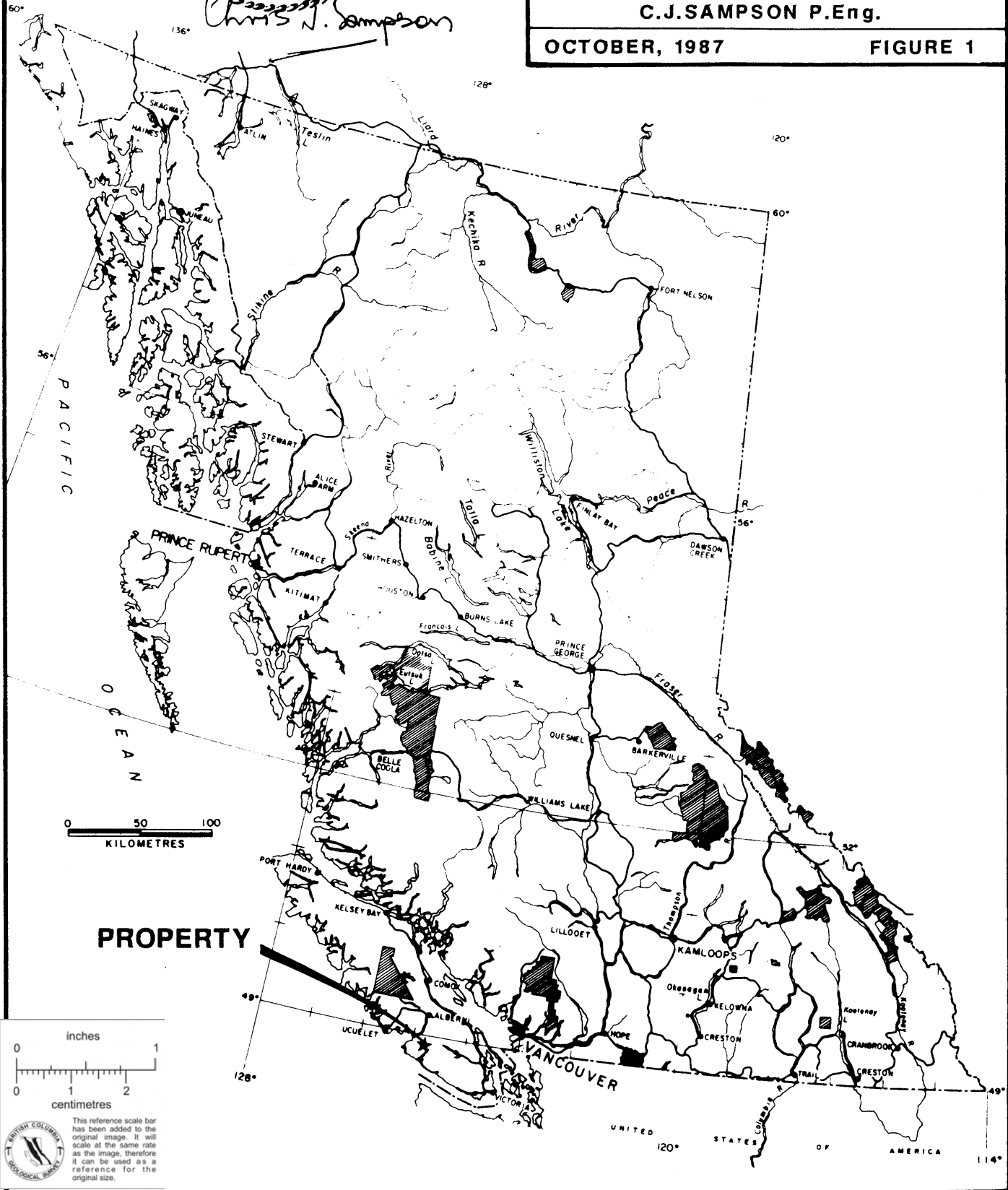
**Ni CLAIMS**  
**ALBERNI MINING DIVISION, B.C.**  
**NTS:92C/15**

**LOCATION MAP**

**C.J.SAMPSON P.Eng.**

**OCTOBER, 1987**

**FIGURE 1**



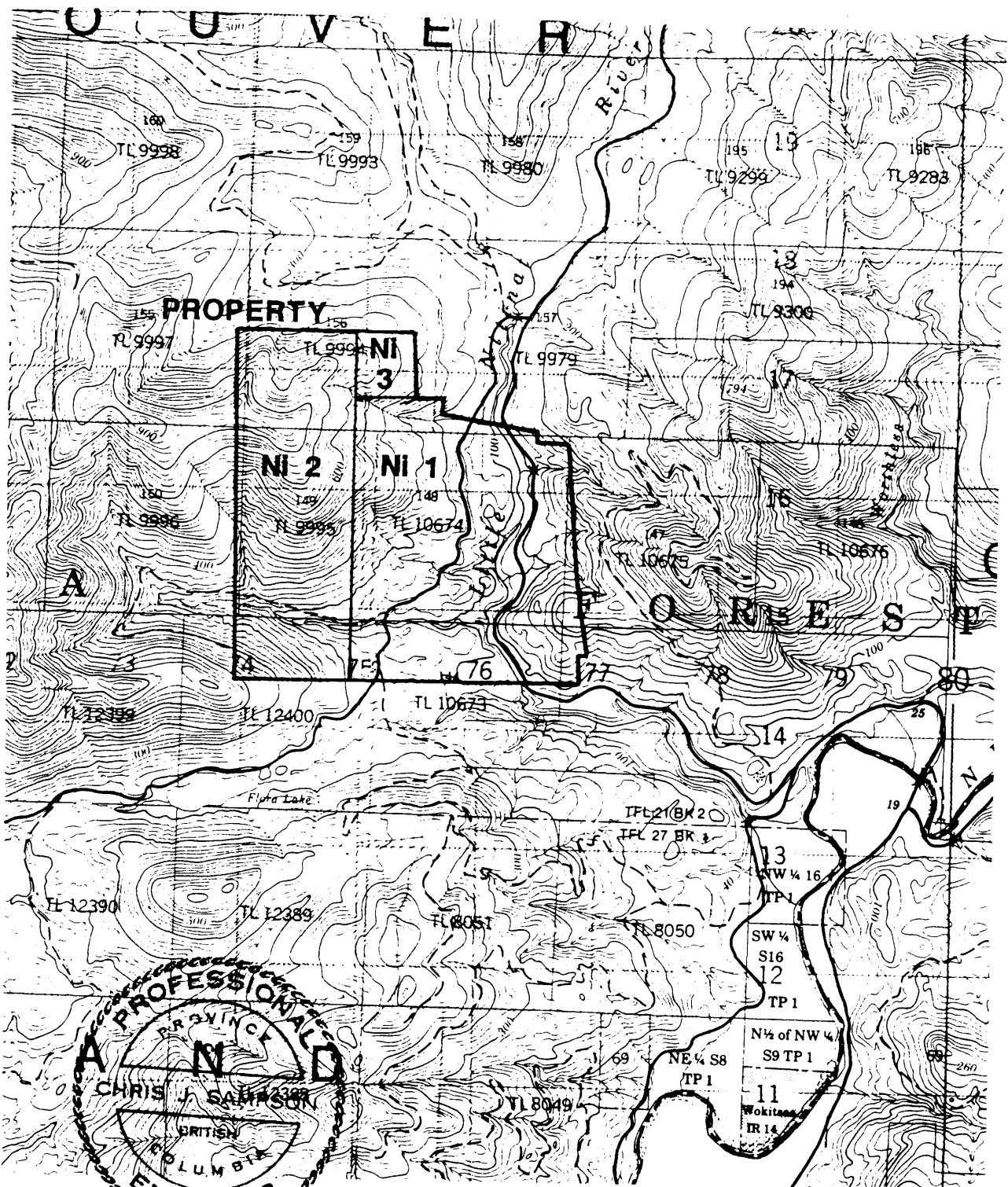
0 50 100  
KILOMETRES

**PROPERTY**

0 inches 1  
0 1 2 centimetres

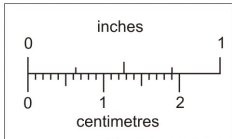


This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



A PROFESSIONAL  
 PROVINCE  
 N.C.  
 CHRIS J. SAMPSON  
 BRITISH  
 COLUMBIA  
 ENGINEER

*Chris J. Sampson*  
 0 1 2  
 Km



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.

<b>LUCKY 7 EXPLORATION LTD.</b>	
<b>Ni CLAIMS</b>	
ALBERNI MINING DIVISION, B.C.    NTS: 92C/15	
<b>TOPOGRAPHIC MAP</b>	
C.J.SAMPSON, P.Eng.	
DATE: OCTOBER, 1987	FIGURE: 2



<u>Claim</u>	<u>Record No.</u>	<u>Units</u>	<u>Registered Owner</u>	<u>Recording Date</u>	<u>Expiry Date</u>
Ni 1	2184	20	Ron Bilquist	23 May 84	23 May 88
Ni 2	3175	12	Les Allen	6 April 87	6 April 88
Ni 3	3176	1	Les Allen	6 April 87	6 April 88

The property is held by Lucky 7 Exploration under an option agreement from the original owners:

Ron Bilquist	37½%	Gabriola, B.C.	Gabriola, B.C.
Les Allen	37½%		
Sam Craig	25%	Tofino, B.C.	

### TOPOGRAPHY

The Ni Claim Group which straddles the Little Nitinat River is of relatively moderate relief, with mostly rounded hills and ridges. Elevations range from approximately 150 m (500 ft) on the river, at the south-eastern corner of the property, to a high point of 760 m (2,500 ft) above sea level in the north-western corner of the property. Outcrop is generally scarce due to an extensive blanket of overburden, which in many localities is not very deep, since wherever logging roads have been constructed bedrock is well exposed in the various road cuts. In some localities, however, overburden appears to be tens of metres thick.

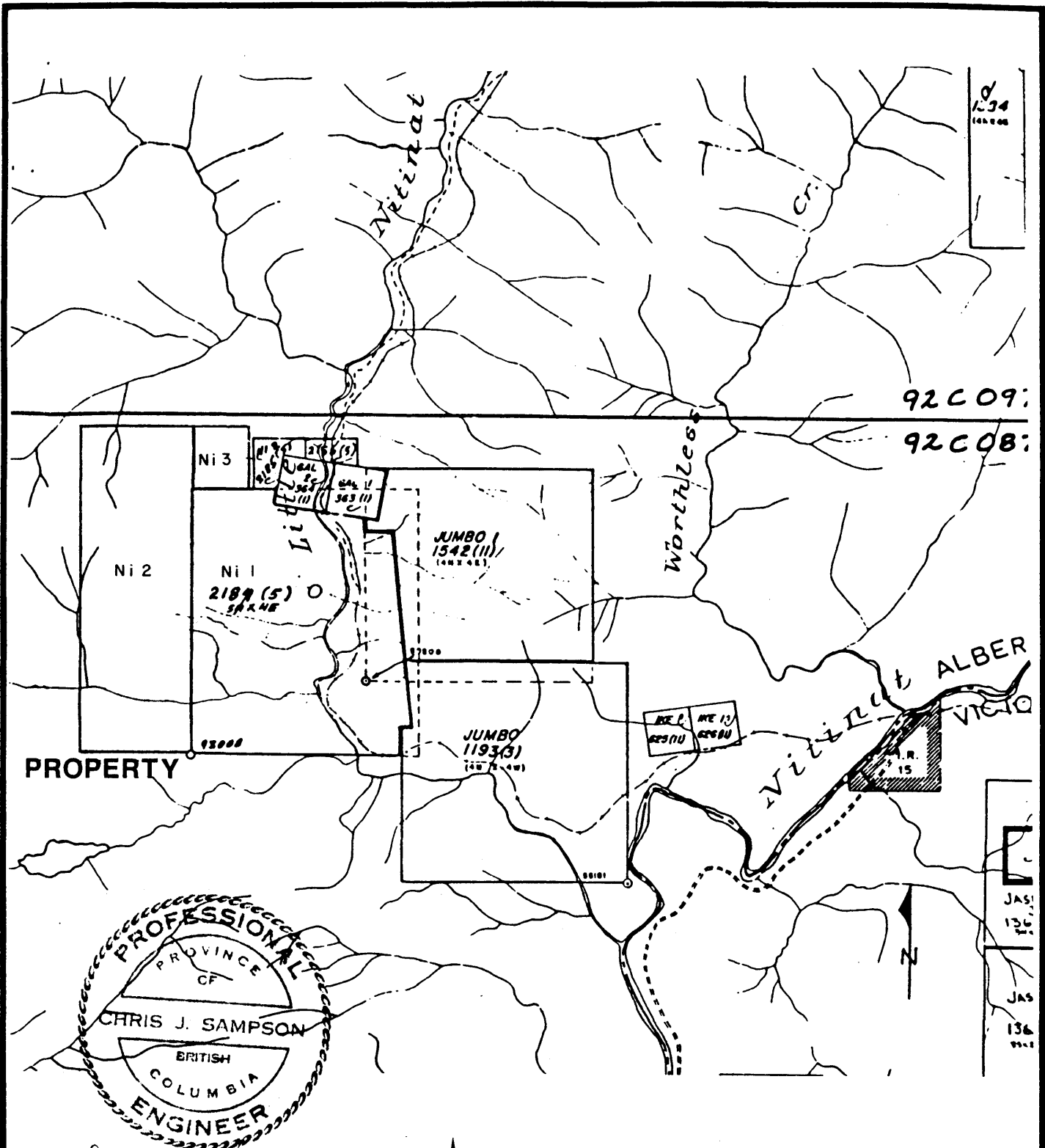
Since the property is situated on the western side of Vancouver Island, it enjoys a mild climate with very little snow cover during the winter and relatively heavy rain fall. It is situated in a prime logging area and has been logged for many years. Most of the vegetation occurring is thus second or third growth fir, spruce, some pine and alder.

### HISTORY OF THE PROPERTY

Mineralization was first reported in the area in B.C.D.M. Annual Report 1916. The short adit located near the Camp showing on the Nitinat main haulage road is believed to have been driven at that time.

**SAMPSON ENGINEERING INC.**

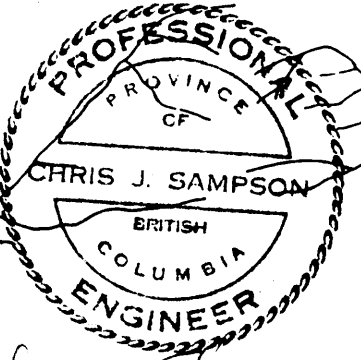
2696 West 11th Avenue  
Vancouver B.C. V6K 2L6



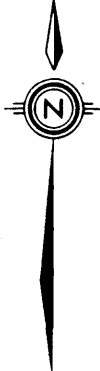
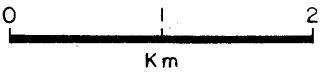
92C09:  
92C08:

92C09:  
92C08:

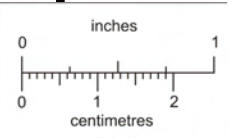
JAS  
136  
JAS  
136



*Chris J. Sampson*



LUCKY 7 EXPLORATION LTD.	
Ni CLAIMS	
ALBERNI MINING DIVISION, B.C. NTS: 92C/15	
<b>CLAIM MAP</b>	
C.J.SAMPSON, P.Eng.	
DATE: OCTOBER, 1987	FIGURE: 3



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.

During 1967-1968, Belvedere Mines Limited carried out programmes of geochemical soil sampling and some geophysical surveys.

Further geochemical surveys were done by Noranda Mines in 1972-1973. These located several zinc and silver geochemical anomalies mostly to the west of the Little Nitinat River. The copper geochemistry showed only occasional high values however. In December 1978 and January 1979, samples submitted by Envoy Resources Limited showed good values for gold, silver, zinc and lead. These values were subsequently reproduced by John Poloni when examining the property October 16, 1979. During November, December 1979 Summit Pass Mining Corporation drilled two holes 79-1 and 79-2 on the Camp zone. In January 1980, they drilled a further hole 80-1 on this zone and a fourth hole, 80-2, was drilled to investigate an area further to the north along the Nitinat main haulage logging road.

In 1984, Falconbridge optioned the property. They ran a 150 metre spaced line grid across the Ni 1 claim (31.5/km total) and mapped as much of the outcrop and road cut as possible. Chip samples were taken from mineralized areas and VLF-EM and geochemical soil surveys were run along the grid lines. Soil samples were taken at 50 metre intervals over the entire grid area. A follow-up grid, of intermediate lines in the north-west quadrant, was sampled at 25 metre spacing. A suite of 9 polished thin sections were analyzed by Vancouver Petrographics. The geochemical soil sampling outlined an area of anomalous zinc, lead and silver values in the north-west quadrant of the grid area.

In 1985, Falconbridge did further work concentrated in the north-west quadrant of the 1984 grid and staked the Ni 2 and Ni 3 claims to the north and west of the Ni 1. The work located several small sphalerite lenses, occurring in altered dacite volcanics. These assayed up to 8.45% Zn and 7.31 oz/ton Ag.

In summer 1987, Lucky Seven personnel ran a 1.6 km 300° bearing base line across the central and north-western part of the claim group and then ran 030 bearing cross lines across an area which included that part of the

property which had been explored in detail by Falconbridge. The 75 metre spaced cross lines were soil sampled at 25 m intervals. These soil samples were analyzed for copper, lead, zinc, silver and gold. In addition, a few lines were run with VLF-EM. Due to the very hot, dry summer in 1987 the Department of Forestry closed the bush and Lucky Seven were required to leave the area before completing their originally planned programme. The geochemical soil sampling successfully reproduced and defined the anomalies that had been located by the earlier Falconbridge surveys.

### REGIONAL GEOLOGY

The regional geology is well shown on Figure 5 (from Muller 1981). The following description of the geology of the district is taken from Falconbridge Summary Report on the Nitinat claims by Shelley Lear, February 1986.

«The oldest rocks are the Paleozoic Sicker Group consisting of a lower volcanic and an upper sedimentary unit. The Sicker Group averages 4,400 m in thickness; the lower 300 m consists of pillowed and agglomerate basalts, pyroclastics, argillite and chert. The upper 1400 m of sediments includes some limestone. Folding and metamorphosis has produced chlorite-actinolite and chlorite-sericite schists. Structures are mainly overturned and isoclinal folds indicating two or more phases of tectonism (Muller, 1981).

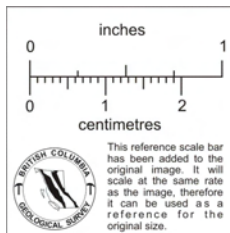
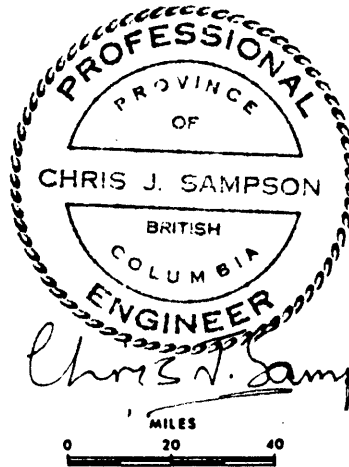
The Vancouver Group of late to middle Triassic age dominates the island's lithologies and averages 6,100 m in thickness (Muller, 1980). The group is composed of Karmutsen Formation volcanics, capped by Quatsino Formation limestone and Parson Bay Formation calcareous sediments.

**figure 3**  
Geological sketch map of Vancouver Island.



**LEGEND**

	CARMANAH GROUP	MIDDLE TERTIARY
	CATFACE INTRUSIONS	EARLY TO MIDDLE TERTIARY
	METCHOSIN VOLCANICS	EARLY TERTIARY
	NANAIMO GROUP	LATE CRETACEOUS
	QUEEN CHARLOTTE GROUP KYUQUOT GROUP	LATE JURASSIC TO EARLY CRETACEOUS
	LEECH RIVER FORMATION PACIFIC RIM COMPLEX	EARLY CRETACEOUS
	ISLAND INTRUSIONS	EARLY AND (?) MIDDLE JURASSIC
	BONANZA GROUP	EARLY JURASSIC
	VANCOUVER GROUP	LATE AND (?) MIDDLE TRIASSIC
	PARSON BAY FORMATION QUATSINO FORMATION	
	KARMUTSEN FORMATION	
	SICKER GROUP	PALEOZOIC
	METAMORPHIC COMPLEXES	JURASSIC AND OLDER



<b>LUCKY 7 EXPLORATION LTD.</b>	
<b>Ni CLAIMS</b>	
ALBERNI MINING DIVISION, B.C.	NTS: 92C/15
<b>GEOLOGICAL SKETCH MAP OF VANCOUVER ISLAND</b>	
C.J.SAMPSON, P.Eng.	
DATE: OCTOBER, 1987	FIGURE: 4

The Karmutsen Formation consists of tholeiitic ocean floor pillow lavas, massive flows, breccias and tuffs with minor layers of limestone and other sediments in the upper 1,100 m. In central Vancouver Island this formation reaches a thickness of 6000 m while in the southwest region the estimated thickness is between 1000 and 2000 metres (Muller, 1976). Large scale northerly and westerly trending block faulting is common. Burial metamorphism has reached prehnite-pumpellyite grade (Kuniyoshi, 1971).

Quatsino Formation overlies the Karmutsen and consists of mainly massive, fairly pure, flat lying limestone of upper Triassic Age.

The early Jurassic Bonanza Group (Muller, 1977) is described as having a varied and heterogenous lithology. The lavas range in composition from basaltic andesites which are commonly amygdaloidal, to rhyodacites. Interbedded with these flows are maroon and green coloured tuffs breccias and several intercalated marine sediments. Regional metamorphism has reached zeolite grade.

Island intrusions form NW trending regions in the southwest part of Vancouver Island. These intrusions are mainly quartz diorite and granodiorite and post date the Bonanza volcanics.»

## PROPERTY GEOLOGY

The following descriptions of the geology of the property are also taken from the Falconbridge reports.

### «(a) Lithology

#### UNIT 2m - Mafic Tuffs and Flows

Mafic volcanic flows in the southwest form wide zones trending approximately 110 degrees, with minor intercalated limestone and mudstone beds as well as felsic and intermediate volcanics. In the northeast

quadrant broad zones of mafic and intermediate volcanics strike in a 090 degree direction. The mafic volcanics are massive or porphyritic with minor hematized regions.

On weathered surfaces the mafic volcanics are a forest green color or occasionally powdery orange. The hematized variety has a reddish-grey exposed surface. The weathering rind is often 5 mm deep.

Massive mafic volcanics are fine to medium grained flows and tuffs. The benched nature of some outcrops may indicate several successive flows each less than one metre thick. The basaltic tuff is composed of fine plagioclase-chlorite-hematite intergrowths surrounding porphyritic volcanic fragments and rounded quartz fragments.

Porphyritic mafic volcanics are composed of hornblende and feldspar phenocrysts in a highly chloritized fine grained matrix. The feldspars are commonly altered to clays and feldspar. The porphyritic textured volcanics may be derived from the center of thick flows where slower cooling allowed for longer crystal growth.

The massive and porphyritic volcanics are hematized in discrete localities although it is not a common feature of this property. The hematization may be an indication of local subaerial emplacement of the volcanics (Tipper & Richards). The mafic volcanics display some vesicular texture with local quartz infillings. Veinlets of quartz and calcite commonly fill the fracture network of the mafic volcanics. This mafic volcanic unit may be correlative with the basaltic andesites by Muller (1979) and may also indicate highly chloritized dacites.

#### UNIT 2i - Intermediate tuffs and flows

The intermediate volcanics dominate the central map area in the form of thick flows and narrow laminated tuffs. Minor felsic and mafic volcanics as well as substantial limestone beds are interbedded within the intermediate volcanics. The mafic volcanic-intermediate volcanic contacts are of both a gradational and sharp nature.

The weathered surface is a greenish-grey color with a local rusty pocked texture from weathered out pyrite. Manganese and limonite stains occur along the fine system of fractures.

These volcanics have a porphyritic and a massive character. The porphyritic volcanics are flows composed of feldspars up to 2 mm long and minor euhedral pyroxene crystals in a fine intergrowth of quartz and plagioclase. The feldspar laths have been locally replaced by calcite and clays. The massive volcanics are fine to medium grained flows and tuffs. Crude flow banded texture was observed along the banks of the Little Nitinat River where quartz and feldspar streaks were subparallel to chlorite rich indistinct layers. The tuffs are composed of fine intergrowths of plagioclase-quartz and sericite which form streaky patches and crude laminations. A slumped texture of the laminated tuff was noted in the field. Cubes of pyrite are disseminated throughout the tuffs. Hematization of intermediate volcanics occurs in the northwest map area. The porphyritic textures and the color suggest these intermediate volcanics are analagous to dacite within the Bonanza volcanics described by Muller (1974).

#### UNIT2f - Felsic Volcanic Tuffs and Flows

Felsic volcanics generally occur in association with intermediate volcanics. The weathered surface is mottled looking, often with a pale pink hue. The fresh surface is a grey-white to pale green color. Limonite and manganese staining of the weathered surface is common.

Phenocrysts of feldspar and quartz in a siliceous matrix are common to the felsic volcanic unit. Many fracture surfaces have a calcareous coating. These volcanics appear to be of rhyolitic to rhyodacitic composition.

#### UNIT 31s - Limestone

Limestone lenses strike approximately 110 degrees in sharp irregular contact with the volcanic units. It has a smooth orange or pale grey weathered



surface which is sometimes pock marked by relict pyrite. Fresh surface is pale grey to indigo blue color, or a mottled green and grey color. The limestone is medium to coarse grained with wisps of a mafic material up to 1 mm long.

#### UNIT 3mst - Mudstone

The mudstone lies in undulatory contact with felsic and mafic volcanics. It is a very fine grained and homogeneous sediment which has been hematized.

#### UNIT 1ip - Diorite Sill

A diorite sill intrudes along a contact of intermediate and felsic volcanics in the SE map area. It is even and medium grained. Massive and prophyritic dykes of mafic, intermediate and felsic composition occur dominantly in the south and east map areas.

#### b) Alteration

The volcanic and sedimentary units underlying the Ni Claims have undergone a regional low grade greenschist facies metamorphism. An argillic alteration assemblage is superimposed locally on the regional alteration. It is most pronounced in the dacites of the central map regions and to a lesser extent occurs in the mafic volcanics. Subsequent calcite alteration effects all the units. Intense silicification of intermediate volcanics is associated with major faulting.

Epidote and chlorite occur as inclusions in plagioclase phenocrysts, in the matrix of the volcanics and as fracture coatings. Sub-rounded pyrite grains are often associated with epidote. This chlorite-pyrite-epidote alteration assemblage, observed in all the volcanic units, suggests greenschist metamorphism.

The argillic alteration zones are easily recognized by their powdery bleached appearance, often with a pastel yellow hue to the fresh surface. The feldspars have been completely altered to kaolinite, sericite, illite and

montmorillonite. Sericite also forms grains surrounded phenocrysts and indistinct streaky patches. Subrounded pyrite grains are disseminated throughout the altered zones within the kaolinite and sericite.

Calcite alteration is superimposed on the sericite-clay and epidote-pyrite-chlorite alteration assemblages. It takes the form of indistinct calcite layers, replaced phenocrysts and fracture coatings.

One unit composed of 82% quartz in the form of fine rounded grains and microveinlets occurs along the northern extent of the Little Nitinat River. The other major mineral present is sericite. Pyrite is disseminated throughout the zone and locally weathered out leaving limonite stained cavities. From thin section analysis this rock is thought to be either a sericitic chert or a silicified volcanic. In the field the quartz rich unit is paralleled by mafic volcanic contacts. The trend of these rocks, however, is strongly divergent from the general trend of the property. Possibly the mafic volcanic unit is actually a highly chloritized dacite zone parallel to intermediate volcanics which have been intensely silicified. The silicification and pyritization may be associated with faulting along the Little Nitinat River. Tabular sericite aggregates after feldspar support the theory that this unit is a silicified volcanic.

### c) Structure

The volcanic and sedimentary units within the map area dip steeply to the W-SW with local variations in trend. An equal area plot of 30 field measurements indicates that contact orientations cluster at 090/84S, 110/86SW and 161/63W (Figure 4). The central map area trends 161 degrees while the surrounding area varies between 090 and 110 degrees. The variation may be a result of the irregularities of paleotopography.

Fractures are common in the volcanics often forming a fine network with manganese, limonite, calcite and quartz coating fracture surfaces. Local conjugate fracture patterns occur but generally the fracture pattern appears to be the result of several stress fields.

Among the twelve shears measured there is a dominant steep SW dip that trends between 120 and 160 degrees.

A fault approximately 600 m in length and trending 190 degrees in the southeast map region is suggested by field data. There is no correlating lineation on the air photo but a major parallel lineation occurs 200 m to the east. A second fault is thought to occur along the northern section of the Little Nitinat River, which is offset by a fault at 108 degrees. This zone is marked by extreme pyritization and silicification. Air photo lineations correspond to these fault orientations. This northern fault is also proposed by Muller (1976).»

### MINERALIZATION

The two principal showings explored by previous exploration programmes (particularly Summit Pass Mining Corp. 1979, 1980) situated on the east side of the Nitinat Main haulage logging road are the Camp and Copper showings.

At the Camp zone, mineralization consists of pyrite, pyrrhotite, sphalerite, galena, chalcopyrite and possibly marcasite in an iron stained fractured, sheared partly porphyritic volcanic which strikes S35°E and dips southwest. Assay data shows the presence of gold and silver. A chip sample taken by Poloni across 2.13 metres assayed 0.050 oz/t Au, 4.86 oz/t Ag, 0.22% Cu, 7.22% Pb and 10.90% Zn (other sample results by Craig, etc. are shown on Figure 5).

The copper zone consists of massive sulfides 4 metres by 1½ metres located along the east side of the Nitinat main haulage road south of the Camp Zone. Assay data from samples taken by Poloni, Western Mines, etc. shows appreciable copper and silver values -- 0.051 oz/t Au, 6.12 oz/t Ag, 5.01% Cu, 0.16% Pb, and 0.57% Zn.

The following descriptions of 1979, 1980 drilling results are taken from Poloni's reports:

«Drill hole data indicates that andesite, at times somewhat porphyritic in nature, a grey siliceous unit and a wide quartz vein exist in the areas explored. Mineralization as pyrite and pyrrhotite is widely disseminated. Thin sections are seen to contain galena, zinc, copper, silver and gold mineralization.

Surface assay data is as follows:

<u>Au oz/ton</u>	<u>Ag oz/ton</u>	<u>Cu %</u>	<u>Pb %</u>	<u>Zn %</u>	<u>Width</u>	<u>Zone</u>
0.050	4.86	0.22	7.22	10.90	2.13	Camp
0.051	6.12	4.01	0.16	0.57	1.50 m	Copper

Drill hole assay data is as follows

<u>DDH #</u>	<u>Au oz/ton</u>	<u>Ag oz/ton</u>	<u>Cu %</u>	<u>Pb %</u>	<u>Zn %</u>	<u>Width</u>	<u>Interval</u>
79-1	0.006	Trace	N/A	0.01	0.01	5.0'	22.0 - 27.0
	0.010	Trace	0.05	0.01	0.02	10.0'	258.0 - 261.0
	0.004	Trace	0.04	0.01	0.02	12.0'	268.0 - 280.0
	0.006	0.10	0.04	0.37	0.65	3.5'	280.0 - 283.5
	0.010	0.46	0.03	0.52	0.57	9.5'	283.5 - 293.0
	0.010	0.68	0.07	0.54	1.05	5.0'	293.0 - 298.0
79-2	0.002	Trace	0.02	0.01	0.01	10.0'	72.0 - 82.0
	0.002	Trace	0.02	0.04	0.02	9.0'	96.6 - 105.6
	0.038	2.76	0.17	6.87	6.61	4.4'	105.6 - 110.0
	0.002	Trace	0.01	0.03	0.01	10.0'	110.0 - 120.0
	0.002	Trace	0.05	0.03	0.01	5.0'	127.0 - 132.0
	0.002	0.79	0.01	0.20	0.29	5.0'	299.0 - 304.0
	0.002	0.02	0.01	0.01	0.01	9.0'	314.0 - 323.0
80-1	0.004	0.43	N/A	0.13	1.83	2.0'	161.0 - 163.0
	0.014	Trace	N/A	0.02	0.08	5.0'	214.0 - 219.0
	0.012	Trace	N/A	0.01	0.02	3.0'	278.0 - 281.0
80-2	0.008	Trace	N/A	0.01	0.01	3.0'	41.0 - 44.0
	0.010	Trace	N/A	0.15	0.09	3.0'	83.0 - 86.0
	0.016	Trace	N/A	0.01	0.05	5.0'	108.0 - 113.0
	0.018	Trace	N/A	0.04	0.30	6.0'	137.0 - 143.0
	0.001	0.06	N/A	0.01	0.03	2.0'	221.5 - 223.5
	0.010	0.02	N/A	0.02	0.01	12.0'	289.0 - 300.0
	0.002	0.05	N/A	0.03	0.16	6.4'	330.6 - 337.0
	0.004	0.04	N/A	0.01	0.02	10.0'	341.7 - 351.7
	0.010	Trace	N/A	0.11	0.56	9.3'	351.7 - 361.0
	0.001	Trace	N/A	0.01	0.72	5.0'	361.0 - 366.0

**SAMPSON ENGINEERING INC.**

2696 West 11th Avenue  
Vancouver, B.C. V6K 2L6

No drilling was undertaken on the Copper zone during this drill program. The Camp zone was described by Hudson and Lear of Falconbridge as follows:

«A pod of pyrite with associated chalcopyrite and sphalerite occurs along the roadside approximately 100 m north of the baseline at 600 E. It is within calcified intermediate volcanics along a shear and terminated to the south by a fault. It was traced for 10 meters to the north and it appears to be narrowing. Gold and silver values of 495 and 230 ppb Au and 6406.2 and 68.1 ppm Ag were the highest of the property. Zinc (3560, 1360 ppm) and Cu (7.5% and 2.1%) were also anomalous. Arsenic, antimony and cadmium levels are also high suggesting an epithermal rather than volcanogenic emplacement of the massive sulphides.»

During the property examination the writer examined various showings in the north-western area of the Ni 1 claim. These consisted of steeply dipping fractures cross cutting various volcanics and diorite. One in particular at 6+35W and 4+25N (Lucky 7 grid) consists of a 1-1½ m wide fracture, striking 310°, dip 90° containing disseminated to massive pyrite. Grab sample assay results (17926-19729) are shown in Appendix A.

The writer also sampled mineralization from the portal of the adit which is situated on the east side of the Little Nitinat River - between the river and the Nitinat Main haulage road. The adit is probably about 20 ft long, and was driven in direction 080° across a zone of disseminated pyrite which contains 1-2 mm fractures carrying quartz and galena in a pale grey siliceous country rock - probably rhyolite. The mineralized zone apparently strikes at 310° and dips 70°W. The adit is currently inaccessible and sampling was confined to mineralization around the portal from which grab samples were collected which showed abundant pyrite and galena (17930, 17931 - Appendix A).

## GEOCHEMISTRY

In summer 1984, Falconbridge ran a grid with 150 metre spaced 030° lines, across the Ni 1 claim. They collected geochemical soil samples at 50 metre intervals along the grid lines and also ran a series of intermediate lines in the north-west quadrant, which were sampled at 25 metre spacing to further investigate anomalous values turned up by the initial survey. Samples were analyzed for 26 element ICP and AA gold. A series of coincident lead, zinc and silver anomalies was outlined in the north-west quadrant of the claim. Lead values were particularly high with a maximum of 2,260 ppm and many values in excess of 200 ppm. Anomalous silver values generally coincident with the lead anomalies were also located. Maximum silver value was 41.6 ppm. High zinc values were also located coincident with the lead, silver anomalies.

Since the lead, zinc, silver anomalies located by the 1984 work were trending off the Ni 1 claim to the north-west, the Ni 2 & 3 claims were staked and further geochemical soil sampling was carried out in 1985. This further defined the lead, zinc, silver anomalies and extended the anomalous areas to the north-west onto the new claims.

In summer 1987, Lucky Seven personnel ran a grid over the Ni claims, using the same base line as Falconbridge, but situating their 150 metre spaced lines between those of Falconbridge. Lucky Seven collected soil samples at 25 metre spacing, which were analyzed for copper, lead, zinc, silver and gold. Resultant anomalous values were plotted on three sheets (Figures 5, 6 & 7). The Lucky Seven anomalies reproduced and extended those found by the earlier Falconbridge surveys.

## CONCLUSIONS

1. The Ni claims are underlain by a varied sequence of volcanic rocks which host several showings of mineralization. The two most explored showings - the Camp and Copper zones contain significant silver, lead, zinc and copper values. Other less well known showings carry galena and sphalerite.

2. Outcrop is relatively sparse but in most localities overburden is relatively shallow, since the extensive network of logging roads on the property has exposed bedrock in the many road cuts.
3. The Falconbridge geochemical soil sampling located good strength coincident lead, zinc, silver anomalies which were confirmed, defined and extended by Lucky 7's recent soil sampling programme.

### RECOMMENDATIONS

1. The bedrock sources of the various geochemical anomalies should be explored. Due to relatively thin overburden and an extensive logging road system, the initial programme should be trenching using a large backhoe such as a Caterpillar 225.
2. The mineralized zones discovered where trenching exposes bedrock should be tested for downdip continuity by a series of diamond drill holes. In addition, those areas where overburden is too deep for trenching, should be tested by drilling.

### COST ESTIMATES

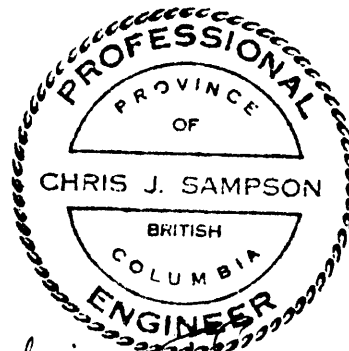
<u>Trenching:</u>	
Backhoe rental: 12 days @ \$1000/day	12,000.00
Assays	3,000.00
Supervision, accommodation	8,000.00
Truck rental, Freight, etc.	<u>2,000.00</u>
	25,000.00

Diamond Drilling:

1000 m. NQ diamond drilling @ \$75/m.	75,000.00
Assays	9,000.00
Supervision, Report Preparation	<u>16,000.00</u>

100,000.00

TOTAL: PROGRAMMES \$125,000.00



*Chris J. Sampson*

Chris J. Sampson, P.Eng.  
Consulting Geologist

Vancouver, B. C.  
18 October 1987



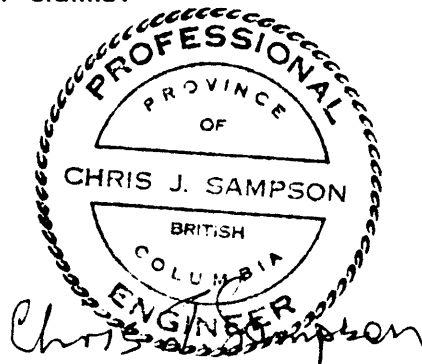
REFERENCES

- Hudson, K. and Lear, S.: Summary Report Nitinat Claim PN 100 for Falconbridge Ltd., March 1985.
- Kuniyoshi, S. and J.G. Liou, 1976: Contact Metamorphism of the Karmutsen Volcanics, Vancouver Island, B.C., Journal of Petrology 17 pp. 73-99.
- Muller, J.E., K.E. Northcote and D. Carlisle, 1974: Geology and Mineral Deposits of Alert-Cape Scott Map Area, Vancouver Island, B.C. GSC Paper 74-8 pp. 19-25.
- Muller, J.E., 1979: Geology of Vancouver Island GSC Open File 463.
- Muller, J.E., 1981: Insular and Pacific Belts; Field Guides to Geology and Mineral Deposits, Calgary 81, GAC, MAC, CGU, 1981, Edited by R.I. Thompson and D.G. Cook, pp. 316-334.
- Poloni, J.R.: Report on the Little Nitinat River Area Property for Summit Pass Mining Corp., November 1979.
- Poloni, J.R.: Report on the Diamond Drill Program 1979-1980 Little Nitinat River Property, 24 February 1980.
- Tipper, H.W., T.A. Richards, 1976: Jurassic Stratigraphy and History of North Central B.C., GSC Bulletin 270 pp. 46.

CERTIFICATE

I, Christopher J. Sampson, of 2696 West 11th Avenue, Vancouver, B.C. V6K 2L6, hereby certify that:

1. I am a graduate (1966) of the Royal School of Mines, London University, England with a Bachelor of Science degree (Honours) in Economic Geology.
2. I have practised my profession of mining exploration for the past 21 years in Canada, Europe, United States and Central America. For the past 11 years I have been based in British Columbia.
3. I am a consulting geologist. I am a registered member in good standing of the Association of Professional Engineers of British Columbia.
4. I have not written any other reports on the Ni claims nor on any other properties within 10 kms of those claims.
5. The present report is based on knowledge gained from a visit to the property in September 1987, study of published and unpublished reports.
6. I have not received, nor do I expect to receive, any interest, direct or indirect, in the properties or securities of Lucky 7 Exploration Ltd. or in those of its associated companies.
7. Lucky 7 Exploration Ltd. and its affiliates are hereby authorized to use this report in, or in conjunction with, any prospectus of statement of material facts.
8. I have no interest in any other property or company holding property within 10 kilometres of the Ni group of claims.



Vancouver, B.C.  
18 October 1987

Christopher J. Sampson, P.Eng.  
Consulting Geologist

**APPENDIX A**

**Analyses of Samples from  
Showings: 2 September 1987**

**MIN-EN LABORATORIES LTD.**

*Specialists in Mineral Environments*

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067 UC

**Certificate of GEOCHEM**

Company: CHRIS SAMPSON  
Project:  
Attention: CHRIS SAMPSON

File: 7-1324/P1  
Date: SEPT 24/87  
Type: ROCK GEOCHEM

We hereby certify the following results for samples submitted.

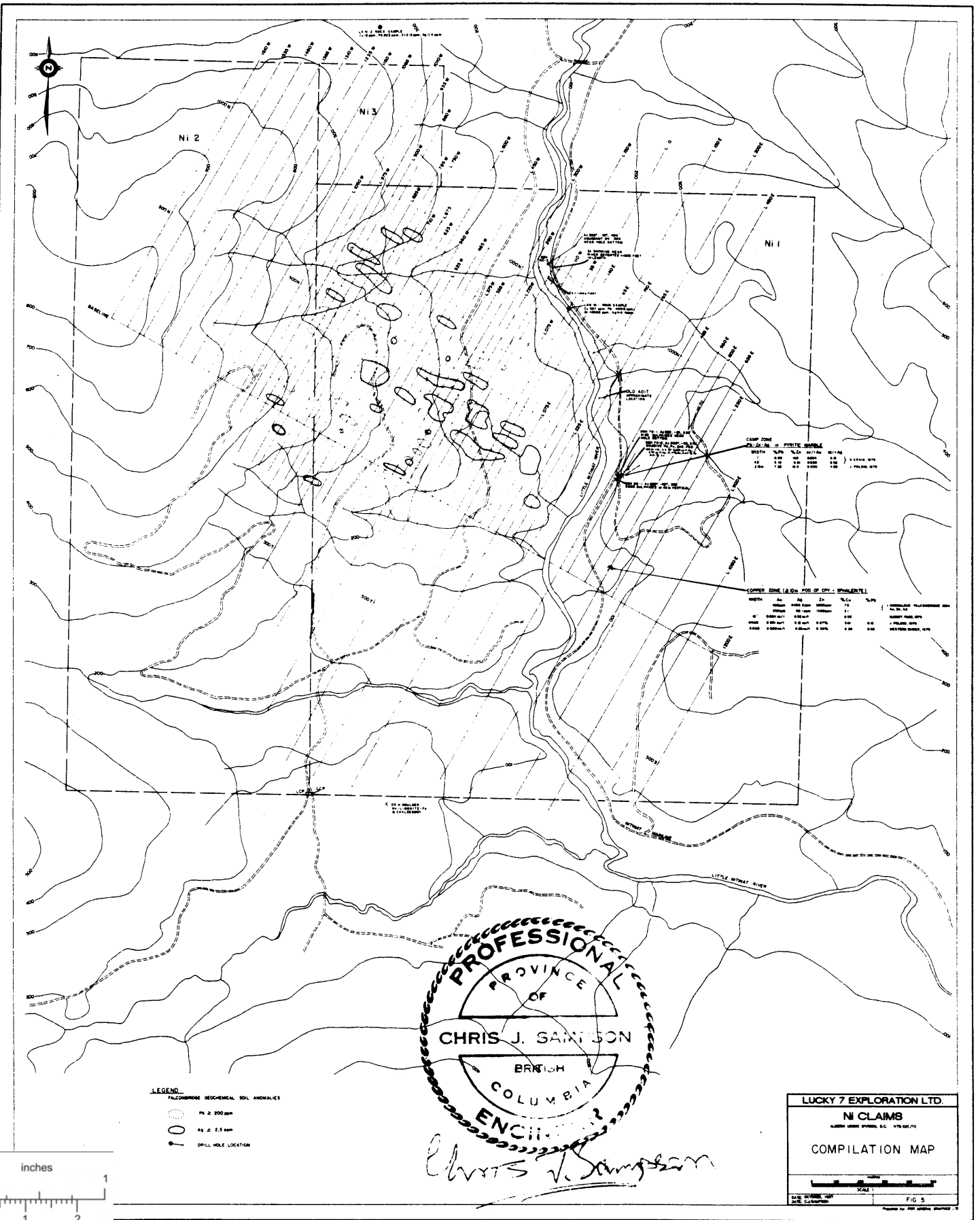
Sample Number	PB PPM	AG PPM	AS PPM	AU-WET PPB
17926	102	1.6	425	35
17927	420	3.2	138	10
17928	180	3.3	94	15
17929	156	1.5	37	10
17930	35000	114.0	137	130
17931	31500	200.0	89	260

*lucky 7*

*Ni claim 3*

Certified by

MIN-EN LABORATORIES LTD.

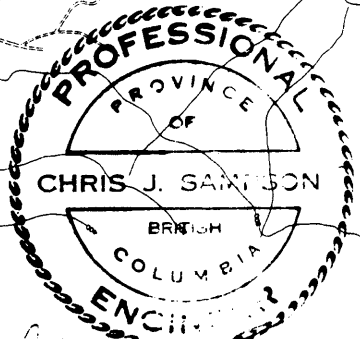


CAMP ZONE  
 25.24.00 - 25.24.00  
 25.24.00 - 25.24.00

DEPTH	%Pb	%Zn	%Cu	%Fe
10	0.00	0.00	0.00	0.00
20	0.00	0.00	0.00	0.00
30	0.00	0.00	0.00	0.00
40	0.00	0.00	0.00	0.00
50	0.00	0.00	0.00	0.00
60	0.00	0.00	0.00	0.00
70	0.00	0.00	0.00	0.00
80	0.00	0.00	0.00	0.00
90	0.00	0.00	0.00	0.00
100	0.00	0.00	0.00	0.00

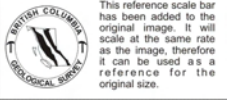
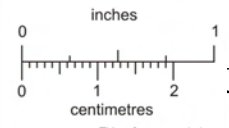
COPPER ZONE (2.00.00 OF OFF - BRANLETT)

DEPTH	%Pb	%Zn	%Cu	%Fe
10	0.00	0.00	0.00	0.00
20	0.00	0.00	0.00	0.00
30	0.00	0.00	0.00	0.00
40	0.00	0.00	0.00	0.00
50	0.00	0.00	0.00	0.00
60	0.00	0.00	0.00	0.00
70	0.00	0.00	0.00	0.00
80	0.00	0.00	0.00	0.00
90	0.00	0.00	0.00	0.00
100	0.00	0.00	0.00	0.00

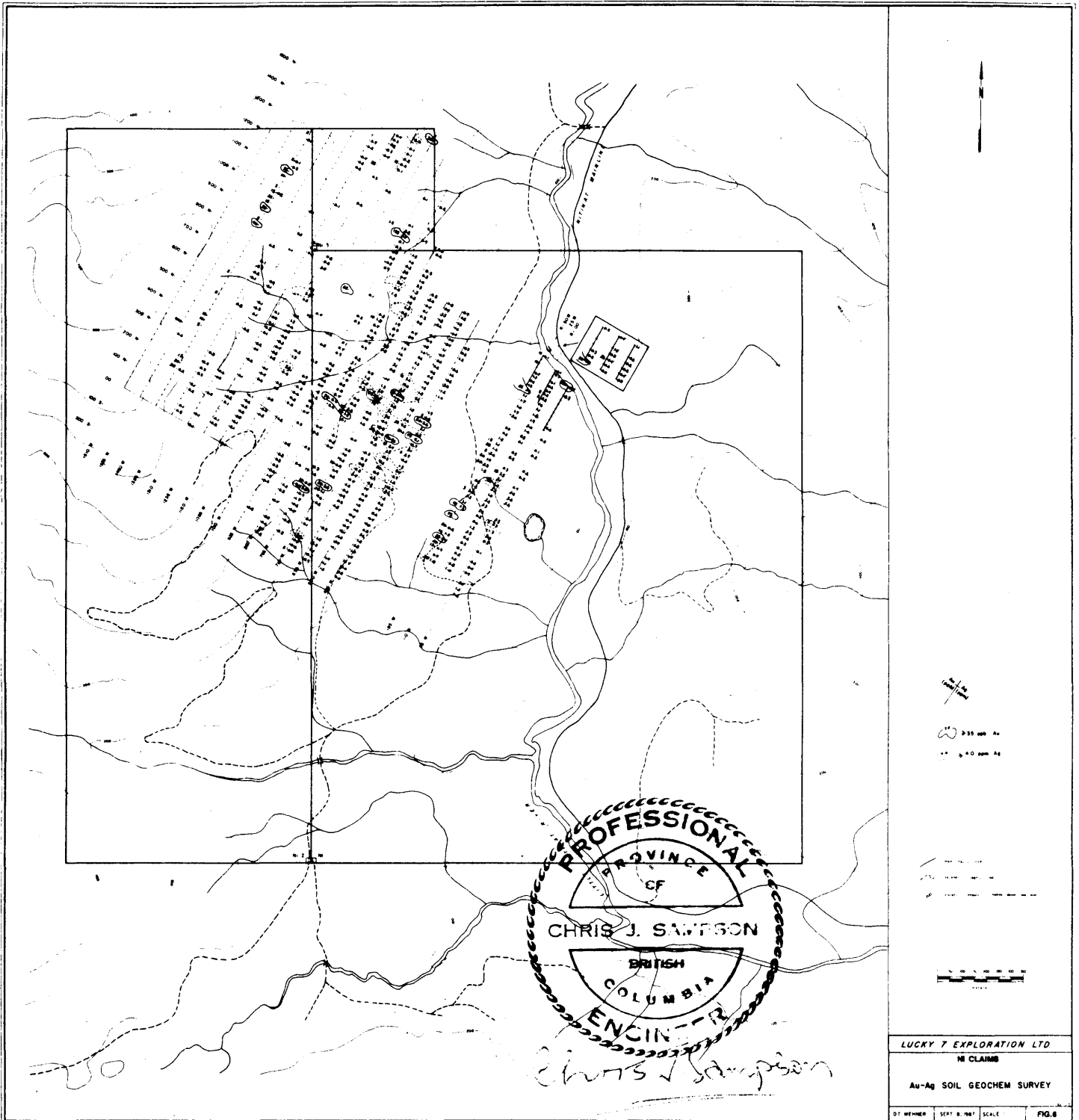


*Chris J. Saintson*

LEGEND  
 PALEONTOLOGICAL GEOCHEMICAL SOIL ANOMALIES  
 Pz ± 200 ppm  
 As ± 2.5 ppm  
 DRILL HOLE LOCATION





LUCKY 7 EXPLORATION LTD.  
 NI CLAIMS  
 4880 JAMES STREET, S.C. V7B 6C7  
 COMPILATION MAP  
 SCALE 1  
 FIG. 5  
 Prepared for A.P.C. (1987) (REVISED)



PROFESSIONAL  
 BRITISH COLUMBIA  
 ENGINEER  
 CF  
 CHRIS J. SIMPSON

*Chris J. Simpson*

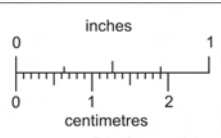



 235 ppm Au  
 4.0 ppm Ag

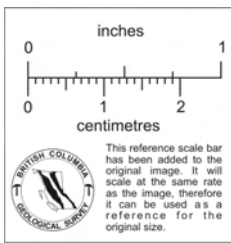
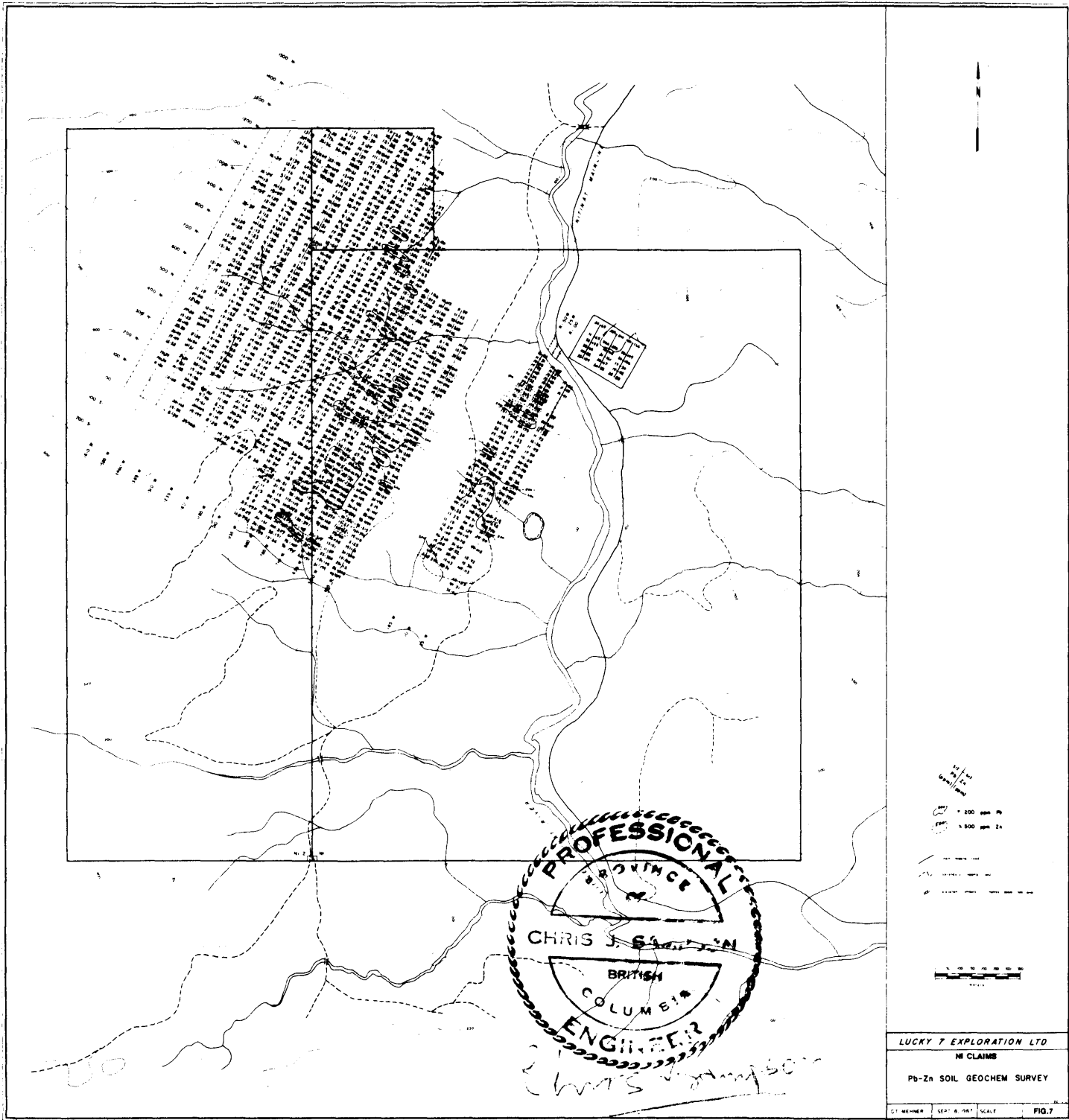


LUCKY 7 EXPLORATION LTD  
 NO CLAIMS  
 Au-Ag SOIL GEOCHEM SURVEY

DT NUMBER SEP 8, 1987 SCALE FIG. 6

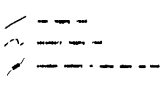
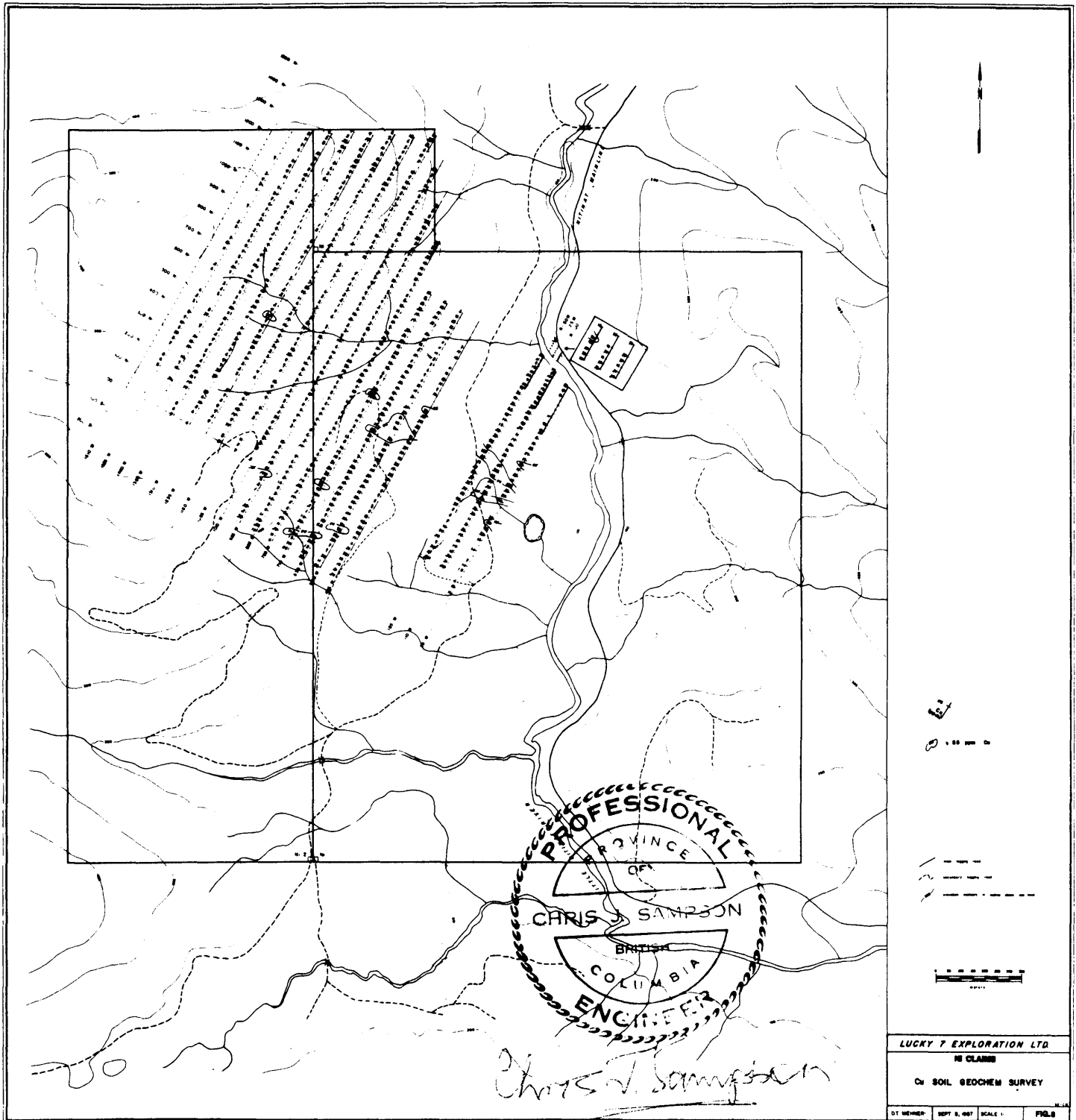



 This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



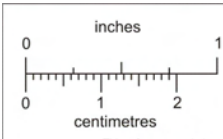
LUCKY 7 EXPLORATION LTD  
NI CLAIMS  
Pb-Zn SOIL GEOCHEM SURVEY

DT NUMBER SEP 8 1987 SCALE FIG. 7



LUCKY 7 EXPLORATION LTD.  
IN CHARGE  
OF SOIL GEOCHEM SURVEY

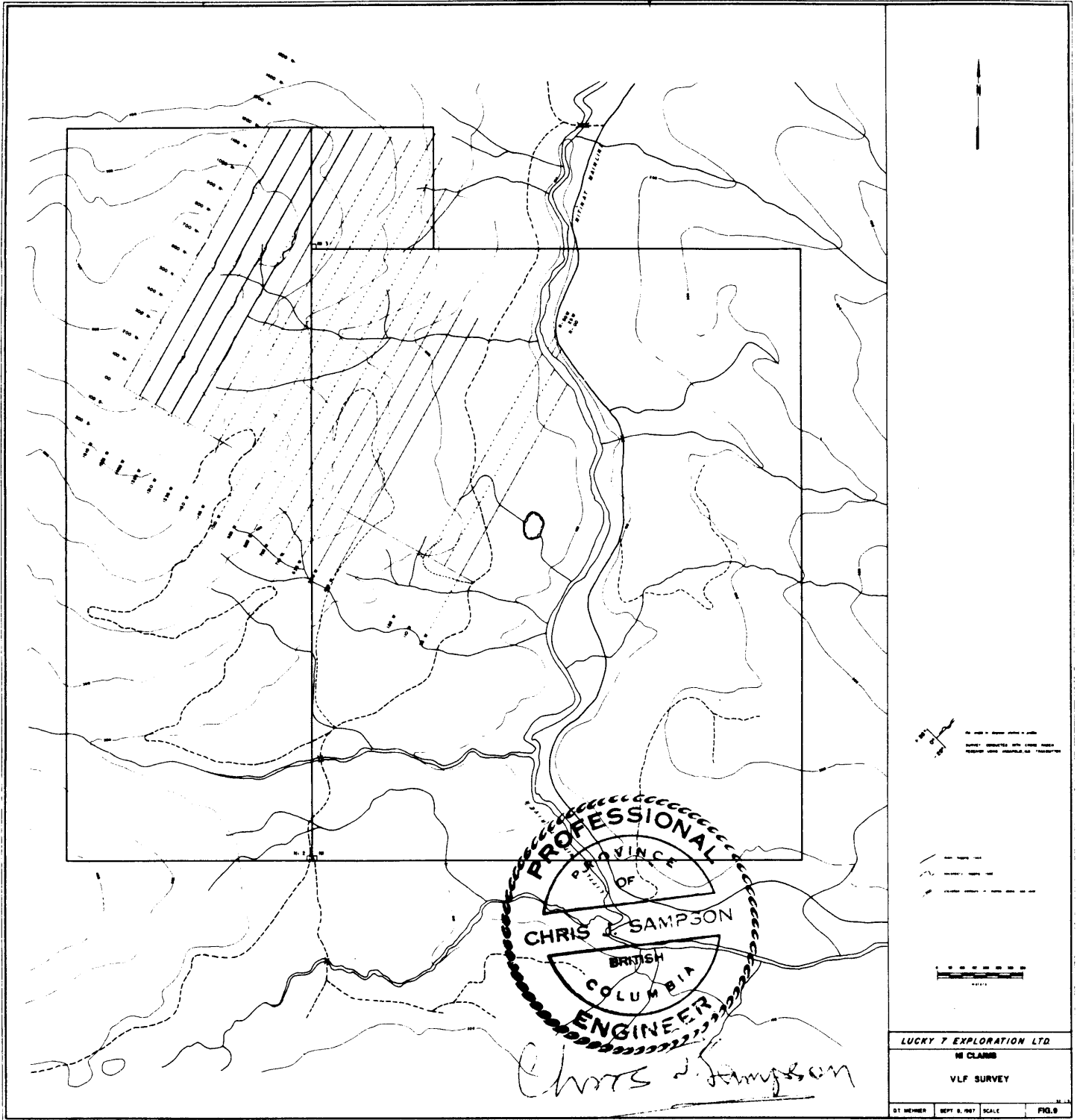
DT NUMBER: 807 5, 607 SCALE: 1: FIG. 8



BRITISH COLUMBIA  
GEOLOGICAL SURVEY

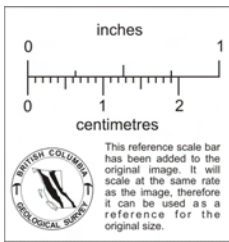
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.





PROFESSIONAL  
 DIVISION OF  
 BRITISH COLUMBIA  
 ENGINEER  
 CHRIS W. SAMPSON

LUCKY 7 EXPLORATION LTD.  
 NI CLAIMS  
 VLF SURVEY  
 DT MEMBER SEPT. 8, 1997 SCALE FIG. 9

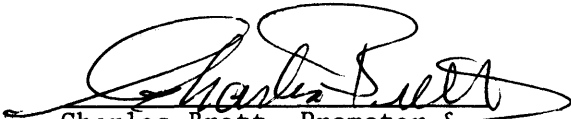


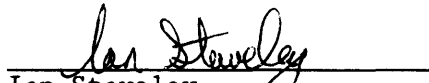
**CERTIFICATE OF THE ISSUER**

Dated: June 22, 1988

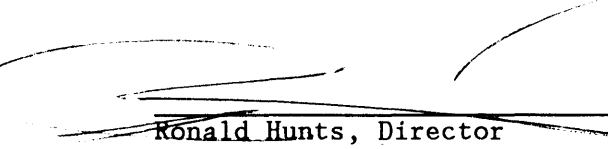
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act and its regulations.

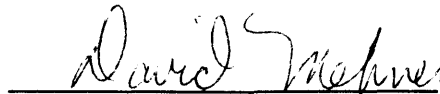
**LUCKY 7 EXPLORATION LTD.**

  
Charles Brett, Promoter &  
Chief Executive Officer

  
Ian Staveley,  
Chief Financial Officer

**On behalf of the Board of Directors**

  
Ronald Hunts, Director

  
David Mehner, Director

**CERTIFICATE OF THE AGENT**

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

**HAYWOOD SECURITIES INC.**

Per: 