

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 HEREBY AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS

RICHLAND MINES INC.

Incorporated under the laws
of the Province of British Columbia
Suite 1101, 736 Granville Street
Vancouver, British Columbia V6Z 1G3
(herein called the "Issuer")

NEW ISSUE

500,000 common shares at \$0.35 per share

	Price to Public	Commission	Proceeds to Issuer (1)
Per Share	\$0.35(2)	\$0.0525	\$0.2975
Total	\$175,000.00	\$26,250.00	\$148,750.00

(1) Before deduction of expenses of this offering estimated not to exceed \$25,000.00.

(2) The price of the Offering has been determined by the Issuer in negotiation with the Agents.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. THE LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL OF THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JUNE 13, 1988, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THE OFFERING IS SUBJECT TO A MINIMUM NUMBER OF SHARES BEING SOLD ON THE OFFERING DAY. FURTHER PARTICULARS OF THE MINIMUM SUBSCRIPTION ARE DISCLOSED UNDER THE HEADING "PLAN OF DISTRIBUTION" ON PAGE "1".

THE ISSUE PRICE TO THE PUBLIC EXCEEDS THE NET TANGIBLE BOOK VALUE PER COMMON SHARE CALCULATED AS AT JULY 10, 1987, AFTER GIVING EFFECT TO THE OFFERING BY \$.2066.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND WITHOUT A KNOWN BODY OF COMMERCIAL ORE. REFERENCE IS MADE TO THE HEADING "RISK FACTORS" ON PAGE "6".

NO PERSON IS AUTHORIZED BY THE ISSUER TO GIVE 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.

ALL OF THE DIRECTORS OF THE ISSUER HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO THE HEADING "CONFLICT OF DUTY AND INTEREST" ON PAGE "10" HEREOF FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

UPON COMPLETION OF THIS OFFERING, THIS ISSUE WILL REPRESENT 24.17% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 41.57% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENTS. REFERENCE IS MADE TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE "12" HEREOF FOR DETAILS OF SHARES HELD BY DIRECTORS, PROMOTERS AND CONTROLLING PERSONS AND ASSOCIATES OF THE AGENT.

WE, AS AGENTS, CONDITIONALLY OFFER THESE SHARES 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 "PLAN OF DISTRIBUTION" ON PAGE "1" HEREOF.

McDERMID ST. LAWRENCE LIMITED
1000 - 601 West Hastings Street
Vancouver, British Columbia
V6B 5E2

GEORGIA PACIFIC SECURITIES CORPORATION
16th Floor, 555 Burrard Street
11 Bentall Centre
Vancouver, British Columbia
V7X 1S6

DATED: November 10, 1987

EFFECTIVE DATE: December 16, 1987

P.W.
PROPERTY FILE

92HSW133-05

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Offering. More detailed information is contained in the body of the Prospectus:

The Offering: 500,000 common shares at price of \$0.35 through the facilities of the Vancouver Stock Exchange, pursuant to the Issuer's conditional listing on that Exchange.

Proceeds to the Issuer: \$148,750.00

The Properties: The Issuer is the holder of a 100% interest in and to five mineral claims and one mineral claim fraction (Brett Creek Prospect) situate in the New Westminster Mining Division of the Province of British Columbia.

Use of Proceeds: The net proceeds of this Offering together with net cash on hand as at November 6, 1987 will be used as set out herein under the heading "Use of Proceeds", the principle feature of which includes a reservation for the completion of Phase I of an exploration program on the Brett Creek Prospect (\$60,000.00) and to establish a reserve for the completion of Phase II subject to favourable results being obtained from Phase I work (\$100,000.00).

Dilution: The issue price to the public exceeds the net tangible book value per common share calculated as at July 10, 1987, after giving effect to the Offering by \$.2066.

Management: Donald Gordon Clements - Chief Executive Officer, President and Director
James Frank Carr-Hilton - Chief Financial Officer, Secretary and Director
Ross Owen Glanville - Director
Klaus Bever - Director
Gordon Gwyn Richards - Director

Risk Factors: The shares offered hereunder are speculative. There is no market for the Issuer's shares. A purchase of the shares is subject to a number of risk factors, particulars of which are set forth on page 6 under the heading "Risk Factors".

The Issuer: The Issuer was incorporated on May 25, 1987 under the name Richland Mines Inc. The Issuer is engaged in the business of acquiring, exploring and developing natural resource properties.

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PLAN OF DISTRIBUTION

Offering and Appointment of Agent

Richland Mines Inc. (the "Issuer") has entered into an Agreement dated November 10, 1987 under which the Issuer has appointed McDermid St. Lawrence Limited of 1000 - 601 West Hastings Street, Vancouver, British Columbia and Georgia Pacific Securities Corporation of 1500 - 789 West Pender Street, Vancouver, British Columbia, as its agents (the "Agents") to offer (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 500,000 shares (the "Shares") of the Issuer (250,000 shares by McDermid St. Lawrence Limited and 250,000 by Georgia Pacific Securities Corporation) at a purchase price of \$0.35 per Share. The Offering will be made in accordance with the rules and policies of the Exchange on a day (the "Offering Day") determined by the Agents and the Issuer with the consent of the Exchange, within a period of 180 days from the date the Shares of the Issuer are conditionally listed on the Exchange (the "Effective Date").

The Agents will receive a commission of \$0.0525 per Share.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licenced broker dealers, brokers and investment dealers, who may or may not be offered part of the commissions or bonuses derived from this Offering.

The obligations of the Agents under the Agency Agreement may be terminated by the Agent at any time before the Offering Day on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

There are no payments in cash, securities or other consideration being made or to be made to a promoter, finder or any other person or company in connection with the Offering.

The Directors, Officers and other Insiders of the Issuer may purchase shares from this Offering.

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. The listing is subject to the Issuer fulfilling all of the listing requirements of the Vancouver Stock Exchange on or before June 13, 1988, including prescribed distribution and financial requirements.

The Issuer has granted the Agents a right of first refusal with respect to any future public equity financings it may require during the 12 month period following the Effective Date (as to 1/2 to McDermid St. Lawrence Limited and 1/2 to Georgia Pacific Securities Corporation).

Minimum Subscription

The Offering is subject to a minimum subscription of 500,000 shares being sold on the Offering Day. If the minimum subscription is not reached, all funds will be returned to the subscribers without deduction.

DESCRIPTION OF THE ISSUER

The Issuer was incorporated under the laws of the Province of British Columbia under the name Richland Mines Inc. by registration of its Memorandum and Articles on May 25, 1987. The Issuer's registered office is located at Suite 708, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3. The Issuer's head office address is located at Suite 1101, 736 Granville Street, Vancouver, British Columbia, V6Z 1G3.

THE BUSINESS OF THE ISSUER

The Issuer is a natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Issuer owns or has an interest in the property described under the heading "The Properties" and intends to seek and acquire additional properties worthy of exploration and development.

ACQUISITIONS

- A. Brett Creek Prospect
New Westminster Mining Division
Province of British Columbia

The Issuer is the holder of a 100% beneficial interest in and to five mineral claims and one mineral claim fraction (the "Brett Creek Prospect") situate in the New Westminster Mining Division in the Province of British Columbia and more particularly described as follows:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
Cloud 1	1075	October 10, 1988
Cloud #2	2441	May 2, 1988
Cloud #3	2442	May 2, 1989
Cloud #6	2459	May 25, 1989
Cloud #7	3147	May 1, 1990
Cloud #1 Fraction	2488	May 25, 1989

The Issuer acquired its ownership of the Brett Creek Prospect under an Agreement dated June 16, 1987 entered into with Ruanco Enterprises Ltd. ("Ruanco") of 5700 Forsythe Crescent, Richmond, B.C., V7C 2C3. To acquire the foregoing interest, the Issuer paid Ruanco \$25,000.00 by way of issuance of 100,000 treasury shares at a deemed price of \$.25 per share. The \$25,000.00 consideration paid to Ruanco represents a reimbursement to it of actual expenditures incurred by Ruanco in respect of the Brett Creek Prospect in excess of \$25,000.00 but valued for the purposes of the transfer of the Brett Creek Prospect at \$25,000.00. In addition, the Issuer issued and allotted an additional 25,000 fully paid and non accessible shares from treasury to Ruanco to conclude its purchase price of the Brett Creek Prospect. Accordingly, the Issuer has issued an aggregate of 125,000 shares from treasury to Ruanco to acquire the Brett Creek Prospect.

Ruanco is a private British Columbia company beneficially owned by Gordon Richards, a director and insider of the Issuer, and his wife.

THE PROPERTIES

- A. Brett Creek Prospect
New Westminster Mining Division
Province of British Columbia

The Brett Creek Prospect claims are underlain by altered volcanic-sedimentary rocks containing gold and precious metal anomalies. These claims also contain poly-metallic sulphide anomalies.

The claims are located 2 km west of Harrison Lake, British Columbia, approximately 100 kilometres east of the City of Vancouver, British Columbia. The Brett Creek Prospect is located at approximately latitude 49° 23' N, longitude 121° 52' W. Access to the Brett Creek Prospect is by paved road northeast from Harrison Mills to the Weaver Creek Fish Hatchery and then by the west Harrison access gravel road to Camp Cove, a distance of approximately 16 kilometres. An old logging road going northwest from Camp Cove provides four-wheel drive access to the centre of the Brett Creek Prospect and a network of old roads provide easy foot or trail bike access.

The Issuer has received a report dated July 22, 1987 as amended November 10, 1987 prepared by C. J. Westerman, Ph.D., F.G.A.C., Consulting Geologist (the "Westerman Report"), a copy of which report is attached to and forms a part of this Prospectus.

According to the Westerman Report, exploration history of the Brett Creek Prospect is as follows:

"The earliest reference in the public domain to work done on the property is an assessment report on a gravity and Induced Polarization survey for Bishop Mines Ltd. in May, 1977. These surveys consisted solely of a single traverse along logging roads in the south part of what is now the Cloud 1 claim. Results indicated a weak gravity anomaly which was apparently not investigated further.

The Cloud and pre-existing Brett claims were originally staked by K. W. Livingstone in 1980. The Brett claims were subsequently allowed to lapse into common ownership with the Cloud claims. In 1980 and 1981, J.M.T. Services Corp. undertook reconnaissance style geological and geochemical programs on the Cloud 1 and 2 claims for Territorial Gold Placers Ltd. in 1982, a similar program was undertaken by J.M.T. Services Corp. for K. W. Livingstone. These programs were largely restricted to sampling along logging roads, accumulating a total of 375 soil, rock and silt geochemical samples. In 1985, G. G. Richards, P. Eng. undertook a grid geochemical sampling program, in the NW corner of Cloud 3 claim. In April, 1987 Richards undertook further road sampling, thus accumulating in the two years a total of 27 rock and 231 soil samples.

In June, 1987, Richland Mines Inc. undertook a grid soil/rock sampling program covering the Cloud 1 claim and the northern half of the Cloud 3 claim. This program collected 660 soil samples and 123 rock samples, all of which were geochemically analysed for gold (FA + AA) and 30 element standard I.C.P. package by Chemex Labs Ltd. of North Vancouver. The samples were collected at 50 meter intervals along lines spaced at 100 meter intervals. Geological mapping was undertaken in conjunction with the geochemical program."

The Westerman Report contains the following recommendations:

"A phased, success contingent, exploration program is recommended for the Brett Creek property to further test existing targets and to initially explore those parts of the property which were not previously tested. In Phase I of the program it is recommended that detailed prospecting, geochemical sampling, geological sampling and geophysical I.P. surveys be undertaken on a line survey grid in the area of the central Brett Creek target. It is also recommended that the existing prospecting geochemical and geological surveys be extended to cover the entire

area of the Cloud 2 and Cloud 7 claims, and the southern half of the Cloud 3 claim. It is estimated that expenditures required to complete Phase 1 of the program will be in the order of \$60,000.

Contingent on successful results from Phase 1 it is recommended that Phase 2 of the program should consist of drill testing of targets at an estimated cost of \$100,000. If initial drilling results are favourable it is further recommended that a more extensive drilling program be undertaken in Phase III at an estimated cost of \$180,000."

The Issuer has accepted the recommendations contained in the Westerman Report and intends to carry out the Phase 1 work. The Issuer will apply the \$88,750.00 balance of the net proceeds of the offering together with \$11,250.00 of the net cash on hand as at November 6, 1987 for use in carrying out the Phase II recommendations, if warranted. A discussion on whether or not Phase III work will be undertaken will be made on completion of the first two phases. Accordingly, no funds to be raised hereunder have been set aside for Phase III work.

There is no plant or equipment located on or under the Brett Creek Prospect and the ground underlying the Brett Creek Prospect is without a known body of commercial ore.

No Director, Officer, Insider or Promoter of the Issuer has any interest in any mineral properties located contiguous to the Brett Creek Prospect.

USE OF PROCEEDS

The net proceeds to be derived by the Issuer from the sale of 500,000 shares offered by this Prospectus, namely \$148,750.00, together with net cash on hand in the amount of \$132,027.00 as at November 6, 1987 will be used for the following purposes:

1. To pay the legal, audit and printing expenses of this Prospectus, estimated not to exceed: \$ 25,000.00
2. To complete Phase I of an exploration program on the Brett Creek Prospect in accordance with the recommendations of C. J. Westerman, Ph.D., F.G.A.C., Consulting Geologist, as contained in a report to the Issuer dated July 22, 1987 and to establish a reserve for the completion of Phase II of the recommended program subject to favourable results being obtained from Phase I work:

Phase I:	\$ 60,000.00	
Phase II:	<u>100,000.00</u>	\$160,000.00
3. Working capital:		<u>95,777.00</u>
	Total:	<u>\$280,777.00</u>

The unallocated portion of the net proceeds to the Issuer to be realized on the sale of the minimum subscription is being set aside for working capital to ensure that the business of the Issuer can be funded after the results of its presently planned exploration programs are known.

The Issuer may, pursuant to the written recommendations of a qualified engineer, abandon in whole or in part any of its properties, or may alter as work progresses, work programs recommended or may make such arrangements for the performance of all or any portion of such work by other persons or companies and may use any monies so diverted for the purpose of conducting work or examining other properties acquired by the Issuer after the date of this Prospectus, although the Issuer has no present plans in this regard. If any such event occurs during the primary distribution of the Shares referred to in this Prospectus, an amendment to this Prospectus will be filed. If any such event occurs after primary distribution of the Shares, the Shareholders will be notified.

No part of the proceeds will be used to invest, underwrite or trade in securities, other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Issuer 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 Issuer must first be obtained and notice of the intention must be filed with the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

RISK FACTORS

A. Mineral exploration and development is inherently speculative and carries with it many risks that even the most careful evaluation and management cannot overcome. There is no assurance that any production will be obtained. If production is obtained, prices received are subject to market fluctuations.

B. No survey has been made of the natural resource prospects owned by the Issuer and in accordance with the mining laws of the jurisdiction in which those prospects are situate, their precise location and area may be in doubt.

C. Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Issuer's financial position.

D. The speculative nature of the Issuer's business makes it probable that purchasers will not realize a profit on the shares purchased under the Offering.

E. The issue price to the public exceeds the net tangible book value per common share calculated at July 10, 1987 (after giving effect to the Offering) by \$0.2066.

F. The percentage of shares of the Issuer being offered to the public for cash will represent 24.17% of the shares issued and outstanding upon completion of the sale of the shares qualified hereunder as compared to 41.57% which will be owned by controlling persons, Promoters, Directors and Officers of the Issuer.

G. Reference is made herein to the heading "Conflict of Duty and Interest" on page 10.

DESCRIPTION OF SHARES

The authorized capital of the Issuer consists of 20,000,000 common shares without par value, of which 1,569,001 shares have been issued and allotted as fully paid and non-assessable shares. All of the shares of the Company both issued and unissued rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive rights or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking funds have been made. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the British Columbia Company Act.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount Outstanding as at July 10, 1987	Amount Outstanding as at date of Prospectus	Amount to be Outstanding on Completion of Offering
Common Shares Without Par Value	20,000,000	1,569,001	1,569,001	2,069,001

Note: The Issuer has granted Director and Key Employee stock options to purchase in the aggregate 206,900 shares of the Issuer at a price of \$0.35 per share.

PRIOR SALES

Total Number of Securities Sold	Price	Total Cash Received	Commissions Paid
750,000*	\$0.01	\$ 7,500.00	Nil
694,000**	\$0.25	\$173,500.00	Nil
125,000***	\$0.25***	\$ 31,250.00***	Nil
1	\$1.00	\$ 1.00	Nil

*The 750,000 shares issued for and in consideration of the sum of \$0.01 per share have been issued as "Principals Shares" subject to escrow restrictions more particularly described under the heading "Escrowed Shares" on page "13" of this Prospectus.

**478,000 of the 694,000 shares purchased at a price of \$.25 per share have been voluntarily pooled with The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, British Columbia, subject to release in four equal quarterly installments, 25% to be released on the first day the shares of the Company commence trading on the Vancouver Stock Exchange, 25% three months following that date, a further 25% six months following that date, and the balance of shares to be released nine months following that date.

***Deemed proceeds (see "Acquisitions").

DIRECTORS AND OFFICERS

The names, addresses and principal occupations in which each of the Directors and Officers of the Issuer have

been engaged during the immediately preceding five years are as follows:

<u>Name and Address</u>	<u>Position with Issuer</u>	<u>Principal Occupation</u>
DONALD GORDON CLEMENTS 801 - 1455 Duchess Ave. West Vancouver, BC V7T 1H7	Chief Executive Officer, President and Director	See below
JAMES FRANK CARR-HILTON* 30 Axford Bay Port Moody, BC V3H 3R2	Chief Financial Officer, Secretary and Director	Chartered Accountant; partner, Robson & Carr-Hilton, Chartered Accountants; Director, Englefield Resources Ltd. (January 1987 - date)
ROSS OWEN GLANVILLE* 7415 Pandora Drive Burnaby, BC V5A 3W1	Director	See below
KLAUS BEVER* 22 Axford Bay Port Moody, BC V3B 3R4	Director	See below
GORDON GWYN RICHARDS 5700 Forsythe Crescent Richmond, BC V7C 2C3	Director	Professional Engineer

Mr. Clements is the President of Clements Capital Corporation, a company specializing in venture capital financing including mergers and acquisitions. Mr. Clements was a founder of Portavideo The Magic Movie Machine Co. Ltd. and was instrumental in its acquisition of The Shannock Corporation. Mr. Clements was a principal fund raiser and a Director of the Canadian Club at Expo 86. He holds a Bachelor of Commerce degree with a finance major and is currently a Director of Golden Pyramid Resources Ltd. He is a past Director of The Shannock Corporation (1984 - 1986) as well as numerous resource companies over the past six years.

Ross Glanville, B.A.Sc., M.B.A., C.G.A., P.Eng., holds a Bachelor of Applied Science degree (mining engineering), a Masters of Business Administration degree and is qualified Certified General Accountant. He is a member of the Association of Professional Engineers of British Columbia, the Association of Professional Economists of British Columbia and the Certified General Accountants Association of British Columbia. Ross Glanville's principal occupation is as President of Glanville Management Ltd., a private consulting company controlled by him which specializes in the preparation of feasibility studies and valuation opinions of mining companies and exploration properties. He has qualified and

acted as a valuation expert witness in the Supreme Court of British Columbia and at Assessment Appeal Board hearings. He has been retained as a consultant by numerous clients including the Government of the Province of British Columbia, major national and international resource companies, leading chartered banks and a host of well known corporations and firms. Ross Glanville is presently a Director and Secretary of Black Swan Gold Mines Ltd., a company which has placed a gold property into production in western Australia, and a Director of Technigen Platinum Corporation and Englefield Resources Ltd. The shares of these latter three companies trade on the Vancouver Stock Exchange.

Dr. Klaus Bever is a practising medical doctor and partner of Burke Mountain Medical Centre in Port Coquitlam, British Columbia. He also holds a M.Sc. (geology) from the University of London. He has participated in the development of natural resource prospects in the field and has won awards for academic work in geology including a National Research Council (Canada) Scholarship in 1972 for doctoral work in Structural Geology. He is a Director of Englefield Resources Ltd., a Vancouver Stock Exchange listed company.

*Members of the Audit Committee.

CONFLICT OF DUTY AND INTEREST

All of the Directors of the Issuer are Directors of other companies engaged in the natural resource industry.

In order to avoid the possibility of conflict of interest which may arise between their duties to the Issuer and to other companies on whose Boards they serve, the Directors of the Issuer have agreed to the following:

- a. Participation in natural resource opportunities offered to them will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate. Accordingly, such participations may first be offered or vended to others without notice to the Company;
- b. If participating interests are formulated by or through the other companies in which they are involved, they will be offered to the Issuer except on the same or better terms than the basis on which they are offered to third party participants.

OPTIONS TO PURCHASE SECURITIES

Particulars of options granted to Executive Officers and Directors are as follows:

	<u>Designation and No. of Securities under Option</u>	<u>Exercise Price of Option</u>	<u>Expiry Date of Option</u>
Executive Officers as a Group (1)	58,967 common shares	\$0.35	July 27, 1989
Directors (excluding Executive Officers) as a Group (3)	103,450 common shares	\$0.35	July 27, 1989

Reference is made herein to the heading "Executive Compensation" for particulars of stock options granted to Brian Robson and Stephen Bush which are in addition to the options set out in the above table.

EXECUTIVE COMPENSATION

No remuneration has been paid to Directors and Executive Officers of the Issuer since the date of incorporation. Subject to the Issuer's Offering being successfully concluded, it is anticipated that a management contract will be entered into with a Director of the Issuer or a combination of Directors of the Issuer which will provide for a remuneration not exceeding an aggregate of \$2,000.00 per month for the first year of the contract. Certain of the Directors may render accounts to the Issuer for professional services rendered and disbursements incurred. Such accounts, if rendered, will be prepared at rates no greater than those charged to other clients of the Directors for similar services.

No Executive Officer, Director or Employee compensation plans have been established nor are any such plans contemplated pursuant to which cash or non-cash compensation will be paid to Executive Officers, Directors or Employees.

Key Employee stock options on a total of 103,450 shares of the Issuer have been granted to the Chief Executive Officer, to Brian Robson, to Stephen Bush, none of whom (with the exception of the Chief Executive Officer of the Issuer) are Insiders of the Issuer. It is the intention of the Issuer to set aside for the grant of Key Employee stock options that number of unissued Treasury shares equal to 5% of the issued and outstanding shares of the Issuer. Key Employee stock options will be granted from time to time by the Board of Directors to remunerate Officers of the Issuer for services rendered or to be rendered to the Issuer, which options will be granted in lieu of cash remuneration.

The option exercise price has been established at the price at which the Issuer will be making an offering of its securities under this Prospectus.

Directors stock options on a total 103,450 shares of the Issuer have been granted to Ross Glanville, Klaus Bever and Gordon

Richards. The Directors of the Issuer may also be rewarded by Director stock options in the future as the Issuer will set aside for the grant of such options, that number of unissued Treasury shares equal to 5% of the share capital from time to time issued by the Issuer. The Director stock options will be set aside and granted by the Board of Directors as a form of remuneration for Directors in return for serving on the Board of Directors.

PRINCIPAL HOLDERS OF SECURITIES

As set forth hereunder are particulars of shareholders of the Issuer as of the date of this Prospectus who own 10% or more of the issued shares of the Issuer:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Owner- ship</u>	<u>Number of Securities Owned</u>	<u>Percentage</u>
GORDON CLEMENTS 801 - 1455 Duchess Ave. West Vancouver, BC V7T 1H7	common escrow common free	direct direct	200,000 20,000	14.02
ROSS GLANVILLE 7415 Pandora Drive Burnaby, B.C. V5A 3W1	common escrow common free	direct direct	137,500 30,000	10.67
GORDON RICHARDS 5700 Forsythe Crescent Richmond, B.C. V7C 2C3	common escrow common free	direct direct	137,500 30,000	10.67
KLAUS BEVER 22 Axford Bay Port Moody, B.C. V3H 3R4	common escrow common free	direct direct	137,500 20,000	10.03

The percentage of shares of each class of equity shares of the Issuer beneficially owned, directly or indirectly, by all Directors, Senior Officers and Promoters of the Issuer as a group are as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common	54.81

PROMOTERS

Gordon Clements, James Carr-Hilton, Ross Glanville and Klaus Bever are the Promoters of the Issuer in accordance with the definition contained in Section 1 of the Securities Act of

the Province of British Columbia.

Reference is made herein to the heading "Executive Compenstation" on page 11 for particulars of stock options granted to the Promoters of the Issuer.

Gordon Clements purchased 200,000 escrowed shares at \$0.01 per share and 20,000 additional shares at \$0.25 per share. James Carr-Hilton purchased 137,500 escrowed shares at \$0.01 per share, 10,000 additional shares at \$0.25 per share and one additional share at \$1.00. Ross Glanville purchased 137,500 escrowed shares at \$0.01 per share and additional 30,000 at \$0.25 per share. Klaus Bever purchased 137,500 escrowed shares at \$0.01 and additional 20,000 at \$0.25 per share.

ESCROWED SHARES

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	47.80

As of the date of this Prospectus, 750,000 shares of the Issuer's capital stock are held in escrow by The Canada Trust Company, Four Bentall Centre, P.O. Box 49390, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P3. These shares were purchased as "Principal Shares" and may not be traded in, dealt with in any manner whatsoever or released, nor may the Issuer, its Transfer Agent or any holder of the escrowed shares make any transfer or record any trading of such shares without the consent of the Superintendent or the Exchange. The Escrow Agreement also provides that a portion of the consideration for the issuance of the escrowed shares is to encourage the holders thereof to act in the best interest of the Issuer. If the Issuer becomes successful, due and part to the efforts of the holders of the escrowed shares, the Agreement provides that the holders of the shares will be entitled to maintain ownership of the shares and to have the shares released from escrow in accordance with general policies of the Superintendent or the Exchange. Any shares not released from escrow before the expiration of ten years from the date of the receipt issued by the Superintendent for this Prospectus will be cancelled. The complete text of the Escrow Agreement will be available for inspection at the Issuer's registered office, Suite 708, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, for a period of 30 days following completion of the Offering.

DIVIDEND RECORD

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Ruanco Enterprises Ltd. is a private British Columbia company beneficially owned equally by Gordon Richards, a Director and Insider of the Issuer and his wife. Ruanco Enterprises Ltd. is the vendor of the Brett Creek Prospect pursuant to an agreement entered into June 16, 1987 between Ruanco Enterprises Ltd. and the Issuer (see Acquisitions). Under the foregoing agreement Gordon Richards indirectly received a 50% interest in the 125,000 shares of the Issuer's capital stock issued as consideration for transferring the Brett Creek Prospect mineral claims to the Issuer. The initial exploration program on the Brett Creek Prospect was contracted to this same company. Rates charged were at or lower than standard market rates.

Save and except as aforesaid, the Directors, Officers, Insiders and Promoters of the Issuer do not have any interest, direct or indirect, by way of beneficial ownership of shares or otherwise in material transactions except for any interest arising from the ownership of shares of the Issuer where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Issuer.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Auditors of the Issuer are Smythe Ratcliffe & Associates, Chartered Accountants, 700 - 355 Burrard Street, Vancouver, British Columbia, V6C 2G8. The Issuer's Registrar and Transfer Agent is The Canada Trust Company of Four Bentall Centre, P.O. Box 49390, Vancouver, British Columbia, V7X 1P3.

INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

As at November 6, 1987 the Issuer had incurred preliminary expenses of as follows:

Legal	\$ 8,318.00
Deferred exploration	30,181.00
Audit	1,200.00
Accounting and administration	3,989.00
Rent	1,000.00
Filing fees	4,430.00
Office and stationary	1,813.00
Free Miners licence	500.00
Bank charges	65.00
	<u>51,496.00</u>
LESS interest on term deposits	<u>3,023.00</u>
	<u>\$48,473.00</u>

Reference is made herein to the heading "Use of Proceeds" for a summary of proposed future expenditures which will also be incurred within one year from the date of incorporation.

MATERIAL CONTRACTS

There are no material contracts, except as disclosed in this Prospectus. Following contracts may be inspected at the

registered office of the Issuer, Suite 708, 1111 West Hastings Street, Vancouver, British Columbia, during normal business hours while primary distribution of the shares offered by this Prospectus is in progress and for a period of 30 days thereafter:

- a. Agency Offering Agreement dated November 10, 1987 entered into with McDermid St. Lawrence Limited and Georgia Pacific Securities Corporation;
- b. Mining Agreement dated June 16, 1987 entered into with Ruanco Enterprises Ltd. under which the Issuer acquired the Brett Creek Prospect situate in the New Westminster Mining Division of the Province of British Columbia;
- c. Directors and Key Employee Stock Option Agreements dated July 27, 1987;
- d. Escrow Agreement dated July 27, 1987.

OTHER MATERIAL FACTS

There are no other material facts.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act provides a purchaser with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and further provides a purchaser with remedies for rescission or damages where the prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser prior to the delivery of the written confirmation of sale or prior to midnight on the second business day after entering into the agreement, but such remedies must be exercised by the purchaser within the time limit prescribed. For further information concerning these rights and the time limits within which they must be exercised, the purchaser should refer to Sections 66, 114, 118 and 124 of the Securities Act or consult a lawyer.

RICHLAND MINES INC.

FINANCIAL STATEMENTS

July 10, 1987

SMYTHE RATCLIFFE & ASSOCIATES
 CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To The Directors
 Richland Mines Inc.

We have examined the balance sheet of Richland Mines Inc. as at July 10, 1987 and statements of activities and deficit and changes in financial position for the initial 47 day period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at July 10, 1987 and the results of its operations and the changes in its financial position for the initial 47 day period then ended in accordance with generally accepted accounting principles.

Smythe Ratcliffe + Associates

VANCOUVER, B.C.
 November 27, 1987

CHARTERED ACCOUNTANTS

RICHLAND MINES INC.
 BALANCE SHEET (Note 1)
 July 10, 1987

ASSETS	
CURRENT	
Cash	\$ 171,301
Accounts receivable	207
Deposits	<u>8,473</u>
	<u>179,981</u>
INTEREST IN AND EXPENDITURES ON RESOURCE PROPERTY (Notes 2, 3, 4 and 6)	
Acquisition costs	31,750
Deferred exploration expenditures	<u>30,000</u>
	<u>61,750</u>
INCORPORATION COSTS	<u>660</u>
	<u>\$ 242,391</u>
LIABILITIES	
CURRENT	
Accounts payable	\$ <u>32,200</u>
SHAREHOLDERS' EQUITY	
SHARE CAPITAL (Notes 4, 5 and 6)	
Authorized:	
20,000,000 Common shares without par value	
Issued:	
1 Share	1
Allotted:	
1,569,000 Shares	<u>212,250</u>
	212,251
DEFICIT	<u>(2,060)</u>
	<u>210,191</u>
Approved by the Directors:	<u>\$ 242,391</u>
<i>[Signature]</i> Director	
<i>[Signature]</i> Director	

See notes to financial statements.

RICHLAND MINES INC.

STATEMENT OF ACTIVITIES AND DEFICIT (Note 1)

For the Initial 47 Day Period Ended July 10, 1987

EXPENDITURES	
Accounting and audit	\$ 1,700
Bank charges	500
Office and administration	500
Rent	267
Legal	<u>70</u>
	3,037
Less: Interest on term deposits	<u>977</u>
EXPENDITURES FOR THE PERIOD AND DEFICIT AT END OF PERIOD	<u>\$ 2,060</u>

See notes to financial statements.

RICHLAND MINES INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION (Note 1)

For the Initial 47 Day Period Ended July 10, 1987

OPERATING ACTIVITY		
Expenditures for the period		\$ <u>(2,060)</u>
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts payable	\$ 32,200	
Accounts receivable	(207)	
Deposits	<u>(8,473)</u>	<u>23,520</u>
FINANCING ACTIVITIES		
Issuance of shares for cash	1	
Allotted shares for cash	181,000	
Allotted shares for property	<u>31,250</u>	<u>212,251</u>
INVESTMENT ACTIVITIES		
Incorporation costs	(660)	
Acquisition of mineral claims	(31,750)	
Deferred exploration expenditures	<u>(30,000)</u>	<u>(62,410)</u>
INCREASE IN CASH DURING PERIOD AND CASH AT END OF PERIOD		<u>\$ 171,301</u>

See notes to financial statements.

RICHLAND MINES INC.

NOTES TO FINANCIAL STATEMENTS

For the Initial 47 Day Period Ended July 10, 1987

1. INCORPORATION

The company was incorporated under the Laws of the Province of British Columbia on May 25, 1987 and commenced operations on that date.

2. REALIZATION OF ASSETS

The company was formed to acquire, explore and develop resource properties. The company's interests in resource properties are recorded at cost which does not necessarily, nor is it intended to, reflect the actual value of the interests. Value is dependent on future commercial success of these properties or from proceeds from disposition thereof.

The company's initial operations have been funded through private investment. Future operations are intended to be funded through both public and private share offerings.

3. SIGNIFICANT ACCOUNTING POLICY

Acquisition costs of resource properties together with future direct exploration and development expenditures thereon are to be deferred in the accounts to be amortized when production is attained or written-off upon disposition. If results from exploration warrant the abandonment of certain mineral leases and claims included in a specific group or claim block and retention of the remainder, all acquisition, exploration and other costs relating to the entire group are deemed to represent such costs relating to the retained mineral leases and claims and consequently no adjustment will be made in the accounts in respect to the mineral leases and claims abandoned.

4. INTEREST IN AND EXPENDITURES ON RESOURCE PROPERTY (Note 6)

Cloud claims:

By an agreement dated June 16, 1987, the company acquired 100% beneficial interest in and to five mineral claims and one fractional claim located in the Harrison Lake area of British Columbia. As consideration for the acquisition, the company agreed to issue 25,000 shares of its capital stock and for reimbursement of costs expended on the property, the company has agreed to issue an additional 100,000 shares of its capital stock. All the shares are to be issued at a deemed value of \$0.25 per share.

Total consideration:	25,000 shares at \$0.25	\$ 6,250
	100,000 shares at \$0.25	
	- reimbursement of costs incurred on the property	25,000
	Legal costs	<u>500</u>
		<u>\$ 31,750</u>

RICHLAND MINES INC.

NOTES TO FINANCIAL STATEMENTS

For the Initial 47 Day Period Ended July 10, 1987

4. INTEREST IN AND EXPENDITURES ON RESOURCE PROPERTY (Note 6) (Continued)

Deferred exploration expenditures:

Deferred exploration expenditures incurred to July 10, 1987 comprise the following:

Site work, mapping and sampling	\$ 13,500
Assaying	12,000
Engineering report	2,000
Geological fees	1,500
Assessment	<u>1,000</u>
	<u>\$ 30,000</u>

5. SHARE CAPITAL

(a) Share capital is comprised as follows:

	Number of Shares	Price Per Share	Amount
Issued - for cash	1	\$ 1.00	\$ 1
Allotted - for cash	694,000	0.25	173,500
Allotted - escrowed	<u>750,000</u>	0.01	<u>7,500</u>
	1,444,001		181,001
Allotted for property (Note 4)	<u>125,000</u>	0.25	<u>31,250</u>
	<u>1,569,001</u>		<u>\$ 212,251</u>

(b) The 750,000 shares allotted to Directors of the company are to be held in escrow and will be released subject to the direction and determination of the Vancouver Stock Exchange.

6. RELATED PARTY TRANSACTIONS

The Cloud Claims (see Note 4) were acquired from a company, a director of which, subsequent to the property acquisition, became a director of Richland Mines Inc.

The initial exploration program on the Cloud Claims was contracted to this same company. Rates charged were at or lower than standard market rates.

RICHLAND MINES INC.

NOTES TO FINANCIAL STATEMENTS

For the Initial 47 Day Period Ended July 10, 1987

7. SUBSEQUENT EVENTS

- (a) The company intends to offer to the public 500,000 common shares at a price of \$0.35 per share to net the company approximately \$148,750, in accordance with the terms of a prospectus to be filed with the Superintendent of Brokers for British Columbia.
- (b) The company granted its directors and key employees stock options to purchase in total 206,900 shares at \$0.35 per share exercisable on or before July 27, 1989.

THE BRETT CREEK PROPERTY

NEW WESTMINSTER MINING DIVISION

BRITISH COLUMBIA

NTS 92H/5

A SUMMARY REPORT

for

RICHLAND MINES INC.

C.J. WESTERMAN, Ph.D., F.G.A.C.

Consulting Geologist

July 22nd, 1987

As amended November 10, 1987

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SUMMARY

Richland Mines Inc. holds 100% interest in 39 claim units comprising the Brett Creek property located 16 km northeast of Harrison Mills in southwestern British Columbia. The property is underlain by Jurassic age volcanic and sedimentary rocks of the Harrison Lake formation which host the Seneca stratiform massive sulphide copper-zinc-lead-silver-gold deposit, six kilometers to the southwest. Such "Kuroko" type deposits generally occur in clusters suggesting that exploration of favourable stratigraphy in the area may result in new discoveries. A complex fault zone which trends NNE across the Brett Creek property is associated with intense silica-pyrite alteration and local zinc-copper-lead-barite stringer veins. This zone is probably a Jurassic age growth fault and hydrothermal feeder system for exhalative mineralizing systems. An area to the east of this structure, in the center of the property, has coincident "footwall breccia", "footwall alteration", anomalous zinc soil geochemistry with local copper-lead highs and favourably interbedded felsic volcanic rocks and argillite-chert sediments. This area is a high priority target with good potential for discovery of stratiform massive sulphide mineralization. Similar targets also appear to exist in the northern and southern parts of the property but these are less well documented. A comprehensive exploration program with three success contingent phases is recommended at an estimated total cost of \$340,000.

INTRODUCTION

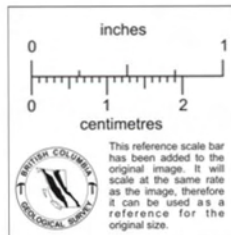
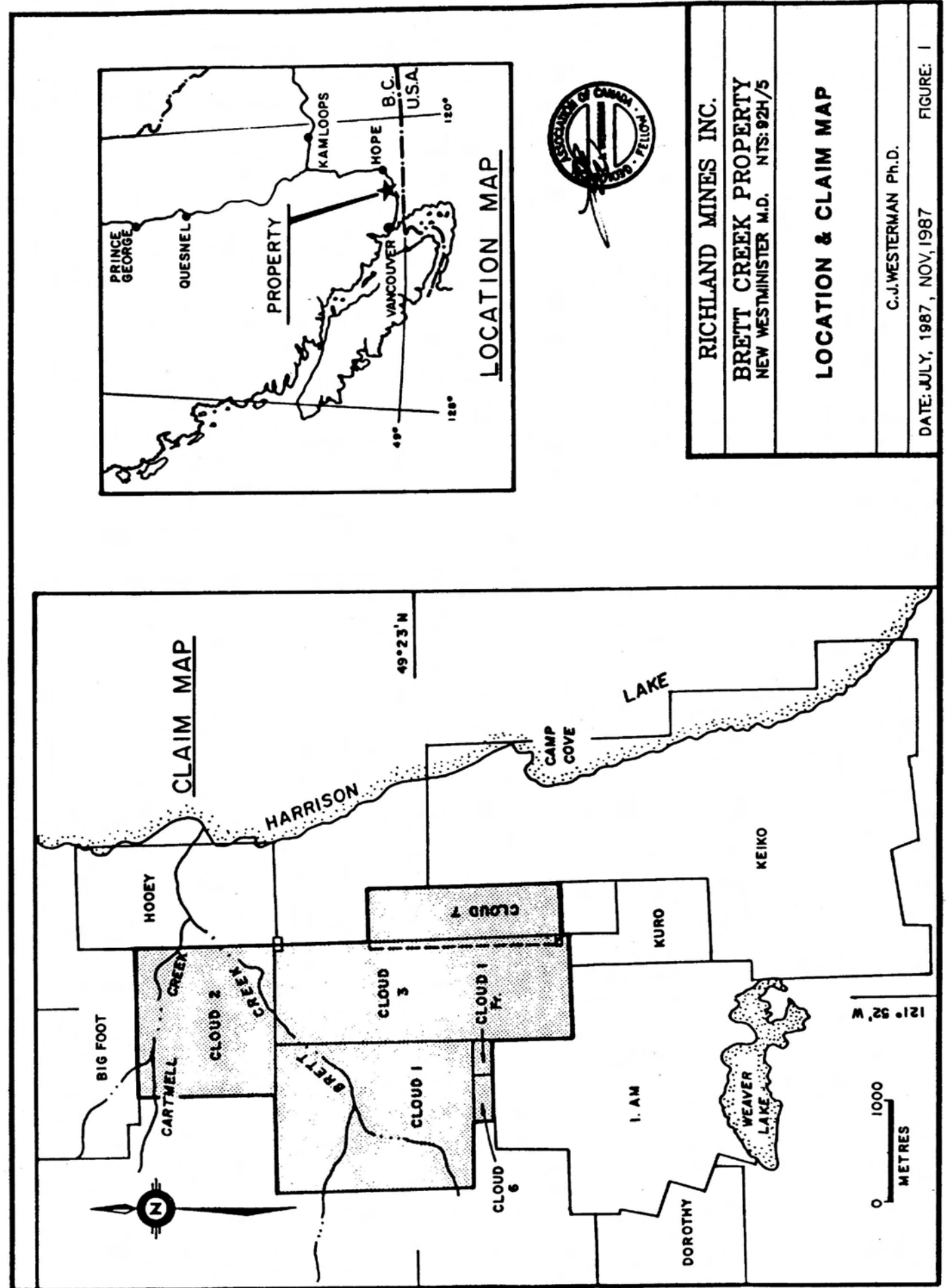
Preamble

The Brett Creek property in the Harrison Lake area of southwestern British Columbia is owned by Richland Mines Inc. Geological and geochemical indicators suggest that the property has potential for discovery of a massive sulphide ore body. Reconnaissance style exploration had been undertaken on the property since 1981 by previous owners and Richland Mines Inc. has just completed a grid geochemical and geological survey. The author, as an independent Consulting Geologist has been retained by Richland Mines Inc. to review the results of this exploration work and report his findings with recommendations for future action. A field examination of the property was undertaken on July 13th, 1987.

Location and Access

The property is located 2 km west of Harrison Lake, approximately 100 km east of the city of Vancouver (Figure 1). It is centered on latitude $49^{\circ} 23' N$, longitude $121^{\circ} 52' W$ within NTS map area 92H/5. Access is by paved road northeast from Harrison Mills to the Weaver Creek Fish Hatchery and then by the west Harrison access gravel road to Camp Cove, a distance of about 16 km. An old logging road going northwest from Camp Cove provides 4 wheel drive access to the centre of the property and a network of old roads provide easy foot or trail bike access.

A major hydroelectric power line runs parallel to the shore of Harrison Lake, 2 km east of the eastern property boundary. Topography is moderate to steep with elevations ranging from 150 meters to 1,050 meters. The majority of the property has been logged in the past and vegetation comprises locally thick low bush with semi-mature second growth.



Property Definition

The Brett Creek property consists of 6 contiguous metric grid system mineral claims totalling 39 units within the New Westminster Mining Division of British Columbia. (Table 1, Figure 2).

TABLE 1
Claim Data

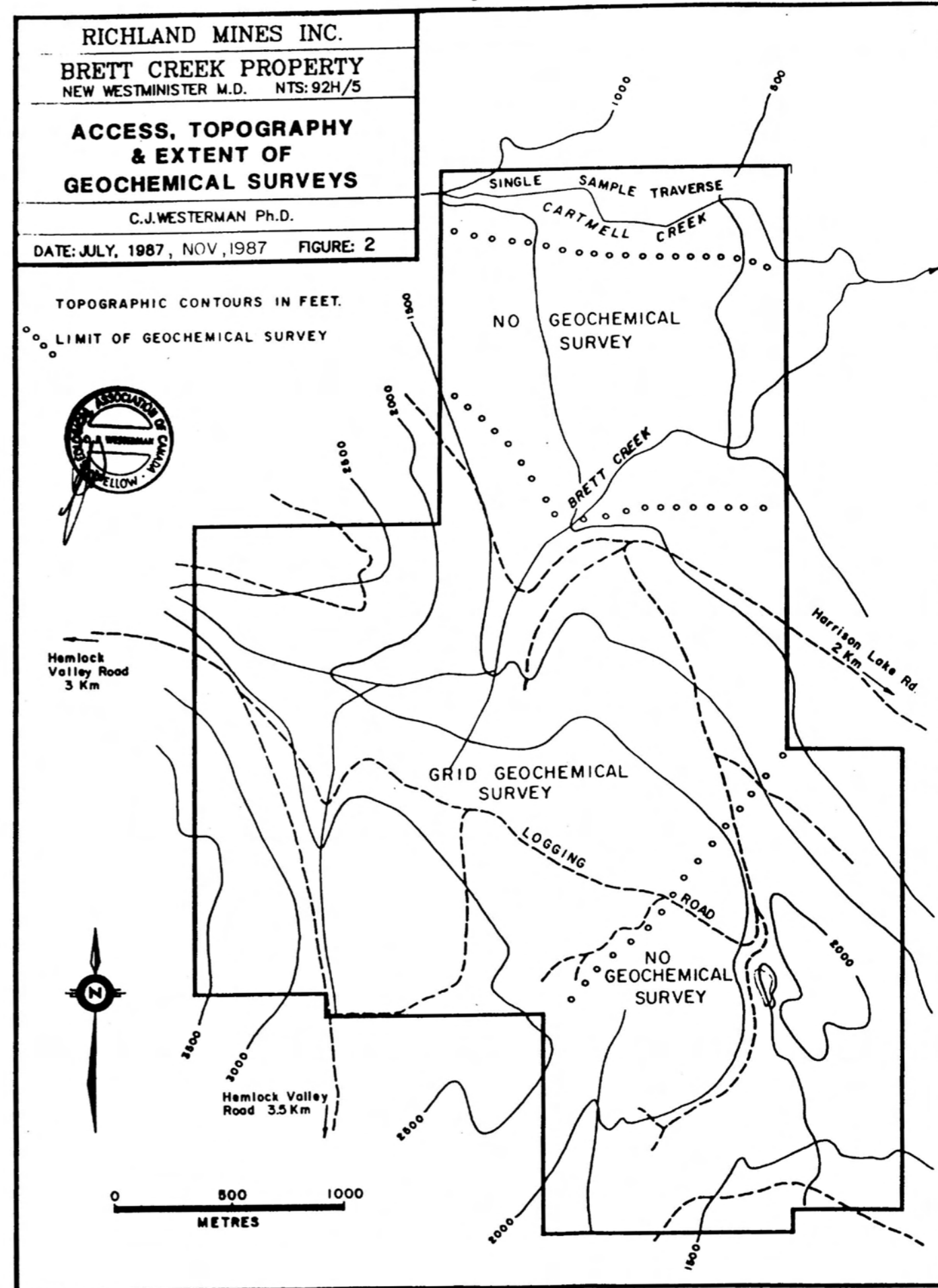
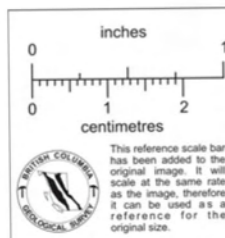
Claim	Units	Record No	Expiry Date
Cloud 1	12	1075	October 10, 1988
Cloud 2	9	2441	May 2, 1988
Cloud 3	12	2442	May 2, 1988
Cloud 6	1	2459	May 25, 1989
Cloud 1 Fr.	1	2488	May 25, 1989
Cloud 7	4	Pending	May 1, 1990

The claims are owned outright by Richland Mines Inc. Cloud 1 was originally staked in 1980, Cloud 7 in 1987 and the remaining claims in 1984. The author has not examined the claim posts in the field but is not aware of any factors which might invalidate the claims.

History

The earliest reference in the public domain to work done on the property is an assessment report on a gravity and Induced Polarization survey for Bishop Mines Ltd. in May, 1977. These surveys consisted solely of a single traverse along logging roads in the south part of what is now the Cloud 1 claim. Results indicated a weak gravity anomaly which was apparently not investigated further.

The Cloud and pre-existing Brett claims were originally staked by K.W. Livingstone in 1980. The two-post Brett claims were subsequently allowed to lapse into common ownership with the metric Cloud claims as permitted under Section 17 of The Mineral Act of B.C. In 1980 and 1981, J.M.T. Services Corp. undertook reconnaissance style geological and geochemical programs on the Cloud 1 and 2 claims for Territorial Gold Placers Ltd. In 1982, a similar program was undertaken by J.M.T. Services Corp. for K.W. Livingstone. These programs were largely restricted to sampling along logging roads, accumulating a total of 375 soil, rock and silt geochemical samples. In 1985, G.G. Richards, P. Eng. undertook a grid geochemical sampling program, in the northwest corner of Cloud 3 claim. In April



1987 Richards undertook further road sampling, thus accumulating in the two years a total of 27 rock and 231 soil samples.

In June 1987, Richland Mines Inc. undertook a grid soil/rock sampling program covering the Cloud 1 claim and the northern half of the Cloud 3 claim. This program collected 660 soil samples and 123 rock samples, all of which were geochemically analysed for gold (FA + AA) and 30 element standard I.C.P. package by Chemex Labs Ltd. of North Vancouver. The samples were collected at 50 meter intervals along lines spaced at 100 meter intervals. Geological mapping was undertaken in conjunction with the geochemical program.

References

- B. Price (1981): Geological and Geochemical Report. Brett 1-6, Cloud 1, Cloud 2, for Territorial Gold Placers Ltd. B.C.-DMPR-A.R. 9483; July 3, 1981.
- B. Price (1982): Geological and Geochemical Report. Brett 1-6, Cloud 1-2 Mineral claims, for Territorial Gold Placers Ltd. B.C.-DMPR-A.R. 10022; February 15, 1982.
- W.A. Howell (1982): Geochemical Report on the Brett 1-6, Cloud 1-2 claims for JMT Services Corp. B.C.-DMPR-A.R. 11004; December 24, 1982.
- G.G. Richards (1985): Geochemical Report on the Brett Creek Property, Harrison Lake. B.C.-DMPR-A.R. 13818; July 10, 1985.
- G.G. Richards (1987): Geological-Geochemical Report on the Brett Creek Property, Harrison Lake. B.C.-DMPR-A.R. pending, May 11, 1987.
- C.A. Ager and M.G. Berretta (1977): Gravity and Induced Polarization Survey, Robyn Claims Area, for Bishop Mines Ltd. B.C.-DMPR-A.R. 6344; May 10th, 1977.
- G.L. Garratt and S.W. Tregaskis (1985): Geological Report on the IAM 51-56 for Chevron Canada Ltd. and Curator Resources Ltd. B.C.-DMPR-A.R. 14334; August, 1985.
- G.E. Ray, (1986): Gold Associated with a Regionally Developed Mid-Tertiary Plutonic Event in the Harrison Lake Area, Southwestern British Columbia; B.C. Ministry of Energy, Mines and Petroleum Resources, Geological Fieldwork 1985, Paper 1986-1, pp 95-97.
- I.M. Watson, (1983): Report on the Aggassiz-Weaver property, for Curator Resources Ltd.
- D. Arscott, (1978): Geological Mapping of the IAM 50 claims; B.C.-DMPR-Assessment Report No. 7015.

C.J. Westerman (1986): Geological and Geochemical Report on the Keiko 1-7 mineral claims, for Trafalgar Resources Inc., July 15, 1986, B.C.-DMPR-A.R. pending.

C.J. Westerman (1987): Geological and Geochemical Report on the Keiko 1-7 mineral claims, for Trafalgar Resources Inc., February 25, 1987. B.C.-DMPR-A.R. pending.

GEOLOGY AND MINERALIZATION

Regional Aspects

The Brett Creek property occurs within a northwesterly trending volcanic-sedimentary belt of Jurassic age within the Coast Crystalline Complex. The belt is about 20 km wide and 60 km long and extends along the western side of Harrison Lake. A major fracture system along Harrison Lake is associated with quartz diorite and granodiorite intrusions of mid-Tertiary age and recent to present day hot spring geothermal activity.

The Harrison Lake fracture system and associated Tertiary intrusions are genetically related to gold bearing quartz-pyrite veins and stockworks. At Doctors Point, 32 kilometres north of Brett Creek, drilling has outlined 132,300 tonnes grading 3.5 g/t gold (0.102 oz/t Au) (Ray 1986). Kerr Addison is currently exploring the Abo Oil Corp. gold property located 10 kilometres east of Brett Creek.

Jurassic volcanic rocks of the Harrison Lake Formation are host to a stratiform massive sulphide deposit at the Seneca property, six kilometres southwest of the Brett Creek property. Extensive exploration work over the past 25 years indicates that the Seneca property hosts a Kuroko type baritic, fragmental massive sulphide deposit which was formed at the same time as the host rocks. Chevron Canada Resources Ltd. quoted estimated geologically inferred reserves in 1982 of 800,000 tons grading 0.8% Cu, 6.6% Zn, 0.3% Pb, 1.7 oz/t Ag and 0.035 oz/t Au (Cooke 1982, in Watson 1983).

Arcott (1978) indicates the presence of a footwall type stringer zone carrying zinc and copper values on the IAM 50 claim and Garratt and Tregaskis (1985) document a similar zone on the IAM 51-56 claims. The IAM claims are an integral part of the Seneca property and are contiguous with the south boundary of the Cloud No. 1 claim.

Footwall type stringer mineralization is also present on the Bigfoot claims, contiguous with the north boundary of the Cloud No. 2 claim. These occurrences, together with those on the Brett Creek property (described in the next section) form a crudely linear north-north-east trending zone which passes through the centre of the Brett Creek property. Most investigators concur that this mineralization is probably of Jurassic age and probably represents feeder zones of exhalative systems which may have formed massive sulphide deposits on the Jurassic sea floor. Such deposits generally occur as cluster of several deposits as typified by the Kuroko deposits of Japan and the Noranda deposits of the Canadian Shield. There is therefore considerable support for the suggestion that the Seneca deposit is not the only deposit in the Harrison Lake Formation. Persistent exploration may therefore be financially rewarding.

Brett Creek Property

The property is underlain almost entirely by volcanic and sedimentary rocks of the Jurassic age Harrison Lake Formation (Figure 3). The western boundary of the Cloud 1 claim is underlain by the east flank of a Cretaceous age quartz monzonite stock. The Jurassic strata trend generally west-north-west across the property, dipping to the south in the area of the Cloud 1 and 3 claims and to the north throughout most of the Cloud 2 claim. Thus, a major open fold trends westerly through the cloud 2 claim. A localized anticline-syncline pair, associated with a zone of complex faulting trends north-north-east through the centre of the property.

A generalized stratigraphic section of the southern half of the property is presented in the following table:

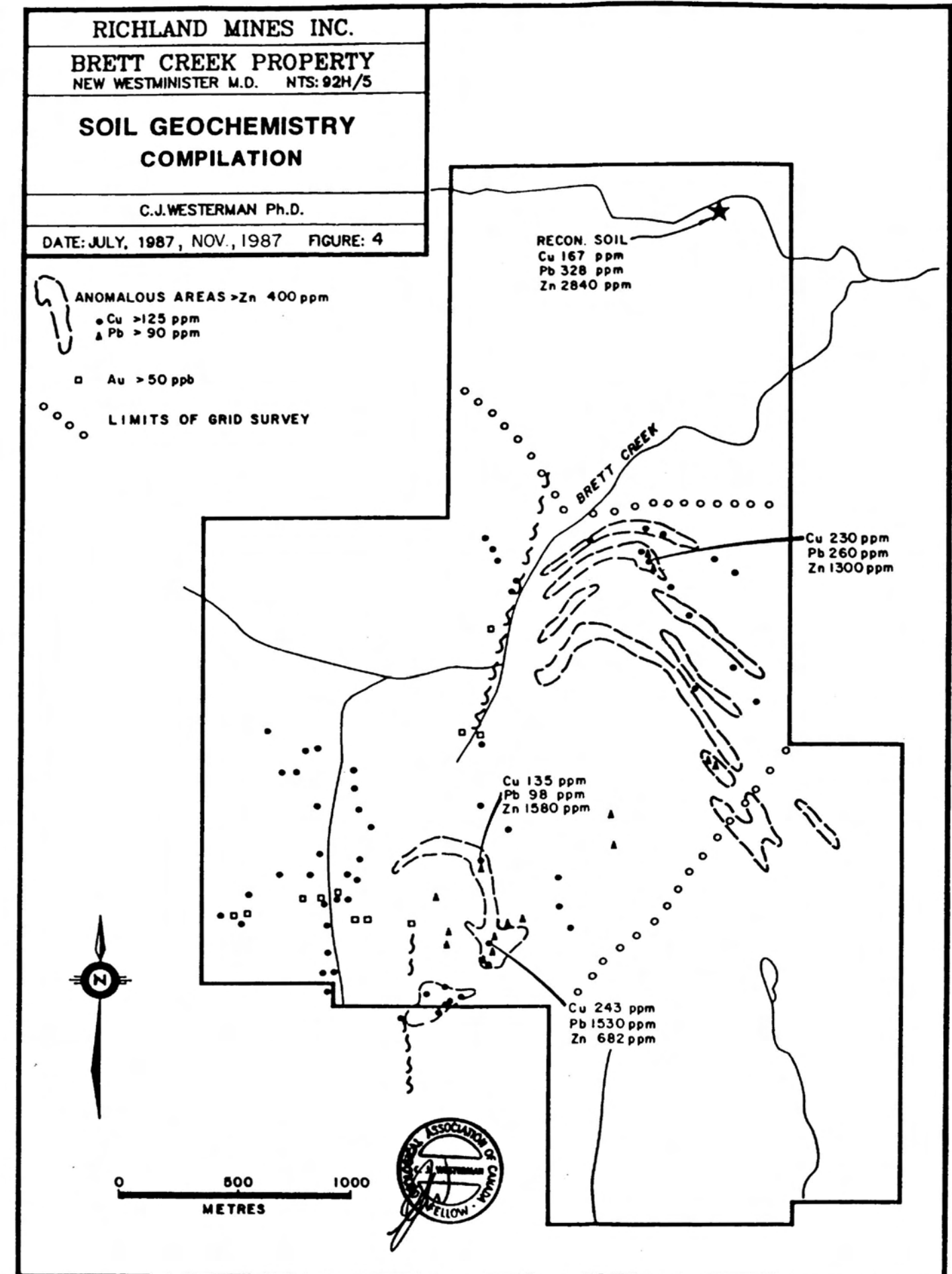
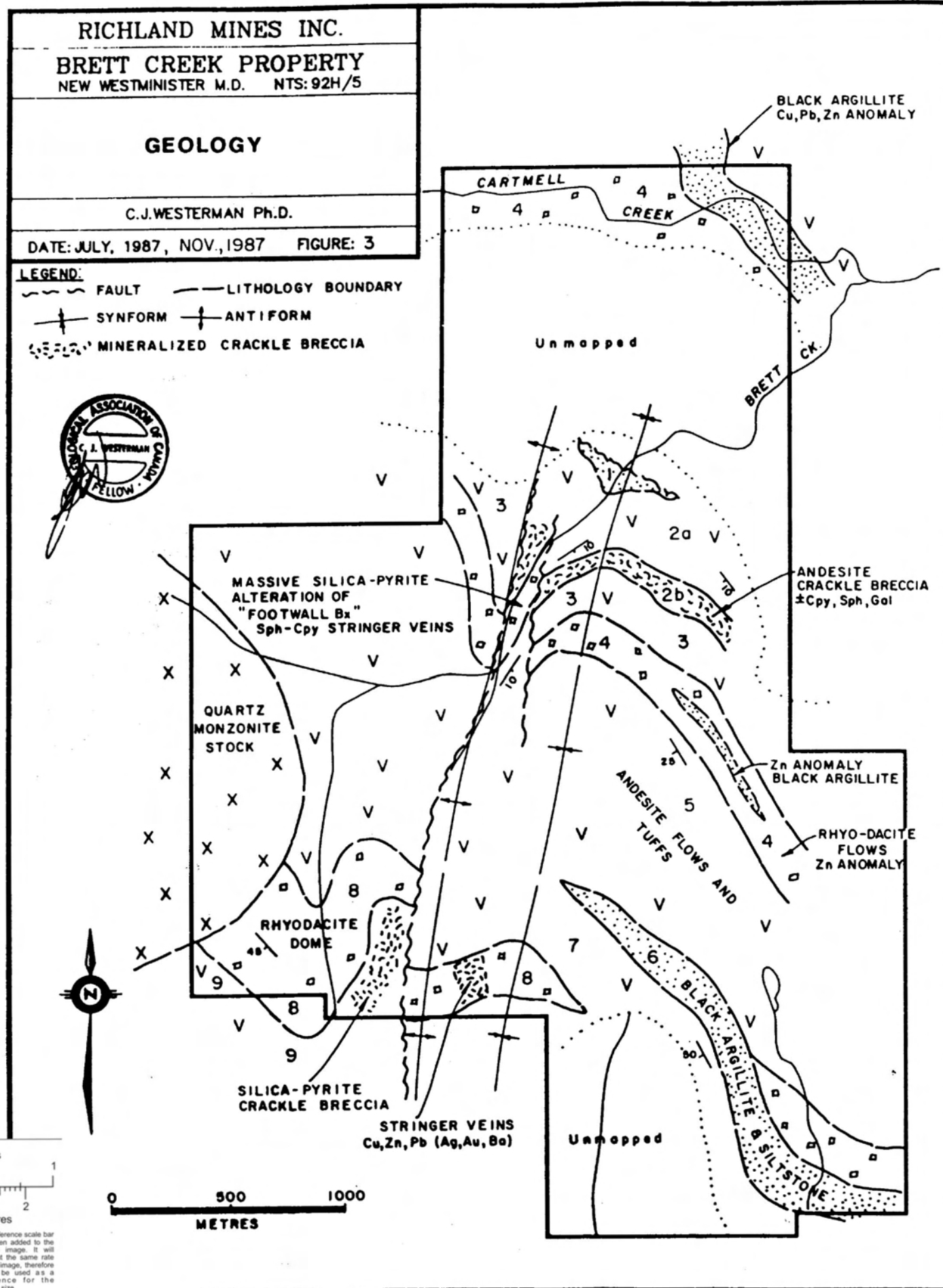
TABLE II
Stratigraphic Section

Top	
Unit 9	Andesite tuffs - locally intense "footwall" alteration
Unit 8	Rhyodacite flow dome - local crackle breccia
Unit 7	Andesite tuffs
Unit 6	Black argillite-chert-siltstone
Unit 5	Andesite tuffs-local crackle breccia
Unit 4	Massive rhyodacite flows with interbeds of black chert and argillite
Unit 3	Massive andesite flows
Unit 2b	Andesitic tuffs-locally intense "footwall" alteration
Unit 2a	Andesitic flows and tuffs
Unit 1	Black argillite
Base	

Massive rhyodacite flows and black argillites exposed in Cartmell Creek are probably stratigraphic equivalents of Unit 4 but detailed mapping will be required to confirm this projection.

A considerable amount of pervasive silica-pyrite alteration is present throughout the property, notably in the various andesitic tuff units. This alteration is most intense adjacent to the complex NNE trending fault structure. In the immediate vicinity of this structure, some rock units contain crackle breccia infillings (stringer veins) of pyrite ± chalcopyrite ± sphalerite ± galena ± barite. Price (1982) and Howell (1982) note the presence of such mineralization in stringer veins of Unit 8 Rhyodacite flow dome in the southern part of the property (Figure 3). A character rock sample reported by Price (1982) contains 3,800 ppm Cu, 228 ppm Pb and greater than 1% Zn. Soil samples from the recent Richland program indicate an area of enhanced copper-zinc-lead values around the hill underlain by Unit 8 (Figure 4). A roughly east-west trending zone of anomalous gold values in soils in this same area is of unknown origin.

A second zone of alteration and mineralization is present in the north parts of the Cloud 1 and Cloud 3 claims, in the area where the main logging access road crosses Brett Creek. The complex fault zone passes through here parallel to the creek and strata within the zone locally trend northeast and dip gently to the southeast. A massive rhyodacite breccia with rounded clasts and a pervasively silica-pyrite altered matrix is exposed in the creek. Howell (1982), who has



considerable experience with the Seneca property, commented that this unit ". . . is remarkably similar to exposures of the Seneca 'footwall breccia'". A composite chip character sample of this unit taken by the author was not significantly anomalous (WR170). An overlying dacitic flow unit contains stringer veins of black sphalerite and minor chalcopyrite. A composite chip character sample (WR171) taken by the author of this mineralized material contained 20,685 ppm Zn and 1108 ppm Cu.

Extending eastwards from the above mentioned mineralized outcrops is a pervasively pyrite-silica altered andesitic tuff unit with local stringer veins (Unit 2b). This unit corresponds to a zone of moderate zinc soil anomalies (Howell, 1982) with local copper and lead high values. (Up to 1,300 ppm Zn, 230 ppm Cu, 260 ppm Pb - Figure 4). Two composite chip character samples of altered rock exposed in the road side were taken by the author but neither returned any significantly anomalous values (WR172, WR173).

Rhyodacite flow units with interbedded chert and argillite (Unit 4) which extend southeast from the mineralized outcrops of Brett Creek are coincident with anomalous zinc values in soils. Locally high lead values in soils occur adjacent to the logging road further east.

TABLE III
Sample Data

By Westerman

WR170	Composite chip character sample, 1m x 2m, coarse felsic agglomerate, rounded clasts, intense pyrite-silica alteration of ground mass
WR171	Composite chip character sample, dacite flow, crackle breccia, veinlet stringers of quartz-carbonate (barite?) - sphalerite ± chalcopyrite
WR172	Composite chip character sample, panel 2m x 4m, andesitic tuff, flat lying (?), intense silica-pyrite alteration
WR173	As WR172

Analyses by Min En Laboratories, North Vancouver

<u>Sample</u>	<u>Ag ppm</u>	<u>As ppm</u>	<u>Cu ppm</u>	<u>Pb ppm</u>	<u>Sb ppm</u>	<u>Zn ppm</u>	<u>Au ppb</u>
WR170	0.6	8	19	16	2	53	4
WR171	1.3	8	1108	17	5	20685	10
WR172	0.4	11	10	12	1	102	3
WR173	0.8	9	31	23	2	151	8

Anomalous zinc copper and lead values in soils of the central Brett Creek area have not been adequately explained by rock chip sampling to date. It is the current author's interpretation that the complex NNE trending fault zone is probably a growth fault and "feeder zone" which existed during deposition of the Jurassic volcanics and sediments. It is significant that there is a strong concentration of geochemical anomalies on the eastern side of this structure. This suggests that the structure is down-faulted and hence basinwards towards the east. The relative abundance of black argillite and chert to the east tends to confirm this interpretation. The northern half of the Cloud 3 claim is therefore a prime target for discovery of stratiform massive sulphide mineralization within the stratigraphic section encompassed by Units 2b, 3 and 4.

Current information also indicates that this stratigraphic section is repeated by folding within the Cloud 2 claim. A single reconnaissance traverse was completed by Richland Mines Inc. along Cartmell Creek. One soil sample from this traverse (Figure 4) returned 167 ppm Cu, 328 ppm Pb and 2840 ppm Zn - significantly anomalous values which constitute a high priority follow-up target.

Stringer type mineralization also exists within the complex fault zone much higher in the stratigraphy (Unit 8) near the south boundary of Cloud 1 claim. This indicates that the structure was periodically rejuvenated and may have acted as a hydrothermal channel way for more than one period of exhalative mineralization. Host rocks for stratiform mineralization related to this later event may be present in the southern half of Cloud 3 claim. This area warrants further investigation.

CONCLUSIONS

The Brett Creek property is underlain by Jurassic age volcanic and sedimentary rocks of the Harrison Lake Formation. These rocks host a polymetallic (Cu, Pb, Zn, Ag, Au) stratiform massive sulphide deposit on the Seneca property, six kilometers southwest of Brett Creek. A complex north-north-east trending fault zone which crosses the Brett Creek property is probably a growth fault-hydrothermal feeder zone of Jurassic age. Zinc, copper, lead stringer type mineralization is associated with this structure. Favourable stratigraphic units east of this structure correlate with zinc-copper-lead anomalous soil geochemistry. These stratigraphic units are interpreted to be on the basinward side of the postulated growth fault and are therefore a prime target for detailed exploration. The target has considerable potential for discovery of stratiform massive sulphide mineralization. Reconnaissance data indicates that a similar target exists in the northern half of the Cloud 2 claim. Completion of grid geochemical and geological surveys throughout the area of the Cloud 2 claim is warranted.

Additional stringer type Cu-Pb-Zn-Ba-Au-Ag mineralization exists at a higher stratigraphic level in the southern half of the Cloud 1 claim. Potential host stratigraphy for stratiform mineralization related to this later system may exist in an unexplored area in the southern half of the Cloud 3 claim. This area clearly warrants a comprehensive exploration program.

RECOMMENDATIONS

A phased, success contingent, exploration program is recommended for the Brett Creek property to further test existing targets and to initially explore those parts of the property which were not previously tested. In Phase 1 of the program it is recommended that detailed prospecting, geochemical sampling, geological mapping and geophysical I.P. surveys be undertaken on a line survey grid in the area of the central Brett Creek target. It is also recommended that the existing prospecting geochemical and geological surveys be extended to cover the entire area of the Cloud 2 and Cloud 7 claims, and the southern half of the Cloud 3 claim. It is estimated that expenditures required to complete Phase 1 of the program will be in the order of \$60,000.

Contingent on successful results from Phase 1 it is recommended that Phase 2 of the program should consist of drill testing of targets at an estimated cost of \$100,000. If initial drilling results are favourable it is further recommended that a more extensive drilling program be undertaken in Phase 3 at an estimated cost of \$180,000.

July 22nd, 1987
Vancouver, B.C.
Amended November 10, 1987



C.J. Westerman, Ph.D., F.G.A.C.
Consulting Geologist

**COST ESTIMATE
RICHLAND MINES INC.
BRETT CREEK PROPERTY**

Phase 1

Survey grid and soil sampling, 30 km @ \$250/km	\$ 7,500
Geochemical analyses, 1,200 samples @ \$15	18,000
I.P. survey, 10 km @ \$1,500	15,000
Geologist, 20 days @ \$300	6,000
Prospector, 16 days @ \$250	4,000
Support - 30 man days @ \$50	1,500
Transport	1,000
Supplies	500
Drafting and report costs	1,000
Supervision and consulting	2,500
Government fees	3,000

Total Phase 1 \$ 60,000

Phase 2

Diamond drilling, 650 m B.Q. @ \$100/m	\$ 65,000
Assays, 300 samples @ \$15	4,500
Drill pad prep/logging	1,500
Bulldozer 5 days	5,000
Geologist, 30 days	9,000
Assistant, 20 days	4,000
Vehicle	1,000
Support and supplies	2,500
Supervision, drafting, report	2,500
Government fees	5,000



Total Phase 2 \$ 100,000

Phase 3

Diamond drilling, 1,200 m @ \$150/m incl. site preparation, assays, geology supervision and reporting	<u>180,000</u>
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Total Phase 3 \$ 180,000

July 22, 1987
Vancouver, B.C.
Amended November 10, 1987





C.J. Westerman, Ph.D., F.G.A.C.
Consulting Geologist

CERTIFICATION

I, Christopher John Westerman, hereby certify that:

1. I am an independent Consulting Geologist with an office at 1010 - 470 Granville Street, Vancouver, British Columbia, V6C 1V5.
2. I am a graduate of London University, England with the degree of Bachelor of Science in Geology (1967); of the University of British Columbia with the degree of Master of Science in Geology (1970) and of McMaster University, Ontario with the degree of Doctor of Philosophy in Geology (1977).
3. I am a Fellow of the Geological Association of Canada (F.525) and a member of the Canadian Institute of Mining and Metallurgy.
4. I have practised my profession in North America since 1967, having worked as employee and consultant for several International Mining Corporations and Junior Resource Companies.
5. I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in the properties of Richland Mines Inc. or any affiliates or of any property within a radius of ten kilometres of subject property, or beneficially own, directly or indirectly, any securities of the company or of any affiliates.
6. This report is based upon a personal examination of all available reports as referenced, and upon personal field observations made whilst examining the property on July 13th, 1987.
7. I have previous experience in the area of the Brett Creek property, having conducted exploration on the Keiko claims which adjoin the Brett Creek property to the southeast and having authored reports on those claims as referenced.
8. I consent to the use of my name and this report on the Brett Creek property dated July 22nd, 1987, amended November 10, 1987 in or associated with the filing of a Prospectus or a Statement of Material Facts by Richland Mines Inc.


July 22nd, 1987
Vancouver, B.C.
Amended November 10, 1987




C.J. Westerman, Ph.D., F.G.A.C.
Consulting Geologist

CERTIFICATE OF THE COMPANY

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


RICHLAND MINES INC.

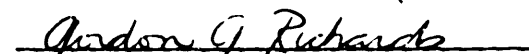

DONALD GORDON CLEMENTS
Chief Executive Officer


JAMES FRANK CARR-HILTON
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS


ROSS OWEN GLANVILLE


KLAUS BEVER


GORDON GWYN RICHARDS
BY HIS ATTORNEY-IN-FACT
Jonnie Richards

DATED at Vancouver, British Columbia, this 10th day of November, 1987.

CERTIFICATE OF THE AGENTS

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

McDERMID ST. LAWRENCE LIMITED

GEORGIA PACIFIC SECURITIES
CORPORATION

Per: 

Per: 

DATED at Vancouver, British Columbia, this 10th day of November, 1987.