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HEDLEY PACIFIC MINING CORP. LTD. (N.P.L.)

Registered Office:
1650 - 777 Hornby Street,
Vancouver, British Columbia

9245 FGEN
PROPERTY FILE

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.

THERE IS NO EXISTING MARKET FOR THE SECURITIES OF THE COMPANY.

OFFERING: 250,000 Common

COLUMN 1	COLUMN 2	COLUMN 3
Price to Public	Commissions	Proceeds to Company (if all of the shares offered are sold)
Per Share: 25¢	Nil	25¢
TOTAL: \$62,500.00	Nil	\$62,500.00

The Company intends to engage in mineral exploration. Of the shares issued and to be issued, 10.1% are being offered to the public and of the remaining 89.9%, 87.9% were issued to the directors, officers and controlling persons for cash and property. Reference in this behalf may be had to Item "Principal Holders of Securities", page 8, in the body of the Prospectus.

THE PROPERTIES ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAMME IS AN EXPLORATORY SEARCH FOR ORE.

A PURCHASE OF SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. THIS IS THE SECOND PROSPECTUS OFFERING BY THE COMPANY.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION OF \$62,500.00 WITHIN 120 DAYS HEREOF. (Reference to page 6)

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

DATED this 4th day of May, 1978.

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INCORPORATION

Hedley Pacific Mining Corp. Ltd. (N.P.L.) was incorporated as a specially limited private company under the name Hedley Gordon Gold Mines Ltd. (N.P.L.) on the 28th day of April, 1947, by Certificate of Incorporation. The Company was converted to a Private Company on the 3rd day of May, 1961, then was changed to Hedley Pacific Mining Corp. Ltd. (N.P.L.) on the 2nd day of November, 1971, and has become a Reporting Company on the 20th day of September, 1973. The Registered Office of the Company is situate at #1650 - 777 Hornby Street, Vancouver, B.C., and the Records Office of the Company is situate at #1650 - 777 Hornby Street, Vancouver, B.C.

CAPITALIZATION

The Company is authorized to issue 3,000,000 shares without nominal or par value with a maximum selling price of \$1.00 per share out of which 1,017,005 shares are issued and outstanding and fully paid up.

Column 1	Column 2	Column 3	Column 4	Column 5
Designation of Security	Amount Authorized	Amount outstanding as of December 31, 1977	Amount outstanding as of May 1, 1978	Amount to be outstanding if all securities being offered are sold
Common	3,000,000	992,005	1,017,005	1,267,005

SECURITIES SOLD FOR CASH TO DATE

- Shares sold for cash to date:
 - 100,000 shares at 10¢ per share
 - 2,000 shares at 15¢ per share
 - 5 shares at 50¢ per share
 - 20,000 shares at 25¢ per share
 - 25,000 shares at 20¢ per share
- Total cash received for the sale of shares is \$20,032.50.
- No commission has been allowed on the sale of the above-mentioned shares.
- No discount has been allowed to the purchasers in consideration of their subscribing or agreeing to subscribe for the above-mentioned shares.

DIRECTORS AND OFFICERS

The Directors and Officers of the Company are tabulated below:-

<u>Name and Address</u>	<u>Position and Office</u>	<u>Principal occupation within the five preceding years</u>
MacDONALD, Brian S. #330 Inglewood Ave., West Vancouver, B.C.	President and Director	Attending University of British Columbia in Faculty of Commerce to 1969; Articling to Coopers & Lybrand 1969 to 1972; Accountant with Collins & Collins 1972 - 1975; Practising Chartered Accountant, MacDonald & Ralston, 1975 to present.
THOMPSON, William, 3510 Kingsway, Vancouver, B.C.	Secretary and Director	Pre-1968 to 1969 President and Manager of Cinola Mines Ltd.; 1969 to 1972 President and Manager of Katanga Mines Ltd., 1972 to present, Retired.
FERGUSON, George Herbert, 624 Yeats Crescent, Richmond, B.C.	Director	1967 - 1971 - President and Owner of Ferguson Enterprises Ltd., Realtor, Boundary Real Estate, Grand Forks, B.C.; 1975 to present, Salesman with Richmond Plymouth Chrysler.
GORDON, Charles L., 12559 - 97 A Avenue, North Surrey, B.C.	Director	Steel Fitter with Allied Steel Fabricators Ltd. Vancouver, B.C.
TURCOTTE, James D. Cascade, B.C.	Director	Exploration Manager for Sabina Mines Ltd. 1967 to 1970. Exploration and Field Manager for Moraine Gold Mines Ltd. 1970 to present time owner and operator of Park Lane Motel, Christina Lake, B.C. to 1975. Presently Prospecting.

REMUNERATION

No remuneration is presently paid to any Director or Senior Officer of the Company.

Elizabeth C. Gordon and William Thompson were allotted 60,000 shares each at 10¢ per share as reimbursement for their costs in carrying out the diamond drilling and exploration programme in 1959 to the value of \$12,000.00.

DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE ISSUER

The Company intends to explore its property comprising three contiguous Crown Granted Mineral Claims situate in the Osoyoos Mining Division, Princeton Assessment District of the Province of British Columbia, on the outskirts of the town of Hedley, British Columbia. The claims may be reached by four-wheel driven vehicles.

1. The properties are more particularly described as follows:-

Crown Granted Mineral Claims:

Lot 3272 - "Bullion"
Lot 3273 - "Pride"
Lot 3275 - "Evening Star"

all situate in the Osoyoos Mining Division, Princeton Assessment District, Province of British Columbia.

2. All of the mineral claims set out in paragraph 1 hereof are held as Crown Granted surveyed mineral claims and recorded under the Land Registry Act of the Province of British Columbia.

3. The mineral claims set out in paragraph 1 were acquired from Elizabeth C. Gordon for 750,000 shares of the capital stock of the Company.

The aforesaid 750,000 shares are presently held beneficially among the following persons:-

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage</u>
Brian S. MacDonald	100,000	13.3%
George Ferguson	75,000	10 %
Charles L. Gordon	135,000	18 %
William Thompson	80,000	10.6%
Glenn MacDonald	100,000	13.3%
James Daniel Turcotte	75,000	10 %
Elizabeth Gordon	150,000	20 %
Gus Duralis	10,000	1.3%
Ferguson Management Inc.	25,000	3.3%

Except for the above shareholders there is no person to the knowledge of the Company who has received or is to receive from any vendor greater than a five percent interest in the shares or other consideration received or to be received.

4. For a history of the previous mining activity on the Company's mineral claims reference may be made to the Engineer's Report of Alfred R. Allen, P. Eng., dated January 21st, 1978, a copy whereof is attached to and forms part of this Prospectus.

5. (i) There has been no underground work carried out on the Company's properties and the Company owns no underground development equipment.

(ii) The Company owns no surface development equipment and the surface development work carried out on the Company's properties may be summarized as follows:-

In 1946 old workings on the property were cleared and re-sampled, thirty-six trenches to bed rock were excavated and 87 feet of access

road bulldozed. At or about the same period seven EX Diamond Drill holes were completed for 738.5 linear feet and the property was surveyed geologically.

In 1960 drill sites were cleared and two EX Diamond Drill holes were installed and an Engineering Report acquired from Messrs. Dolmage & Campbell.

6. For a description of the mineral deposits reference may be made to the Engineering Report of Alfred R. Allen, P. Eng., dated January 21st, 1978, a copy whereof is attached to and forms part of this Prospectus.

7. All of the work carried out on the Company's properties as summarized has been accomplished when its management included two of the present Directors, Charles L. Gordon and William Thompson.

The properties are without a known body of commercial ore and the proposed programme is an exploratory search of ore.

USE OF PROCEEDS TO ISSUER

The net proceeds of this issue, \$62,500.00 will be used without deduction for the following purposes in the order of priority they are set out below, namely:-

(a)	Payment of the expenses of this Offering	\$ 2,500.00
(b)	Carry out the recommended development work set out in the Engineering Report of Alfred R. Allen, P. Eng., dated January 21st, 1978, in the amount of	\$ 52,000.00
(c)	Administrative expense	\$ 6,000.00
(d)	Listing fee with Vancouver Curb Exchange	\$ 2,000.00
	TOTAL:	<u>\$ 62,500.00</u>

The Engineering Budget is estimated as follows:

	<u>Estimated Costs</u>
1. Clear all roads of debris,	\$ 500.00
2. Establishing a grid over the property with northwesterly lines at 30 metre intervals and on all lines stations every 15 metres. One northerly directed base line should be sufficient for control,	\$ 1,000.00
3. Conduct an electromagnetic survey over the full grid,	\$ 2,500.00
4. Over selected areas conduct soil sampling surveys, assaying for Cu, Zn and Ag.	\$ 3,000.00
5. Over selected areas conduct magnetometer surveys to detect skarn and pyrrhotite mineralization,	\$ 2,000.00
6. Expose indicated zones of alteration and mineralization, bulldozing to bedrock,	\$ 5,000.00
7. Excavate rock trenches to expose mineralized zones for mapping and sampling,	\$ 3,000.00
8. Diamond drill to check sub-surface alteration and mineralization - for an estimated 1,250 feet of hole,	\$26,000.00
9. Office, overhead and supervision	\$ 5,000.00
10. Contingencies	\$ 4,000.00
	<hr/>
Total estimated costs:	\$52,000.00
	<hr/>

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

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

For the offering to succeed, purchase orders to net the Company a total of \$62,500.00 (the minimum) must be received by the Company before the expiration of 120 days (the "initial period") following acceptance by the Superintendent of Brokers of this Prospectus for filing. All

funds received from subscribers for shares will be lodged with Crown Trust Company, 455 Howe Street, Vancouver, B.C., to be held in trust and not released to the Company until the minimum amount of \$62,500.00 has been deposited and consent of the Superintendent of Brokers to release of the funds to the Company has been obtained. If the minimum amount is not obtained within one hundred and twenty (120) days, all funds received from subscribers will be returned in full by the Trust Company to the subscribers.

Subscription monies will be held in trust by the Crown Trust Company, 455 Howe Street, Vancouver, B.C.

Immediately after cessation of primary distribution of the shares issued under this Prospectus, the Company will endeavour to attain listing on the Vancouver Curb Exchange. To that end \$2,000.00 of the proceeds of this issue have been allocated for the listing fee and will be held in trust for that purpose only by Crown Trust Company to be released only with the consent of the Superintendent of Brokers.

ESCROWED AND POOLED SECURITIES

As of April 1st, 1978, 750,000 shares are held in escrow by the Crown Trust Company subject to the direction or determination of the Superintendent of Brokers for the Province of British Columbia. The escrow restrictions provide that the shares may not be traded in, dealt with in any matter whatsoever or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent.

In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Superintendent of Brokers aforesaid by way of the directors resolution and the holders of such shares, the trustee thereof and the Company, have agreed that such number of said shares as the Superintendent of Brokers determines shall have become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the Company's registered office.

As of the 1st day of April, 1978, 222,000 shares are held in pool by Crown Trust Company to be in no ways dealt with, sold or alienated until the expiration of thirty (30) days after cessation of primary distribution. 25,000 treasury shares have been issued to William Ferguson as lettered stock to be held for twelve (12) months.

COLUMN 1	COLUMN 2	COLUMN 3
<u>Designation of Class</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of Class</u>
Common Shares	750,000	73.7%

PRINCIPAL HOLDERS OF SECURITIES

The table below shows all those who own more than ten percent (10%) of the Common Shares of the Company as of April 1st, 1978.

Column 1	Column 2	Column 3	Column 4	Column 5
<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of Shares owned</u>	<u>Percentage of Class</u>
BRIAN MacDONALD, #330 Inglewood Ave, West Vancouver, B.C.	Common	Beneficial	100,000	9.8%
GEORGE FERGUSON, 624 Yeats Cres., Richmond, B.C.	"	"	114,500	11.2%
GLENN MacDONALD, 4668 West 14th Ave., Vancouver, B.C.	"	"	100,000	9.8%
CHARLES L. GORDON, 819 Seymour St., Coquitlam, B.C.	"	"	135,002	13.2%
ELIZABETH GORDON, 819 Seymour St., Coquitlam, B.C.	"	"	200,000	19.6%
WILLIAM THOMPSON, 3510 Kingsway, Vancouver, B.C.	"	"	130,002	12.7%
JAMES D. TURCOTTE, Cascade, B.C.	"	"	150,000	14.7%

The percentage of equity shares of the Company owned by the Directors or senior officers, directly or indirectly, is shown on the table below:

COLUMN 1	COLUMN 2
<u>Designation of Class</u>	<u>Percentage of Class</u>
COMMON SHARES	58.4%

PRIOR SALES

To meet interim financial costs the Company has issued by way of 12 month lettered stock, 25,000 shares to Ferguson Management Inc. at a consideration of 20¢ per share net to the treasury.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

1. The Auditor of the Company is Hansen & Co., Chartered Accountants, 200 - 4381 Fraser Street, Vancouver, British Columbia.
2. The Registrar and Transfer Agent of the Company is the Crown Trust Company, 455 Howe Street, Vancouver, British Columbia.

PENDING LEGAL PROCEEDINGS

There are no pending legal proceedings against the Issuer to the knowledge of the Company.

ISSUANCE OF SHARES

The Company is offering by this Prospectus, Two Hundred and Fifty Thousand (250,000) Common Shares at Twenty-five cents (25¢) per share, payable in cash upon application. All of the shares in this offering will be fully paid and are not subject to further calls or to assessment by the Issuer. All of the shares authorized by this Company are Common Shares ranking pari passu and have attached to them no special rights or restrictions either to the shares already issued or those being offered.

PLAN OF DISTRIBUTION

These shares are to be sold by the Company through the effort of its Trading Directors. No commissions will be paid to the Trading Directors in connection with any such sales. Subscription monies to make up the minimum subscription will be held by the Crown Trust Company, 455 Howe Street, Vancouver, B.C. as outlined on pages 6 and 7 hereof.

PROMOTERS

Being principally engaged in the re-organization of this Company, George Ferguson and Daniel Turcotte must be considered promoters, and because of longstanding interest and efforts to maintain and organize this Company, William Thompson must be considered a promoter.

RIGHTS OF RECISSION

Sections 61 and 62 of the "Securities Act" (British Columbia) provide an effect that where a security is offered to the public in the course of primary distribution:

(a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner hereof if a copy of the last prospectus together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission within sixty (60) days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three (3) months from the date of service of such notice.

(b) A purchaser has the right to rescind a contract for the purchase of such security while still the owner thereof if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by the purchaser after expiration of ninety (90) days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

AUDITORS' REPORT

To the Shareholders

Hedley Pacific Mining Corp. Ltd. (N.P.L.)

We have examined the balance sheet of Hedley Pacific Mining Corp. Ltd. (N.P.L.) as at December 31, 1977 and February 28, 1977 and the statements of deferred costs and changes in financial position for the periods then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the company as at December 31, 1977 and February 28, 1977 and the results of their operations and the changes in financial position for the periods then ended in conformity with generally accepted accounting principles applied on a consistent basis during the period.

The 1976 figures provided for comparative purposes, are based upon the financial statements of that period which were reported on by other auditors.

Hansen & Co.

Vancouver, British Columbia

February 10, 1978

Chartered Accountants

HEDLEY PACIFIC MINING CORP. LTD. (N.P.L.)

Balance Sheet

As at February 28, 1977

And December 31, 1977

ASSETS

	<u>December 31,</u> <u>1977</u>	<u>February 28,</u> <u>1977</u>	<u>February 29,</u> <u>1976</u>
Current			
Cash	\$ 808	\$ 1,666	\$ 17
Advance receivable	<u> -</u>	<u> -</u>	<u>6,500</u>
	808	1,666	6,517
Mineral properties (note 2)	7,500	7,500	7,500
Deferred costs (note 5)	<u>30,566</u>	<u>30,108</u>	<u>26,434</u>
	<u>\$ 38,874</u>	<u>\$ 39,274</u>	<u>\$ 40,451</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current			
Accounts payable and accrued liabilities	\$ 4,072	\$ 4,472	\$ 5,649
Share capital			
Authorized - 3,000,000 shares without nominal or par value			
Issued - 992,005 shares	<u>34,802</u>	<u>34,802</u>	<u>34,802</u>
	<u>\$ 38,874</u>	<u>\$ 39,274</u>	<u>\$ 40,451</u>

Approved by the Directors:

Wm E. Thompson Director
D. Agnew Director

Refer to the accompanying notes

HEDLEY PACIFIC MINING CORP. LTD. (N.P.L.)

Statement of Deferred Costs

For the Period from August 1, 1968 to December 31, 1977

	August 1, 1968 to February 28, 1974	Year Ended February 28, 1975	Year Ended February 29, 1976	Year Ended February 28, 1977	Ten Months Ended December 31, 1977	Total to December 31, 1977
Annual reports	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 500
Consulting	356	-	(150)	275	-	481
Drilling and exploration	12,000	-	-	-	-	12,000
Legal and professional	6,306	2,053	920	1,984	-	11,263
Printing	-	-	-	203	-	203
Prospectus	-	-	-	365	-	365
Salary	2,800	4,800	(4,800)	-	-	2,800
Taxes and miscellaneous	442	927	87	468	24	1,958
Transfer agent	-	-	-	379	434	813
Travel and entertainment	153	40	-	-	-	193
	<u>\$ 22,057</u>	<u>\$ 7,820</u>	<u>\$ (3,443)</u>	<u>\$ 3,674</u>	<u>\$ 458</u>	<u>\$ 30,576</u>

Refer to the accompanying notes

HEDLEY PACIFIC MINING CORP. LTD. (N.P.L.)
Statement of Changes in Financial Position
For the Following Periods

	<u>August 1, 1968 to February 28, 1974</u>	<u>Year Ended February 28, 1975</u>	<u>Year Ended February 29, 1976</u>	<u>Year Ended February 28, 1977</u>	<u>Ten Months Ended December 31, 1977</u>
Source of funds					
Issue of share capital	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -
Share subscriptions	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	12,500	5,000	-	-	-
Use of funds					
Deferred costs	10,057	7,820	(3,443)	3,674	458
Share subscriptions	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,057</u>	<u>10,320</u>	<u>(3,443)</u>	<u>3,674</u>	<u>458</u>
Increase (decrease) in working capital	2,443	(5,320)	3,443	(3,674)	(458)
Working capital (deficiency) beginning of the period	<u>302</u>	<u>2,745</u>	<u>(2,575)</u>	<u>868</u>	<u>(2,806)</u>
Working capital (deficiency) end of the period	\$ <u><u>2,745</u></u>	\$ <u><u>(2,575)</u></u>	\$ <u><u>868</u></u>	\$ <u><u>(2,806)</u></u>	\$ <u><u>(3,264)</u></u>
Represented by					
Current assets	\$ 4,645	\$ 6,518	\$ 6,517	\$ 1,666	\$ 808
Current liabilities	<u>1,900</u>	<u>9,093</u>	<u>5,649</u>	<u>4,472</u>	<u>4,072</u>
	<u>\$ 2,745</u>	<u>\$ (2,575)</u>	<u>\$ 868</u>	<u>\$ (2,806)</u>	<u>\$ (3,264)</u>

Refer to the accompanying notes

HEDLEY PACIFIC MINING CORP. LTD. (N.P.L.)

Notes to the Financial Statements

For the Year Ended February 28, 1977

And for the Ten Months Ended December 31, 1977

1. Significant accounting policies

Deferred costs

It is the company's policy to defer exploration, development and administration costs until such time the company brings the properties into production or they are abandoned or sold at which time these costs will be amortized or written off.

2. Mineral properties

Mineral properties consist of the following:

3 Crown granted claims in the Osoyoos Mining Division at the amount ascribed to 750,000 shares of the company issued as consideration therefor

\$ 7,500

3. Remuneration of directors and senior officers

During the year ended February 28, 1977 and for the ten months ended December 31, 1977 no remuneration was paid to directors or senior officers of the company.

4. Share capital

The issued share capital consists of the following:

	<u>Shares</u>	
Issued for		
Cash	122,005	\$ 15,302
Services	120,000	12,000
Mineral properties	<u>750,000</u>	<u>7,500</u>
	<u>992,005</u>	<u>\$ 34,802</u>

5. Values

The amounts shown for mineral properties and deferred costs represent costs to date and do not necessarily reflect present or future values.

THE BULLION, PRIDE AND EVENING STAR

CROWN GRANT MINERAL CLAIMS

LOOKOUT MOUNTAIN

HEDLEY, B.C.

INTRODUCTION

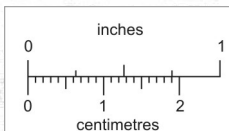
The Bullion, Pride and Evening Star mineral claims, one mile east of the former Nickel Plate Mine at Hedley, B.C., have been examined many times by the writer since 1945, the last being November 7, 1971.

From 1946 to 1961, exploratory work, under the direction of the writer, included stripping and trenching and the drilling of a series of short exploratory holes.

The purpose of this report is to provide a brief description of the property and to recommend an exploration programme thereon.

LOCATION

The property is 11 miles via the Nickel Plate road from Hedley, B.C., on the upper southerly slopes of Lookout Mountain.



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.

Hedley Pacific Mining Corp.		
LOCATION MAP		
SCALE: 1" = 136 MIs.		
Drawn by	Date	Allen Geological
	JAN. 21/78	

HISTORY

The Nickel Plate mine produced 1,600,000 ounces of gold, 200,000 ounces of silver and 4,000,000 pounds of copper from 1904 to 1954.

In the early 1900's there were several shallow open pits excavated on the Bullion, Pride and Evening Star claims. In 1946, Hedley Gordon Mines Ltd., under the direction of the writer, opened the old pits, excavated 36 new trenches and diamond drilled seven short holes. In 1960 two additional holes were diamond drilled. To the writer's knowledge, no additional exploratory work has since been conducted over the property.

PROPERTY

The Bullion, Pride and Evening Star Crown Grant mineral claims are held by Hedley Pacific Mines Ltd. (N.P.L.), of Vancouver, B.C.

TOPOGRAPHY

The property lies on the upper southerly slopes of Lookout Mountain, the crest of which is 6,665 feet above sea level.

At this location, between 5,700 and 6,500 elevation, the southerly part of the property is open meadow and there is light forest growth on the northerly upper portion.

GEOLOGY

The geology of the Hedley area, including detailed information pertaining to the Nickel Plate mountain mineral deposits, has been described in the reports listed herein under "references".

This report is for the purpose of outlining an exploration programme on the Hedley Pacific property, and in the interests of brevity, a resume of the geology is included with emphasis directed towards those factors directly pertaining to the exploration for mineral deposits.

Upper Triassic Nicola limestone, quartzite, argillite along with lesser tuff and breccia have been folded, faulted and strongly altered by the intrusion of large stocks and associated sills and dykes of gabbro and diorite. Gold, silver, copper, iron and lesser cobalt and arsenic minerals occur within this complicated geological environment.

The five factors which controlled the localization of the extensive mineral deposits of Nickel Plate mountain are as follows:

1. Alteration

An extensive alteration zone permeated outward and upward from the Toronto stock. The base of this zone is clearly established by the white recrystallized limestone of the Sunnyside formation defined as the "marble line".

2. Folds

Much of the ore mined from the Hedley Mascot and Nickel Plate mines was associated with folds. The larger amplitude contained the most extensive orebodies.

4.

3. Fractures

Some orebodies were found associated with numerous closely spaced fractures which cut across the folds.

4. Igneous Contacts

Most of the orebodies of the Nickel Plate and Mascot mines were mined from mineralization concentrated in the "crotches" between intersecting dykes and sills, and less commonly against irregularities such as "bulges" in sills and dykes.

5. Favourable Beds

Pyroxene-rich beds within the altered zone were more favourable for the deposition of ore minerals than the silica - and garnet - rich beds.

The most favourable places for ore hunting in the environs of Nickel Plate and Lookout Mountains are listed by Billingsley and Hume, as follows:

1. Strong alteration, preferably skarn mixed with calcite and close to the marble line.
2. Strong structure, anticline-syncline with some steep bedding.
3. High proportion of porphyry spreads with intense bleaching by leucaugite and with a high content of dipyre.
4. Low-angling porphyry sheets of Midway - Hot Sill type.
5. Transverse dykes of andesite-quartz-diorite.
6. Strong shearing and fissuring.

5.

7. Mineralization of the gold bearing stage, that is, arsenopyrite, dipyre, calcite, clinozoisite. Chalcopyrite is indicative of marginal ore. Pyrrhotite by itself is not a good criterion, being far more generally distributed than the ore.

Although most of the surface of the company's property is masked by overburden, there are some scattered outcrops and bedrock has been intermittently exposed by stripping and trenching sufficient to make preliminary mapping of the geology practicable.

A detailed survey conducted by the writer in 1945-46 demonstrated that the geology of Nickel Plate and Lookout Mountains extends easterly across the Hedley Pacific mining property. It is clearly evident that control of ore deposition is similar, and all available data should be acquired on the Hedley Pacific Mining claims area in order that the seven rules regarding the search for mineralized zones may be applied.

WORK COMPLETED

Since the 1890's, when the old open cuts were excavated on the Hedley Pacific Mining showings, little work has been done despite the favourable location just east of the famous Nickel Plate Mountain.

In 1946 the workings were cleared of debris and re-sampled. There were 36 trenches excavated to bedrock and 8,700 feet of connecting road bulldozed. Using EX equipment 7 holes were diamond drilled, the total footage being 738.5 feet. A geological survey was conducted over the property and a preliminary map of same completed.

In 1960 2 short EX holes were diamond drilled. No work has been carried out since 1960.

6.

SUMMARY AND CONCLUSIONS

Hedley Pacific Mining Corporation Ltd. (N.P.L.), holds the Bullion, Pride and Evening Star Crown Grant mineral claims just east of the Nickel Plate Mine from which 4,000,000 tons of gold-silver-copper ore was mined from 1904 to 1954.

In 1946 Hedley Gordon Mines rehabilitated the old surface prospect pits, excavated 36 trenches and diamond drilled 7 holes. In 1960 two additional holes were diamond drilled.

The exploration results indicated that the geological environment is favourable for the occurrence of gold, silver and copper mineralization.

It is concluded that a detailed exploration programme is warranted on the Bullion, Pride and Evening Star claims.

7.

RECOMMENDATIONS

The following field programme is recommended:

	<u>Estimated Costs</u>
1. Clear all roads of debris,	\$ 500.00
2. Establish a grid over the property with northwesterly lines at 30 metre intervals and on all lines stations every 15 metres. One northerly directed base line should be sufficient for control,	1,000.00
3. Conduct an electromagnetic survey over the full grid,	2,500.00
4. Over selected areas conduct soil sampling surveys, assaying for Cu, Zn and Ag.	3,000.00
5. Over selected areas conduct magnetometer surveys to detect skarn and pyrrhotite mineralization,	2,000.00
6. Expose indicated zones of alteration and mineralization, bulldozing to bedrock,	5,000.00
7. Excavate rock trenches to expose mineralized zones for mapping and sampling,	3,000.00
8. Diamond drill to check sub-surface alteration and mineralization-for an estimated 1,250 feet of hole,	26,000.00
9. Office, overhead and supervision,	5,000.00
10. Contingencies	4,000.00
Total estimated costs,	<u>\$52,000.00</u>

Respectfully submitted,

ALLEN GEOLOGICAL ENGINEERING LTD.

Per Alfred R. Allen P. Eng.
Alfred R. Allen

Vancouver, B.C.

January 21, 1978.

REFERENCES

1. Camsell, Chas., Geology and Ore Deposits of Hedley Mining District, B.C., Geol. Surv. Mem.2, 1910
2. Schofield, S.J., Geol. Surv. Canada, Sum.Report 1919, Part I
3. Bostock, H.S., Geology and Ore Deposits of Nickel Plate Mountain, Hedley, B.C., Geol. Surv. Canada, Sum. Report 1929, Part A.
4. Billingsley, Paul, and Hume, C.B., Ore Deposits of Nickel Plate Mountain, Hedley, B.C., C.I.M.M., Trans., Vol. XLIV, 1941 and "The Miner", Vancouver, B.C., January, February, March and April 1941 issues.
5. Dolmage, V. and Brown, C.E. Gordon, Contact Metamorphism at Nickel Plate Mountain, Hedley, B.C., C.I.M.M. Trans., Vol. XLVIII, 1945.
6. Allen, A.R., Hedley Gordon Mines, 1946.
7. Campbell, D.D., Hedley Gordon Mines Ltd., 1960.
8. Allen, A.R., Hedley Gordon Property, December 1961.

* * * * *

Allen Geological Engineering Limited

203 - 2025 Bellevue
West Vancouver, B.C. V7V 1B9

926-4785

CERTIFICATE

January 21, 1978.

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia
and hold the following degrees therefrom:

BASc Geological Engineering 1939

MASc Geological Engineering 1941

I am a member of the Association of Professional Engineers of
the Province of British Columbia.

I have practised my profession for the past thirty-five years.

I hold no interest in the properties or securities of Hedley
Pacific Mining Corporation Ltd., or affiliates thereof, nor
do I expect to receive any, directly or indirectly.

The report on The Bullion, Pride and Evening Star Crown Grant
Mineral Claims, Similkameen M.D., B.C., is based upon an
examination by the writer of the property on November 7, 1971..

I consent to this report being filed with the British Columbia
Securities Commission.

Alfred R. Allen P.Eng.

Alfred R. Allen

Allen Geological Engineering Limited

03 - 2025 Bellevue
West Vancouver, B.C. V7V 1B9

926-4785

January 21, 1978.

British Columbia Securities Commission
756 Fort Street
Victoria, B.C.

Dear Sirs:

Re: Hedley Pacific Mining Corporation Ltd. (N.P.L.)

I hereby consent to the use of my report dated January 21, 1978, on The Bullion, Pride and Evening Star crown grant mineral claims of Hedley Pacific Mining Corporation Ltd. (N.P.L.), Similkameen M.D., B.C., in any prospectus or statement of material facts or other material to be filed with the British Columbia Securities Commission or the Vancouver Stock Exchange by Hedley Pacific Mining Corporation Ltd. (N.P.L.).

Yours very truly,

Alfred R. Allen P.Eng.

Alfred R. Allen

For:

ALLEN GEOLOGICAL ENGINEERING LTD.

MATERIAL CONTRACTS

The Company has entered into no material contracts within two (2) years prior to the date of this Prospectus that have not been otherwise disclosed in this Prospectus.


OTHER MATERIAL FACTS

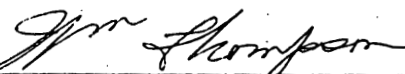
There are no other material facts relating to the securities proposed to be sold not disclosed in the foregoing items.


CERTIFICATE


The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the "Securities Act", and the Regulation thereunder.

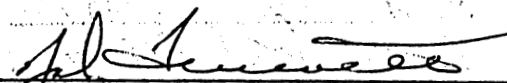
DATED at Vancouver, British Columbia, this 4th day of
May , 1978.


BRIAN S. MacDONALD, President and
Director



WILLIAM THOMPSON, Secretary, Director
and Promoter


GEORGE HERBERT FERGUSON, Director and
Promoter


CHARLES L. GORDON, Director


JAMES D. TURCOTTE, Director and
Promoter

This is exhibit "A" referred to
STATUTORY DECLARATION
in the affidavit of PATRICK E. HOGAN
sworn before me this 22ND
day of JUNE 1978


A Commissioner for taking Affidavits
for British Columbia