

New Rick Meyers

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

PROSPECTUS

DATED: November 30, 1992

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES
KAMLOOPS, B.C.
Rec'd. FEB 22 1993

HERA RESOURCES INC.

Incorporated under the laws of the
Province of British Columbia
3566 King George Highway
Surrey, B.C. V4P 1B5
(herein called the "Issuer")

FEB 9 1993

Geological Survey Branch
MEMPR

800,000 Common Shares at \$0.50 per share consisting of 300,000 " Flow-Through" Shares and 500,000 "Non Flow-Through" Shares

	Price to Public (1)	Commission (5)	Net Proceeds to the Issuer (2) (4)
NON FLOW-THROUGH SHARE OFFERING: 500,000 shares at a price of \$0.50 per share			
Per Share	\$0.50	\$0.05	\$0.45
Total	\$250,000	\$25,000	\$225,000
FLOW-THROUGH SHARE OFFERING: 300,000 shares at a price of \$0.50 per share			
Per Share	\$0.50	(3)	\$0.50
Total	\$150,000	-	\$150,000
TOTALS:	\$400,000	\$25,000	\$375,000

- (1) The price of the common shares has been determined in negotiation with the Agent.
- (2) Before deduction of the expenses of the issue estimated to be \$25,000.
- (3) The Issuer will pay the Agent a fee from working capital of \$15,000 for selling 300,000 Flow-Through Share.
- (4) The number of shares offered and the proceeds to the Issuer could increase by 15% if the entire Greenshoe Option is exercised. Refer to "Plan of Distribution - Offering and Appointment of Agent".
- (5) The Agent has been granted warrants ("Agent's Warrants") to acquire a total of 187,500 shares at \$0.55 per share. See "Plan of Distribution".

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

THE VANCOUVER STOCK EXCHANGE THE "EXCHANGE" HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE JUNE 2, 1993 INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

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 IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE. REFER TO "RISK FACTORS" HEREIN FOR FURTHER DETAILS.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER MAY, FROM TIME TO TIME, HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFER TO "CONFLICTS OF INTEREST" HEREIN FOR THE PROPOSED CONFLICT RESOLUTION MECHANISM.

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

THIS PROSPECTUS ALSO QUALIFIES THE DISTRIBUTION OF THE AGENT'S WARRANTS AND RESALE TO THE PUBLIC THROUGH THE FACILITIES OF THE VANCOUVER STOCK EXCHANGE, SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE EXERCISE OF THE AGENT'S WARRANTS AND GREENSHOE OPTION.

UPON COMPLETION OF THIS OFFERING THIS ISSUE WILL REPRESENT 38.66% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 46.00% THAT WILL THEN BE OWNED BY THE PROMOTERS, DIRECTORS OFFICERS, AND CONTROLLING PERSONS AND BY UNDERWRITERS. REFER TO "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR DETAILS SHARES HELD BY PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS AND REFER TO "OTHER MATERIAL FACTS" HEREIN FOR FURTHER DETAILS OF SHARES OWNED BY UNDERWRITERS.

WE, AS AGENTS, OFFER 800,000 COMMON 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" HEREIN, SUBJECT TO OFFERING AND TO APPROVAL OF ALL LEGAL MATTERS ON BEHALF OF THE ISSUER BY MESSRS. MAYNARD BROWN, VANCOUVER, BRITISH COLUMBIA.

AGENT

BRINK HUDSON & LEFEVER LTD.

**1200 - 595 Burrard Street
Vancouver, B.C.**

EFFECTIVE DATE: DECEMBER 3, 1992

PROSPECTUS SUMMARY

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:** 800,000 Common Shares, consisting of 300,000 Flow-Through" shares and 500,000 "Non Flow-Through" shares, at a price of \$0.50 per share through the facilities of the Vancouver Stock Exchange. The Agent will receive a commission of \$0.05 per share for the Non Flow-Through shares and a fee equal to \$0.05 per share for each Flow-Through shares sold. Refer to "Plan of Distribution" herein for further details.
- Proceeds to Issuer:** \$375,000 before deducting the Agent's fee for selling the flow through shares, before deductions the costs of the offering and assuming no exercise of the Agent's Warrants and Greenshoe Option.
- Agents' Warrant:** The Agent has been granted non-transferable share purchase warrants entitling the Agent to purchase a total of 187,500 shares of the Issuer at \$0.55 per share for a period of one year from the date the Issuer's shares are called for trading on the Vancouver Stock Exchange.
- Greenshoe Option** The Agent is entitled to over allot the shares of the Issuer in connection with the Offering and the Issuer has granted to the Agent an option (the "Greenshoe Option") to purchase additional shares of the Issuer, for over-allotment purposes not to exceed 15% of the Offering, at a price of \$0.50 per share.
- The Property:** The Issuer is the holder of an option to purchase 100% interest, subject to a 2% net smelter return royalty, in thirteen mineral claims located in the Nicola Mining Division of the Province of British Columbia which comprise the "Issuers Property".
- Use of Proceeds:** To complete the Phase I exploration program recommended on the Issuer's Property at an estimated cost of \$150,000 in accordance with the recommendations received from the Issuers engineer; to pay the cost of this issue estimated at \$25,000 of which \$10,451 has been paid; to make property payments totaling \$30,000; to repay loans of \$13,710 made by directors and an employee of the Issuer to the Issuer; to pay \$63,710 due to insiders and an employee of the Issuer for management fees, rent and expenses; to pay up to \$15,000 in fees to the Agent pursuant to Flow Through shares sold and to set aside the balance as reserve for general working capital.
- Dilution:** After the issuance of the securities offered by this Prospectus and the payment of the estimated expenses of this offering, but before the exercise of an outstanding options, the Issuer will have a net book value per common share of \$0.1580 based on the September 30, 1992 Financial Statements. Accordingly, purchasers of the securities offered hereunder will experience an immediate dilution of \$0.3420 per share or 68.40% of the net book value of their investment.
- Management:** David Hjerpe - Chief Executive Officer, President and Director;
Livio Susin - Chief Financial Officer, Secretary and Director;
John Allan Van Duzen - Director;
Poul Nielsen - Director;
William Howell - Director;
Larry Reaugh - Director.
- Risk Factors:** There are risk factors associated with the purchase of shares of the Issuer including the nature of exploration for minerals as a speculative venture, the lack of any known commercial body of ore on the Issuer's mineral properties, and the fact that there is no established market for the shares of the Issuer (see the heading "Risk Factors").
- The Issuer** The Issuer was formed by the amalgamation of Hera Resources Inc. and Talented Mines Ltd. on December 8, 1989. The Issuer is in the business of acquisition, exploration and development of natural resource properties of merit.

HERA RESOURCES INC.

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THE ISSUER

Name and Incorporation

Hera Resources Inc. (the "Issuer") was formed under the Company Act of the Province of British Columbia (the "Act") on December 8, 1989 by the registration of an approving order and an Amalgamation Agreement between Talented Mines Ltd. ("Talented") and Hera Resources Inc. ("HRI") with the British Columbia Registrar of Companies. Talented was incorporated under the Act on November 25, 1986 under the name "Phoenix International Capital Ltd." and commenced operations in May of 1987. It subsequently changed its name to "Talented Mines Ltd." on May 12, 1988. HRI was incorporated under the Act on July 6, 1988. By the terms of the Amalgamation Agreement and pursuant to the Act, the Issuer acquired all the property, rights and interests and became subject to all the debts, liabilities and obligations of both Talented and HRI on December 8, 1989 the date of the amalgamation. Both HRI and Talented were non-reporting issuers on the date of amalgamation.

The Issuer's registered and records office is located at Suite 1800, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Issuer's head office and principal office is located at 3566 King George Highway, Surrey, British Columbia, V4P 1B5.

Description of Business

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 properties described under the heading "Property" and intends to seek and acquire additional properties worthy of exploration and development. The Issuer has previously held an interest in natural resource properties which were subsequently abandoned. Refer to "Other Material Facts" herein for further information.

THE ISSUE

PLAN OF DISTRIBUTION

Offering and Appointment of Agent

The Issuer has entered into an agreement dated August 21, 1992 and amended by letter agreements dated September 14, 1992 and November 14, 1992, under which the Issuer has appointed Brink Hudson & Lefever Ltd. as its agent (the "Agent") to offer (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 300,000 flow-through shares (the "Flow-Through Shares") and 500,000 non flow-through shares (the "Non Flow-Through Shares") (hereinafter collectively referred to as the "Shares") in the capital stock

of the Issuer at a price of \$0.50 per Share (the "Offering Price"). The Offering will be made in accordance with the rules and policies of the Exchange and on a day (the "Offering Day") determined by the Agent and Issuer, with the consent of the Exchange, on or before the earlier of the day which is 180 days from the date (the "Effective Date") on which the final receipt for the Prospectus issued by the British Columbia Superintendent of Brokers (the "Superintendent") and 12 months after the date of the issue by the Superintendent of the receipt for the preliminary Prospectus filed in connection with the offering.

The Flow-Through Shares will be issued to those persons who specifically subscribe for the Flow-Through Shares (the "Subscribers"). The Flow-Through Shares issued pursuant thereto will have the same rights and restrictions as all other common shares of the Issuer and will have additional benefits as hereinafter set out.

The Agent will receive a fee of \$0.05 per Flow-Through Share sold and a commission of \$0.05 per Non Flow-Through Share sold. The commission payable on the Non Flow-Through Share Offering will be deducted from the proceeds of that Offering, however, the fee payable on the Flow-Through Share Offering shall be paid by the Issuer from its working capital.

The Agent has agreed to purchase from the Offering any Shares of the Offering which remain unsubscribed for at the conclusion of the Offering Day (the "Guarantee") and, in consideration therefore, the Issuer has agreed to allot and issue to the Agent, immediately following the Offering Day, non-transferable share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase a total of 187,500 common shares of the Issuer at any time up to the close of business one year from the date the Issuer's shares are called for trading on the Exchange, at a price of \$0.55 per share.

The Agent's Warrants will contain, among other things, anti-dilution provisions and provisions for the appropriate adjustment of the class number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events including any subdivision, consolidation for reclassification of the shares or the payment of stock dividends.

The Agent is entitled to over allot the shares of the Issuer in connection with the Offering and the Issuer had granted the Agent an option (the "Greenshoe Option") to purchase, at \$0.50 per share, such number of shares of the Issuer being the lesser of 15% of the Offering or the actual number of shares subscribed for by way of an over-subscription during primary distribution of the securities offered hereunder. The Greenshoe Option shall be exercisable for a period of sixty (60) days from the Offering Day. The number of shares of the Issuer subject to the Greenshoe Option shall be determined at the conclusion of the Offering Day. Alternatively, the Agent is entitled to cover each over allotment by making purchases of the Issuer's shares in the open market through the facilities of the Exchange at the market price from time to time during the exercise period of the Greenshoe Option.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers and investment dealers, who may or may not be offered part of the commission or bonuses derived from this Offering.

The obligations of the Agent under the Agency Agreement may be terminated by the Agent at any time before the shares of the Issuer are listed, posted and called for trading on the Exchange on the basis of its assessment of the state of the financial markets and upon the occurrence of certain stated events.

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

Except as referred to herein, 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 funds to pay the costs of this Offering and the Commission paid to the Agent will be derived from the Non-Flow Through portion of the Offering.

Vancouver Stock Exchange Listing

The Vancouver Stock Exchange (the "Exchange") has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the Issuer fulfilling all the listing requirements of the Vancouver Stock Exchange on or before June 2, 1993 including prescribed distribution and financial requirements.

Additional Offering

This Prospectus also qualifies the distribution of the Agent's Warrants and resale to the public through the facilities of the Exchange any shares purchased by the Agents from the Offering and any of the common shares which may be acquired on the exercise of the Agent's Warrants and Greenshoe Option.

Proceeds of Flow-Through Shares

A Subscriber subscribing for Flow-Through Shares will advance an amount (the "Subscription Contribution") of \$0.50 per Flow-Through Share. The Subscription Contribution will be advanced through the Agent (as hereinafter defined) to the Company. The Company shall allocate 100% of each Subscriber's Subscription Contribution to Flow-Through Shares. Subscribers will then become party to and shall thereupon become bound by all of the terms and conditions of the agree-

ment (the "Flow-Through Share Subscription Agreement") attached to this Prospectus as Schedule "A".

An investor who purchases flow-through shares must execute and deliver to the Agent a power of attorney, in the form which accompanies this Prospectus as Schedule "B" and which authorizes the President or Secretary of the Company to execute on behalf of the investor, the flow-through share subscription agreement (the "Agreement"), in the form which accompanies as Schedule "A" and forms a part of this Prospectus, in order for the investor to receive "flow-through" tax treatment for his subscription as described under the heading "Federal Income Tax Consequences". **IF THE AGENT DOES NOT RECEIVE A DULY EXECUTED POWER OF ATTORNEY FROM AN INVESTOR IN THE FLOW-THROUGH OFFERING BY THE END OF THE FIRST COMPLETE CALENDAR MONTH FOLLOWING THE OFFERING DAY, THAT INVESTOR WILL NOT BE ENTITLED TO RECEIVE ANY 'FLOW-THROUGH' TAX TREATMENT FOR HIS SUBSCRIPTION.**

The 300,000 Flow-Through Shares will be issued at the rate of one Flow-Through Share for each \$0.50 deposited to a separate bank account (the "Exploration Account") established by the Company for the purposes of financing the Company's exploration program. The funds deposited into the Exploration Account shall be expended by the company on the Exploration Expenditures as referred to in the Flow-Through Subscription Agreement.

Expenditure of Funds from the Flow-Through Share Offering

The Company will use 100% of the proceeds from the sales of the Flow-Through Shares to incur expenditures ("Exploration Expenditures") which will qualify as Canadian Exploration Expenses ("CEE") as defined in the Income Tax Act (Canada). The Directors have appointed David Hjerpe, President of the Issuer, and William Howell, Director of the Issuer, to monitor the Exploration Expenditures to ensure they will qualify as CEE.

The Company will renounce in favour of Subscribers the amount of the Exploration Expenditures incurred by the Company in accordance with the provisions set forth in the Flow-Through Share Subscription Agreement, a copy of which is attached to this Prospectus. It is the Company's intention to spend as much of the proceeds from the sale of the Flow-Through Shares as possible prior to February 28, 1993 in order to renounce Exploration Expenditures to the Subscribers for the 1992 tax year. Any Flow-Through Share proceed not spent and renounced prior to February 28, 1993 will be spent and renounced by December 31, 1993.

Depending of when the Offering is completed and on weather conditions, the Issuer may not be able to spend all the proceeds from the sale of the Flow-Through Shares prior to February 28, 1993. If the Offering is completed after December 31, 1992 then all the proceed of the Flow-Through Shares will be used to incur Exploration Expenditures and renounced to the Subscribers by December 31, 1993.

When the CEE incurred by the Issuer is renounced to the individual Subscribers in accordance with the terms of the Flow-Through Share Subscription Agreement, the CEE will not be available to reduce the Issuer's future taxes, if any.

FEDERAL INCOME TAX CONSEQUENCES

In the opinion of LaBonte & Co., Chartered Accountants as to Canadian federal tax matters, the following is, as at the date of this Prospectus, a fair and adequate summary of the principal income tax consequences under the laws of Canada of acquiring, holding and disposing of Flow-Through Shares acquired hereunder. These income tax consequences will not be the same for all Subscribers, but may vary depending on a number of factors, including the province of residence of the Subscriber, whether the Subscriber's Flow-Through Shares are characterized as capital property, and the amount that his taxable income would be but for his participation in the Flow-Through Share Offering. The following discussion is of a general nature, is not intended to constitute a complete analysis of all income tax consequences, and should not be interpreted as legal or tax advice to any particular Subscriber.

The comments in this summary are restricted to the case of a Subscriber who is at all material times resident in Canada for purposes of the Income Tax Act (Canada) (the "Act"), who is not a principal-business corporation within the meaning of the Act, who is not a trader or dealer in resource properties and who is not an agent, partnership or trust. It does not take into account the tax laws of any province or territory of Canada or of any jurisdiction outside Canada.

This summary is based on the current provisions of the Act, the regulations thereunder, pending amendments to the Act and regulations, and an understanding of the current administrative and assessing policies of Revenue Canada, Taxation. It is assumed that the pending amendments will be enacted as proposed and that no other material amendment will be made to the Act or the regulations. However, no assurance can be given in this respect.

EACH SUBSCRIBER SHOULD OBTAIN INDEPENDENT ADVICE REGARDING THE INCOME TAX CONSEQUENCES UNDER FEDERAL AND PROVINCIAL LEGISLATION OF SUBSCRIBING FOR FLOW-THROUGH SHARES OF THE COMPANY, BASED ON THE SUBSCRIBER'S OWN CIRCUMSTANCES.

General

Provided that the Company:

- (a) is a principal-business corporation as defined in the Act;

- (b) in a particular calendar year incurs qualifying Canadian exploration expense (CEE) as contemplated by a Flow-Through Share Subscription Agreement between the Company and a Subscriber;
- (c) renounces such CEE to the Subscriber within the time and in the manner provided in the Act with an effective date in the calendar year; and
- (d) issues Flow-Through Shares pursuant to the Flow-Through Share Subscription Agreement which are not prescribed shares for the purpose of the definition of Flow-Through Shares in the Act,

the CEE so renounced will be deemed to be incurred by the Subscriber on the effective date of the renunciation.

Provided that the Subscriber and the Company deal at arm's length throughout the 60 day period following the end of a calendar year and that the Flow-Through Share Subscription Agreement between them was entered into, and fully paid for in money, before the end of that calendar year, qualifying CEE incurred by the Company pursuant to the Flow-Through Share Subscription Agreement in that 60-day period may be renounced to the Subscriber within 90 days after the end of the calendar year with an effective date of December 31st of that calendar year.

The Company will undertake in each Flow-Through Share Subscription Agreement that the shares issued under the agreement will qualify as flow-through shares for the purposes of the Act and that accordingly, for this purpose, they will not be prescribed shares.

The Subscriber will be entitled to deductions in computing his income for federal income tax purposes equal to 100% of CEE so renounced to him by the Company.

Canadian Exploration Expense

Under each Flow-Through Share Subscription Agreement the Company will agree to incur expenditures which will qualify as CEE under subparagraph 66.1(6)(a)(iii) of the Act. CEE under subparagraph 66.1(6)(a)(iii) of the Act is defined as an expense made or incurred (other than an expense incurred in drilling or completing an oil or gas well or in building a temporary access road to, or preparing a site in respect of, any such well) for the purpose of determining the existence, location, extent or quality of a mineral resource in Canada, including any expense incurred in the course of:

- (a) prospecting;
- (b) carrying out geological, geophysical or geochemical surveys;

- (c) drilling by rotary, diamond, percussion or other methods; or
- (d) trenching, digging test pits and preliminary sampling,

but does not include any "Canadian development expense" or any expense that may reasonably be considered to relate to a mine, or to a potential or actual extension of a mine, that has come into production in reasonable commercial quantities.

CEE eligible for renunciation to Subscribers will be reduced by the aggregate of:

- (a) any "assistance" that the Company has received, is entitled to receive or may reasonably be expected to receive at any time, that may reasonably be related to the CEE or to Canadian exploration activities to which the CEE relates (other than assistance that may reasonably be attributable to expenses referred to in (b) below); and
- (b) any such CEE that is prescribed "Canadian exploration and development overhead expense" of the Company as defined for the purposes of the Act.

CEE renounced by the Company to a Subscriber will increase the Subscriber's cumulative Canadian exploration expense (CCEE) account in the taxation year of the Subscriber in which the renunciation is effective. A Subscriber's CCEE account will be reduced by any assistance that the Subscriber has received or is entitled to receive in respect of the renounced CEE. It is not expected that the Company will receive, or be entitled to receive, any such assistance. A sale or other disposition of Flow-Through Shares will not result in a reduction of the Subscriber's CCEE account.

A Subscriber may deduct from income from all sources for a taxation year an amount not exceeding the balance of his CCEE account at the end of the year. Deductions so claimed by a Subscriber will reduce his CCEE account. To the extent that a Subscriber does not deduct the balance in his CCEE account at the end of a particular taxation year, the positive balance remaining will be carried forward indefinitely and will be available for deduction against the Subscriber's income in subsequent taxation years except as restricted on an acquisition of control of a corporate Subscriber.

If a Subscriber's CCEE account, calculated at the end of a particular year, is in a negative balance, that balance must be added to the Subscriber's income for the year, and his CCEE balance will be nil.

Disposition Of Flow-through Shares

The comments under this heading are restricted to the case of a Subscriber who, for purposes of the Act, holds his Flow-Through Shares as capital property. Flow-Through Shares will generally be considered to be capital property to a

Subscriber unless he is considered to be a trader or dealer in securities or acquires the shares as an adventure in the nature of trade.

The adjusted cost base of a Flow-Through Share will be nil. If the holder owns or acquires other identical shares of the Company, including Non Flow-Through Shares issued pursuant to this Offering, the adjusted cost base of all such shares will be averaged for the purpose of determining the adjusted cost base of each such share.

The capital gain (or capital loss) realized on a disposition of a Flow-Through Share will be equal to the amount by which the net proceeds received on the disposition exceed (or are exceeded by) the adjusted cost base of the disposed shares. Three quarters of any capital gain so realized will be taxable.

Three quarters of any capital loss so realized is an "allowable capital loss" which is deductible only against taxable capital gains of the current year, the three preceding years or any future year.

Capital Gains Exemption

The Act allows an individual (other than a trust) a lifetime cumulative capital gains exemption of \$100,000 of qualifying capital gains. The lifetime cumulative capital gains exemption in each year after 1987 is reduced by an individual's "cumulative net investment loss" at the end of the year.

An individual's cumulative net investment loss at the end of a year will be the amount by which his investment expenses for all years after 1987 exceed his investment income for those years. Investment expenses, as defined in the Act, include, but are not restricted to, certain interest expenses, rental losses, tax shelter deductions and 50% of the deductions claimed by an individual in respect of CEE. Investment income, as defined in the Act, includes, but is not restricted to, interest income, rental income and dividends.

Alternative Minimum Tax

Under the Act, income tax payable by individuals and by certain trusts is the greater of the income tax otherwise determined and an alternative minimum tax. In calculating adjusted taxable income for the purpose of determining the alternative minimum tax, certain deductions and credits otherwise available are disallowed and certain amounts not otherwise included, such as the non-taxable portion of net capital gains exempt under the lifetime capital gains exemption and the full amount of other net capital gains, are included. The disallowed items include resource losses created by CEE deductions.

Whether and to what extent the tax liability of a particular Subscriber is increased by this measure will depend on the amount of his income, the sources from which it is derived, and the nature and amounts of any deductions he claims. Any additional tax payable for a year is creditable to the extent that tax

otherwise payable exceeds alternative minimum tax for any of the seven following years.

Income Tax Installments

A Subscriber who is required to pay income tax on an installment basis may take into account his anticipated share of CEE in determining his installment remittances.

A Subscriber who is required to have income tax withheld at source from employment income may apply to Revenue Canada, Taxation for a reduction in such withholdings.

Interest Expense On Money Borrowed To Acquire Shares

Reasonable interest expense incurred by a Subscriber on money borrowed to acquire a Flow-Through Share will generally be deductible by the Subscriber in computing his income as long as the share is held. In the case of a Subscriber who is an individual, deductible interest expense will be included as an investment expense for purposes of calculating his cumulative net investment loss (see Capital Gains Exemption).

Interest will cease to be deductible if all the Flow-Through Shares are disposed of to the extent that the proceeds of disposition are not reinvested for the purpose of earning income from business or property. If only part of the Flow-Through Shares are disposed of, interest will continue to be deductible on that portion of the loan representing the Flow-Through Shares which continue to be held and on that portion of the loan representing the cost of any business or income producing property acquired with the proceeds of disposition of the Flow-Through Shares.

Use Of Proceeds

The net proceeds to be derived by the Issuer from the sale of the securities being offered, namely \$375,000 plus the working capital deficit of \$12,903 (excluding items referred to below in paragraph (f)) as at the date of this Prospectus, will be used for the following purpose (listed in order of priority):

- (a) To pay legal, audit, and printing expenses of this Prospectus, estimated to be \$25,000 of which \$10,451 have been paid \$14,549.00

- (b) To pay for Phase 1 of the work program on the Rey Lake Property, being part of the Blue Jay Claim Group, as recommended by S. Hunter, P.Eng. in his report dated July 15, 1991 as revised September 25, 1992. Refer to the section entitled "Property - Work Program" herein for further details \$150,000.00

(c)	To make the option payments due on the Issuer's Blue Jay Claim Group	\$15,000.00
(d)	To pay a fee to the Agent for the sale of Flow Through shares	\$15,000.00
(e)	To make the option payments due on the Issuer's Blue Jay Claim Group due June 1, 1993	\$15,000.00
(f)	To pay insiders and an employee for accrued management fees (\$34,250) rent (\$16,500), expenses (\$12,960) and repay loans (\$13,710)	\$77,420.00
(g)	Reserve for general corporate purposes	<u>\$75,128.00</u>
	TOTAL	<u>\$362,097.00</u>

The unallocated portion of the net proceeds to the Issuer is being set aside for working capital to ensure that the business of the Issuer can be funded after the results of the recommended exploration program are known. Any proceeds derived from the sale of shares pursuant to the exercise of the Greenshoe Option or the Agent's Warrants, by the Agent, or stock options, by the directors or employee of the Issuer, will be used for general corporate purposes.

The Issuer will not abandon in whole or in part any of its properties, or alter, as work progresses, the work program recommended except pursuant to the written recommendations of a qualified independent engineer. 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, shareholders will be notified by management mailing notice thereof to the registered shareholders and regulatory approval will be obtained from the appropriate regulatory authority having jurisdiction.

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 non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the shareholders of the Issuer must first be obtained and prior disclosure must be made to the regulatory bodies having jurisdiction over the sale of the securities.

Risk Factors

- A) The shares offered by this Prospectus must be considered speculative, generally because of the nature of the issuer's business. There is no known commercial body of ore on the Issuer's mineral properties. The purpose of the present offering is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Issuer's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. The Issuer's only source of future funds is through the sale of equity capital or the offering by the Issuer of an interest in its property to be earned by another party or parties carrying out further exploration or development thereof.
- B) Exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore.
- C) Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital, or result in the loss of the investment.
- D) There is no established market for the shares of the Issuer and no assurance that one will develop.
- E) The Issuer's property consists of recorded mineral claims which have not been surveyed, and, therefore, the precise area and location of such claims may be in doubt.
- F) 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.

- G) While the Issuer has obtained the usual industry standard title report with respect to its property, this should not be construed as guarantee of title. The property may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.
- H) Directors of the Issuer may serve as Directors of other companies involved in natural resource development. Accordingly, it may occur that mineral properties will be offered to both the Issuer and such other companies. Furthermore, those other companies may participate in the same properties as those in which the Issuer has an interest. As a result, there may be situations which involve a conflict of interest. In that event, the Directors would not be qualified to vote at meetings on resolutions which evoke any such conflict. The Directors will attempt to avoid dealing with other companies in situations where conflicts might arise and will at all times use their best efforts to act in the best interests of the Issuer.
- I) After the issuance of the securities offered by this Prospectus and the payment of the estimated expenses of this offering, but before the exercise of any outstanding options, the Issuer will have a net book value per common share of \$0.1580 based on the September 30, 1992, Financial Statements. Accordingly, purchasers of the securities offered hereunder will experience an immediate dilution of \$0.3420 per share or 68.40% of the net book value of their investment.
- J) The percentage of shares of the Issuer being offered to the public for cash will represent 38.66% of the shares issued and outstanding upon completion of the sale of the shares qualified hereunder as compared to 46.00% which will be owned by the promoters, directors, officers and controlling persons of the Issuer and by underwriters upon completion of the sale of the shares qualified hereunder.
- K) The benefits which accrue to the Flow Through shares as described herein are subject to legislation which may be changed retroactively or otherwise and without notice and any such changes may adversely affect an investors investment in Flow Through shares.

THE CAPITAL

Issuance of Shares

The authorized capital of the Issuer consists of 100,000,000 Common Shares without par value. As of the date of this Prospectus, 1,219,330 Common Shares are issued and outstanding. All Common Shares of the Issuer, both issued and unissued, rank equally as to dividends, voting power and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption, purchase for cancellation.

surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

Share And Loan Capital Structure

Designation of Security	Amount Authorized	Amount Outstanding as of September 30, 1992	Amount Outstanding as of date of Prospectus	Amount Outstanding on completion of Offering 1
Common Shares	100,000,000	1,219,330	1,219,330	2,069,330

Notes:

- (1) includes 50,000 shares to be issued to certain property vendors upon the listing of the Issuer's shares on the Exchange.
- (2) The Issuer has granted Incentive Stock Options to purchase in aggregate 185,000 shares of the Issuer at \$0.50 per share.
- (3) The Issuer has granted Warrants to its Agent to purchase in aggregate 187,500 shares of the Issuer at \$0.55 per share.
- (4) The Issuer has granted a Greenshoe Option to its Agent to purchase up to an aggregate of 112,500 shares of the Issuer at \$0.50 per share.
- (5) As of September 30, 1992 the Issuer had a deficit of \$367,131.

PRIOR SALES

Shares Issued for Cash

To the date of this Prospectus, the Issuer has issued the following shares for cash:

Number of Shares	Effective Cash Price Per Share	Commission Paid	Net Cash Received
42,880 ¹	\$1.50	NIL	\$ 64,320.00
66,187 ¹	\$1.25	NIL	82,734.00
64,533	\$1.25	NIL	80,666.00
150,000 ²	\$0.05	NIL	7,500.00
204,000	\$0.25	NIL	51,000.00
48,000 ¹	\$0.25	NIL	12,000.00
600,000 ²	\$0.01	NIL	6,000.00
<u>1,175,600</u>			<u>\$304,220.00</u>

Notes:

- (1) These shares were issued as Flow-Through Shares. The Canadian Exploration Expenses incurred by the Issuer were renounced to the individual investor in accordance with the terms of the Subscription Agreement. The Issuer has agreed not to include the Canadian Exploration Expenses in the computation of its income pursuant to the provisions of the Income Tax Act (Canada).

- (2) These shares are subject to an escrow agreement. Refer to the following section entitled Escrow Shares for further information.

Sales Otherwise than for Cash

To the date of this Prospectus the Issuer has issued the following shares for services:

Number of Shares	Price per Share	Commission Paid	Value Received
33,440	\$1.25	NIL	Management services valued at \$41,800
<u>10,290</u>	\$1.25	NIL	Geological services valued at \$12,863
<u>43,730</u>			

Escrowed Shares

Number of Shares Name	Held in Escrow	Percentage of Class
Common	750,000	61.51%

NOTE: After completion of the Offering, the percentage of Common Shares of the Issuer held in escrow will be 36.24%.

As of the date of this Prospectus, 750,000 Common Shares are held in escrow by Pacific Corporate Trust Company of 830 - 625 Howe Street, Vancouver, British Columbia subject to the direction or determination of the Superintendent of Brokers ("Superintendent") or, in the event that the Issuer is listed for trading on the Vancouver Stock Exchange (the "Exchange"), of the Exchange. These shares are "Performance Shares" as defined in the Superintendent's Local Policy 3-07 and were purchased, 600,000 shares at a price of \$0.01 per share and 150,000 shares at a price of \$0.05 per share. The escrow restrictions provide that the escrowed shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or escrow holder make any transfer or record any trading of the shares without prior consent of the Superintendent or the Exchange. However, the escrowed shares may be released at the discretion of the Superintendent or Exchange in accordance with applicable policy in the event the Issuer becomes successful due in part to the efforts of the holders of the escrowed shares. Any shares not released from escrow after ten (10) years from the date of the Escrow Agreement will be subject to cancellation.

Options To Purchase Securities

Particulars of non-transferable options granted to Executive Officers, Directors and employees as of the date of this Prospectus are as follows:

	Designation and Number of Securities under Option	Exercise Price	Expiry Date of Option
Executive Officers as a Group (2)	60,000 common shares	\$0.50 per share	Two Years from the effective date of this Prospectus
Directors as a Group (excluding Executive Officers) (4)	100,000 common shares	\$0.50 per share	Two Years from the effective date of this Prospectus
Other	25,000 common shares	\$0.50 per share	Two Years from the effective date of this Prospectus

Dividend Record

Neither the Issuer nor the predecessor companies, HRI and Talented, have paid any dividends on any of their 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.

THE PROPERTY

ACQUISITION

A. Blue Jay Claim Group Nicola Mining Division, British Columbia

Pursuant to an option Agreement dated September 10, 1990 which was subsequently superseded and replaced by an Agreement dated May 11, 1991 which was subsequently superseded and replaced by an Agreement dated December 7, 1991 and amended May 31, 1992, July 14, 1992, September 14, 1992 and November 14, 1992 (the "Petrie Agreement") between the Issuer and William F. Petrie (as Optionor) of P.O. Box 1023, Merritt, B.C., the Issuer was granted the sole and exclusive right to examine, prospect, develop and mine and the option to purchase a 100% interest in the following thirteen mineral claims located in the Nicola Mining Division, Province of British Columbia:

Claim	Units	Record No.	Expiry Date
Blue Jay 1	2	237557	August 10, 1993
Blue Jay 2	4	237558	August 9, 1993
Blue Jay 3	16	237559	August 9, 1993
Blue Jay 4	20	237560	August 10, 1993

Blue Jay 5	4	237561	August 11, 1993
Blue Jay 6	6	306336	November 15, 1993
Blue Jay 7	12	310104	June 14, 1993
Blue Jay	20	237536	June 4, 1993
Lucky Mike	12	237094	April 16, 1995
Old Alameada No. 8	1	236952	January 23, 1995
Old Alameada No. 9	1	236953	January 23, 1995
Old Alameada	1	236954	January 23, 1995
Old Alameada No. 1	1	236955	January 23, 1995

(the "Property").

William F. Petrie is not nor has been a Director, Officer, Insider or Promoter of the Issuer. William F. Petrie acquired the claims comprising the Property by staking.

The "Rey Lake Property" refers to the northern end of the Blue Jay Claim Group and encompasses the Blue Jay and Blue Jay 1 to 7 mineral claims. The "Lucky Mike Property" refers to the southern end of the Blue Jay Claim Group and encompasses the Lucky Mike, the Old Alameada and the Old Alameada 1, 8, and 9 mineral claims.

The Issuer paid \$1,000 to William F. Petrie on signing the Petrie Agreement.

The Petrie Agreement provides that the right of the Issuer to acquire the Property terminates unless:

1. the Issuer pays to the Optionor the sum of \$175,000 as follows:

\$15,000	to be paid upon the date the shares of the Issuer are listed and called for trading on the Vancouver Stock Exchange;
\$15,000	to be paid by June 1, 1993;
\$15,000	to be paid by June 1, 1994;
\$15,000	to be paid by June 1, 1995;
\$15,000	to be paid by June 1, 1996;
\$20,000	to be paid by June 1, 1997;
\$20,000	to be paid by June 1, 1998;
\$20,000	to be paid by June 1, 1999;
\$20,000	to be paid by June 1, 2000;
\$20,000	to be paid by June 1, 2001.

2. issue to the Optionor a total of 200,000 common shares in the capital of the Issuer as follows:

50,000 common shares	forthwith upon the date the shares of the Issuer are listed on the Exchange;
----------------------	--

- 50,000 common shares upon completion of an exploration work program and the acceptance by the Exchange of a engineering report recommending further work on the Property;
- 50,000 common shares upon completion of an exploration work program and the acceptance by the Exchange of a engineering report recommending further work on the Property;
- 50,000 common shares upon completion of an exploration work program and the acceptance by the Exchange of a engineering report recommending further work on the Property.

The Issuer has until November 1, 1995 to cause 200,000 common shares to be issued to William F. Petrie, as described above in order to acquire its interest in the Property.

In the event the Issuer exercises the option as mentioned herein and acquires a 100% interest in the Property, and is able to place the Property into commercial production, the Issuer agrees to pay to the Optionor within three months after the end of each fiscal period, 2% of the Net Smelter Returns meaning the actual proceeds received from any mint, smelter or other purchaser for the sale of bullion, concentrates or ores produced from the Property after deducting from such proceeds smelting, refining charges and the costs of transportation from the Property to the smelter or the purchaser. The Issuer may purchase the Optionor's interest in the Net Smelter Return for \$2,000,000. The Issuer will not exercise its option to purchase the Net Smelter Return without first filing with the Exchange an independent valuation of the Net Smelter Return and obtaining approval from the Exchange to purchase the Optionor's interest in the Net Smelter Return.

The Petrie Agreement provides that any claims acquired by staking within 1 mile of the outside boundary of the Property by the Issuer shall be included as part of the Property and be subject to the terms and conditions of the Petrie Agreement. Any claims staked by William F. Petrie within 1 mile of the Property shall be made available to the Issuer for William F. Petrie's staking costs. The Issuer has paid \$2,500 and owe an additional \$850 to William F. Petrie for staking costs.

The Issuer agrees to undertake to keep the property in good standing by filing assessment work for each year the Agreement is in effect.

William F. Petrie is not nor has been a Director, Officer, Insider or Promoter of the Issuer. William F. Petrie acquired the claims comprising the Property by staking.

DESCRIPTION OF THE PROPERTY

Blue Jay Claim Group

The Property comprises a total of 100 units and encompasses an area of approximately 2,400 hectares. The Property is located 15 kilometers north east of the Craigmont mine site and 30 kilometers south east of the Bethlehem mine site in the highland valley area of British Columbia, approximately 26 kilometers north of Merritt.

Access to the Property is available from Merritt west over Highway 8/97C approximately 5 kilometers west-northwest to the Logan Lake turn off on 97C. Then 28 kilometers north on 97C to the Rey Lake road. The Rey Lake road, a 2 wheel drive dirt road continues for approximately 12 kilometers to the northern part of the property.

The Property includes two areas of interest which, to date have been dealt with a separate properties with distinct characteristics; the "Rey Lake Property" which has been explored for its copper/molybdenum mineralization, and the "Lucky Mike Property" which has been explored for its tungsten, lead and precious metal mineralization.

Rey Lake Property

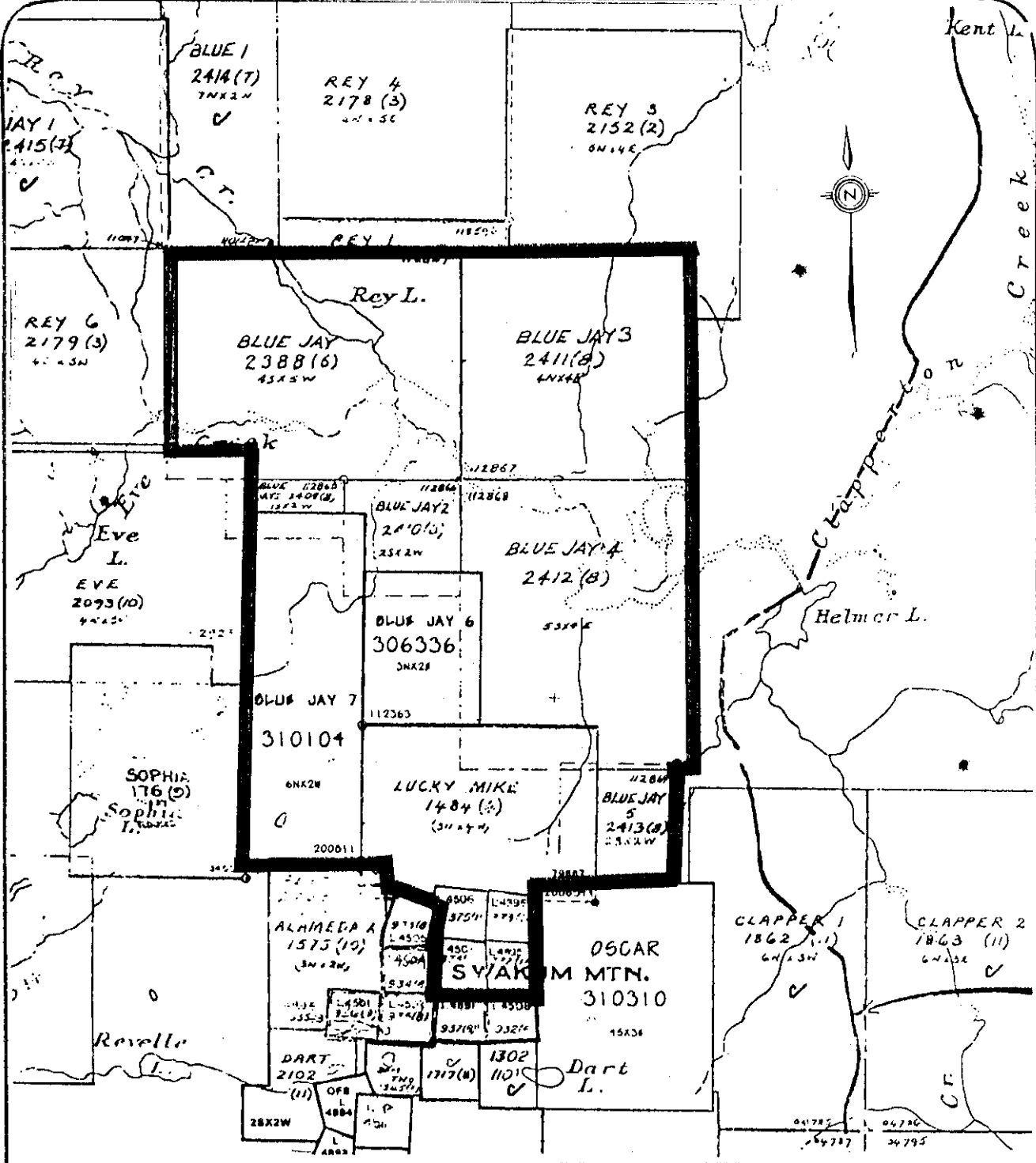
(i) Engineering Report on Rey Lake Property

An engineering report (the "Report") on the Rey Lake Property dated July 15, 1991 and revised September 25, 1992 has been prepared for the Issuer and Strato Geological Engineering Ltd. by S. Hunter, P. Eng., an independent consultant not holding any interest in either the Issuer or Strato Geological Engineering Ltd. The Report is available for inspection at the registered office of the Issuer during the Offering Period and for a period of 30 days thereafter. The following information is summarized from the Report.

The scope of the Report was to conduct a study on reports and work performed on the Rey Lake Property by American Smelting and Refining Company, ("Asarco") and, Craigmont Mines Ltd. ("Craigmont") over the period 1972-76, which programs provided the main exploration of the area around Rey Lake for copper-molybdenum deposits.

a) History of the Rey Lake Property

Asarco conducted the most extensive investigation of the Rey Lake porphyry copper outcrops over the years 1972-1973 with a program of geophysics and reconnaissance test drilling, over an area of 22,000 feet by 15,000 feet, of 85 percussion drill holes totaling 18,705 feet and 17 diamond drill holes totaling 8,857



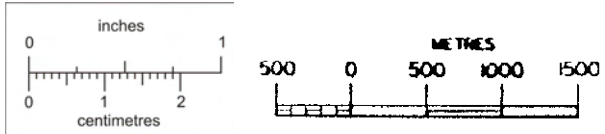
After: Department of Mines & Petroleum Resources
 Victoria, B.C. Claim Map, Sheet M 921/7E

Figure 2

HERA RESOURCES INC.

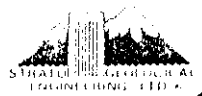
REY LAKE AREA
 Nicola M.D. - NTS 921/7

CLAIM MAP



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To accompany a report by:
 S. Hunter, P.Eng.
 July 1991
 revised September 1992



feet. Subsequently, Craigmont Mines Ltd. drilled 10 diamond drill holes totaling 6,913 feet in 1974-1975. Tracer Resources Corp. and International Santana Ltd. held brief options on the claims. The claims were dropped and were re-staked by William Petrie over the years 1988-1990.

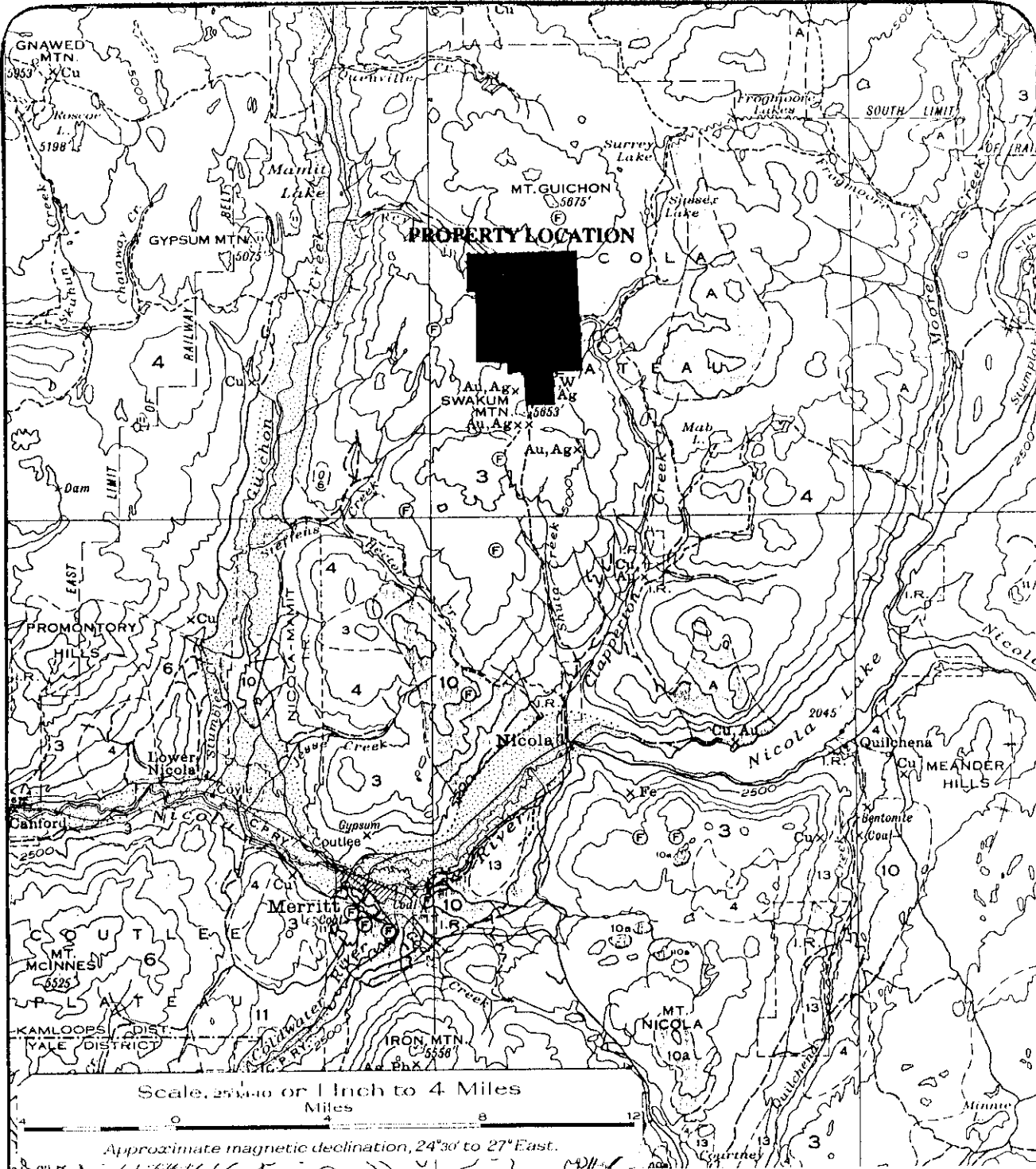
b) Mineralization

Mineralization occurs in the Nicola rocks adjacent to the quartz monzonite stock. It is found as disseminations, veinlets and skarns with pyrite the dominant sulphide, followed by chalcopyrite and molybdenite. The mineralization is quite uniform but low in grades of copper and molybdenum.

Two areas of significant mineralization were outlined in the Asarco program. The larger area is roughly 200 meters by 500 meters, located along the west margin of the stock, and includes a mineralized breccia first determined by DDH 72-2. This hole, an angle hole to the west, intersected andesitic volcanics from 20 to 290 feet assaying 0.18% copper and 0.024% molybdenum over 270 feet, followed by 316 feet of intrusive breccia from 290 to 606 feet assaying 0.24% copper and 0.033% molybdenum. A composite sample of 100 feet of core from 240 to 340 feet assayed 0.14 oz. per ton silver and less than 0.003 oz. per ton gold. The following year, DDH 73-7 drilled vertically 500 feet southwest of DDH72-2 intersected 303 feet of breccia from 16 to 319 feet assaying 0.20% copper and 0.017% molybdenum. Percussion holes 72-3 and 72-44 were also deemed to have intersected the breccia structure. Information correlated from this group of holes postulated a zone, including both breccia and volcanics, 500 feet in width by 1,500 feet long by 500 feet deep to contain 31,250,000 tons of mineralized rock assaying 0.20% copper and 0.021% molybdenum.

An area of equally interesting mineralization located 1,200 feet northwest of the breccia zone and south of Rey Lake, first indicated by Mag and I.P. lows, was tested with DDH 72-6. This hole intersected a garnet epidote skarn bed which assayed 0.32% copper and 0.018% molybdenum over 259 feet of core from 11 to 270 feet. A top section from 11 to 60 feet assayed 0.44% copper, 0.016% molybdenum, 0.17 oz. silver, 0.003 oz. gold over 49 feet. A section from 220 to 270 feet assayed 0.79% copper, 0.065% molybdenum, 0.23 oz. per ton silver, less than 0.003 oz. per ton gold over 50 feet of core. A deeper segment of the hole from 480 to 540 feet assayed 0.33% copper, 0.010% molybdenum, 0.14 oz. per ton silver, less than 0.003 oz. per ton gold over 60 feet in silicified andesite volcanics. A second drill hole, DDH 73-10, located 550 feet west of DDH 72-6, encountered the same skarn bed from 50 to 205 feet and assays of 0.05% copper and 0.003% molybdenum were determined over 155 feet of core. Information from these two holes indicated the skarn area was approximately 500 feet wide and dipped steeply to the east. Evidence of the same skarn bed in percussion holes 20, 41 and 33A extend the skarn zone over 1,200 feet in length.

The presence of the mineralized breccia and skarn zones, with further investigation, may add appreciably to the potential for calculation of additional tonnage. The highest grade encountered in the Asarco program occurred in the following



Scale, 25000 or 1 Inch to 4 Miles
Miles

Approximate magnetic declination, 24°30' to 27° East.

After: Energy Mines and Resources, Canada
Nicola, B.C. Map 886A

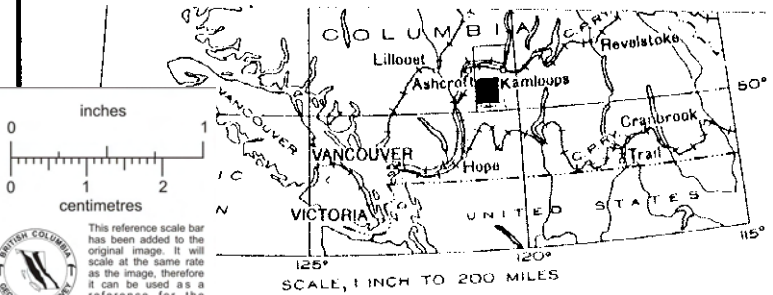


Figure 4

HERA RESOURCES INC.

REY LAKE AREA
Nicola M.D.- NTS 921/7

REGIONAL GEOLOGY MAP

To accompany a report by:
S. Hunter, P.Eng.

July 1991
revised September 1992



LEGEND

CENOZOIC	TERTIARY MIOCENE OR LATER	13	Valley basalt, mainly vesicular basalt
	MIOCENE OR EARLIER	11	KAMLOOPS GROUP 11. <i>Thuyite, andesite, and basalt; associated tuffs, breccias and agglomerates. May include some younger basalts</i> 12. <i>FRANQUILLE BEDS: conglomerate, sandstone, shale, tuff, tuffaceous sands</i>
		10	COLLWATER BEDS: conglomerate, sandstone, shale, and coal 10a. <i>similar to 10, but may include younger beds</i>
MESOZOIC OR CENOZOIC	CRETACEOUS OR TERTIARY	9	COPPER CREEK INTRUSIONS: granite, granodiorite, granite porphyry
		8	Andesite, basalt, picrite, agglomerate, breccia, and tuff; minor conglomerate and sandstone
		7	Conglomerate, sandstone, and shale
MESOZOIC	CRETACEOUS LOWER CRETACEOUS	6	KINGSVALE GROUP <i>Thuyite, andesite, and basalt; associated tuffs, breccias, and agglomerates; arkose, conglomerate</i>
		5	SPENCE BRIDGE GROUP <i>Hard, rhyolite lava</i>
	JURASSIC AND(?) LATER	4	CLAYST INTRUSIONS: granite, granodiorite, gabbro, Aa , iron Musk, batholith, gneiss, monzonite, diorite, gabbro, Aa , pyroxenite, and peridotite. <i>Probably not all of the same age, and may be in part post-Lower Cretaceous</i>
PALAEZOIC	TRIASSIC UPPER TRIASSIC	3	NICOLA GROUP <i>Greenstone, andesite, basalt, agglomerate, breccia, tuff; minor sandstone, limestone, and conglomerate</i>
	CARBONIFEROUS AND PERMIAN	2	CACHE CREEK GROUP(?) <i>Greenstone, generally slightly sheared. May include some Triassic rocks (?)</i>
		A	<i>Amphibole schist, quartzite, hornfelsite, limestone, sheared conglomerate, breccia, greenstone, and serpentinite</i> 1A: limestone

Heavily drift-covered area
Fault
Synclinal axis
Fossil locality
Mineral occurrence

SYMBOLS FOR METALS
Silver Ag
Gold Au
Copper Cu
Iron Fe
Mercury Hg
Lead Pb
Tungsten W

After: Energy Mines and Resources, Canada
Nicola, B.C. Map 886A

Figure 4A

HERA RESOURCES INC.

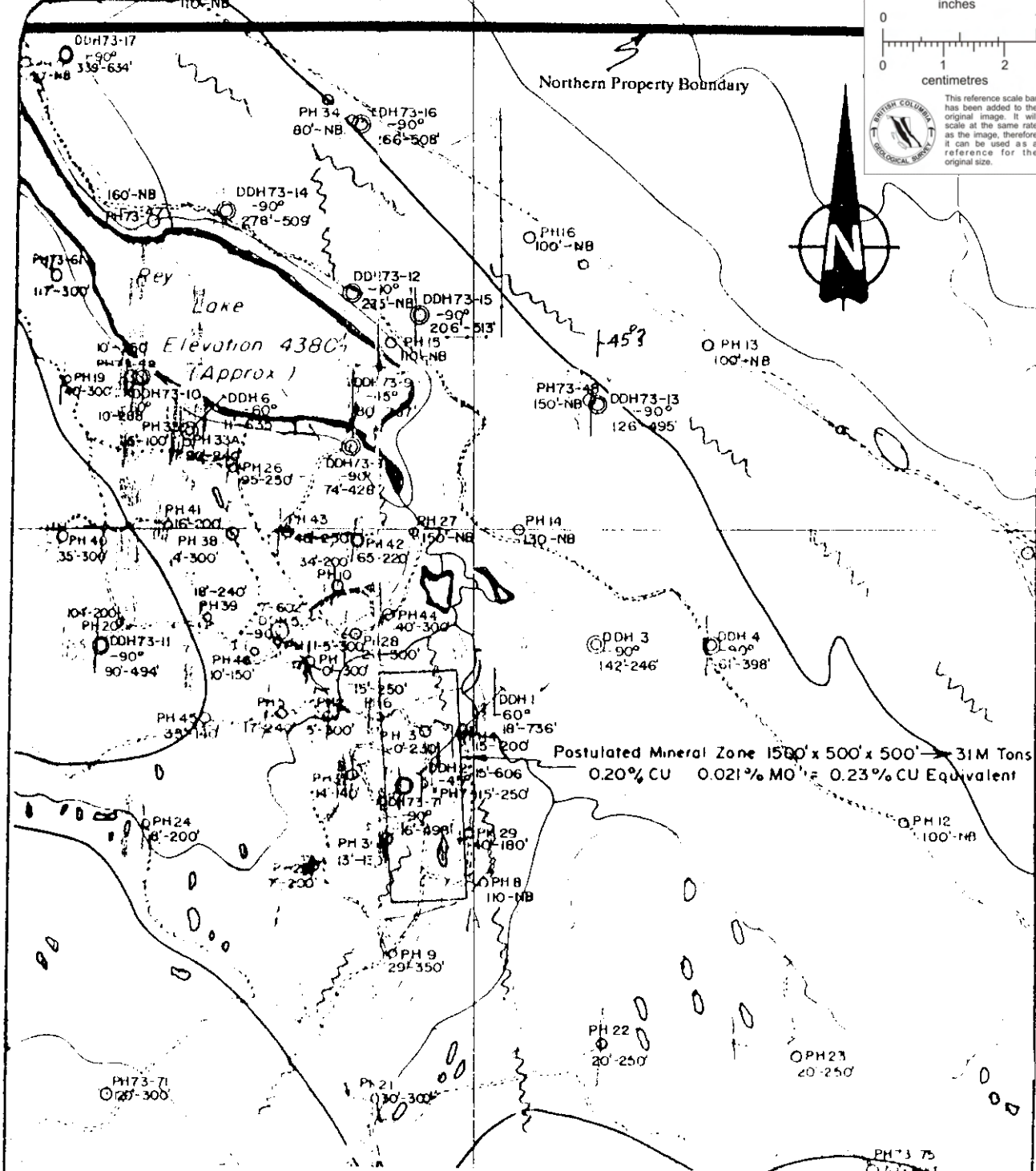
REY LAKE AREA
Nicola M.D. - NTS 921/7

REGIONAL GEOLOGY MAP LEGEND

To accompany a report by:
S. Hunter, P.Eng.

July 1991
revised September 1992





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Figure 15

HERA RESOURCES INC.
REY LAKE AREA
 Nicola, M.D. NTS 92 1/7
ENLARGED GEOLOGICAL PLAN

After American Smelting & Refining Co.
 Rey Lake Project, Local Geology Map
 D.H. Olson & A.W. Courtney
 February 1974

S. J. Hunter

To accompany a report by:
 S.J. Hunter, P.Eng.

July 1991
 revised September 1992



See Figure 15A for Legend information


















	PORPHYRY DIORITE	
P 	PORPHYRY ANDESITE	
	DACITE PORPHYRY	
B 	BRECCIA	
K 	EPIDOTE-GARNET SKARN	
H 	HORNFELS-VOLCANIC, SEDIMENTARY	
	BIOTITE-QUARTZ MONZONITE PORPHYRY	
✓ 	PYROCLASTIC VOLCANICS &/OR EPICLASTIC SEDIMENTS	
Λ 	ANDESITE	
L 	LIMESTONE	
Q 	QUARTZITE, SILTSTONE, GREYWACKE, GRIT & CONGLOMERATE	
	OUTCROP	
	FAULT	DDH 73-17 DIAMOND DRILL HOLE 1973
	BEDDING- INCLINED, VERTICAL	○ -45° INCLINATION
	FRACTURE- " " "	○ 339'-634 BEDROCK-BOTTOM
	DOZER TRENCH	○ PH 73-52 PERCUSSION HOLE 1973
	ROAD	○ 100'-NB NO BEDROCK

TABLE OF FORMATIONS

JURASSIC &/OR CRETACEOUS

DIKES - Porphyritic Diorite, Dacite & Andesite

REY LAKE STOCK - Biotite - Quartz Monzonite Porphyry

INTRUSIVE CONTACT

UPPER TRASSIC - NICOLA FORMATION

ASSEMBLAGE A2 - Fine grained sediments & tuff with minor limestone

ASSEMBLAGE A1 - Basalt flows & associated pyroclastic & epiclastic sediments

ASSEMBLAGE P2 - Andesites, andesitic basalt & rare dacite and abundant pyroclastics & sediments including limestone

ASSEMBLAGE P1 - Basaltic andesite & associated pyroclastic & epiclastic sediments

After American Smelting & Refining Co.
Rey Lake Project, Local Geology Map
D.H. Olson & A.W. Courtney, February 1974

S.J. Hunter

Figure 15A

HERA RESOURCES INC.

REY LAKE AREA

Nicola, M.D.

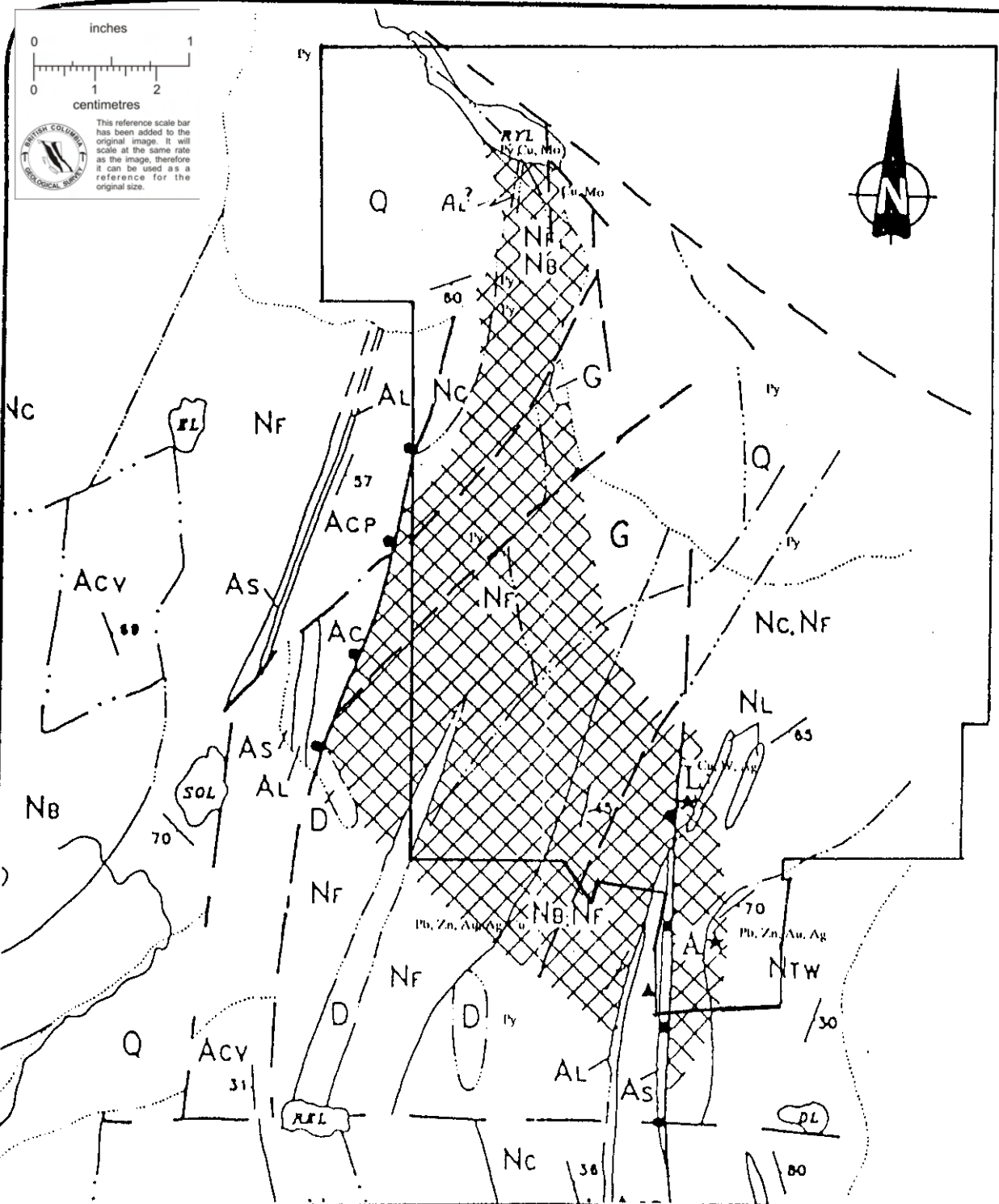
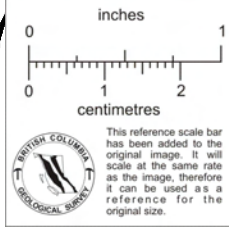
NTS 92 1/7

**ENLARGED GEOLOGICAL
PLAN LEGEND**

To accompany a report by:
S.J. Hunter, P.Eng.

July 1991
revised September 1992

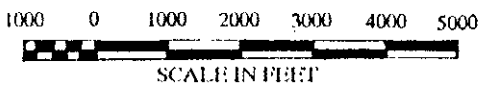




For Legend Information See Figure 17A

Figure 17

HERA RESOURCES INC.
REY LAKE AREA
 Nicola, M.D. NTS 92 1/7
SUMMARY PROPERTY
GEOLOGY



To accompany a report by:
 S.J. Hunter, P.Eng.

July 1991
 revised September 1992



LEGEND

LITHOLOGY

SYMBOLS

QUATERNARY

O Glacial, fluvio-glacial and fluvial gravel, sand and clay

TERTIARY

Miocene (?)

Tb Olivine basalt flows with ultramafic inclusions

Eocene (Kamloops Group) (?)

Kfi Flow-laminated rhyolite flow rocks and breccia or dome

EARLY TO MIDDLE JURASSIC

Ashcroft Formation (?)

AC Polymict boulder conglomerate (v: volcanic clasts; p: plutonic and volcanic clasts); subordinate sandstone

AS Sandstone; pebble conglomerate

AL Limestone; subordinate siltstone interbeds

LATE TRIASSIC AND YOUNGER (?)

Intrusive Rocks

G Biotite granite with K-feldspar megacrysts (Rey Lake)

D Diorite: subvolcanic (?) bodies in Nicola Group

LATE TRIASSIC

Nicola Group (Western Belt)

NL Limestone; polymict volcanic conglomerate with abundant limestone clasts

NT Dacite or rhyolite tuff, tuff-breccia (w: welded)

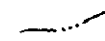


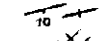


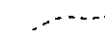
NC Heterolithic andesite-dacite lahatic breccia; wacke

NB Monolithic andesite breccia, tuff (A: agglomerate)

NF Andesite and basalt flows, flow breccia

TRIASSIC, JURASSIC (AND OLDER ?)

NH Undifferentiated metamorphic and plutonic rocks of the Nicola Horst

-  Lithologic contact (defined, inferred)
-  Fault (defined, inferred, dots on downthrown side)
-  Topographic lineament
-  Strike and dip of bedding (inclined, vertical)
-  Extent of skarn alteration
-  Mountain peak
-  Main road, highway

- Lakes: DL Dartt Former Mines: A Old Alameda
 EL Eve B Bernice
 HL Helmer C Corona
 REL Revelle L Lucky Mike
 RYL Rey S Sunshine
 SOL Sophia T Thelma
 SXL Saxon

Figure 17A

After: Geology Swakum Mountain Area
 J.M. Moore & A.R. Pettipas
 Geological Field Work, 1989
 Paper 1990-1, B.C. Ministry of Energy Mines & Petroleum Resources

and American Smelting & Refining Co.
 Rey Lake Project, Local Geology Map
 D.H. Olson & A.W. Courtney
 February 1974, (See Figure 6)

HERA RESOURCES INC.

REY LAKE AREA

Nicola, M.D. NTS 92 1/7

SUMMARY PROPERTY GEOLOGY LEGEND

To accompany a report by:
 S.J. Hunter, P.Eng.

July 1991
 revised September 1992



section of DDH 72-6 at the contact between the skarn zone and the hanging wall volcanics:

Intersection	Copper%	Molybdenum%
220-232 feet	0.91	0.087
232-242 feet	0.36	0.022
242-250 feet	1.42	0.016
250-270 feet	0.62	0.012

There was limited follow-up on the above section of the skarn area in the Asarco and Craigmont programs.

Interest should also be directed to the presence of gold and silver in two holes, DDH 72-2 and DDH 72-6, and although the values are low, 0.14 to 0.23 oz. silver and less than 0.003 oz. gold over 50 feet of drill core, examination should include assay analysis for precious metals in future programs.

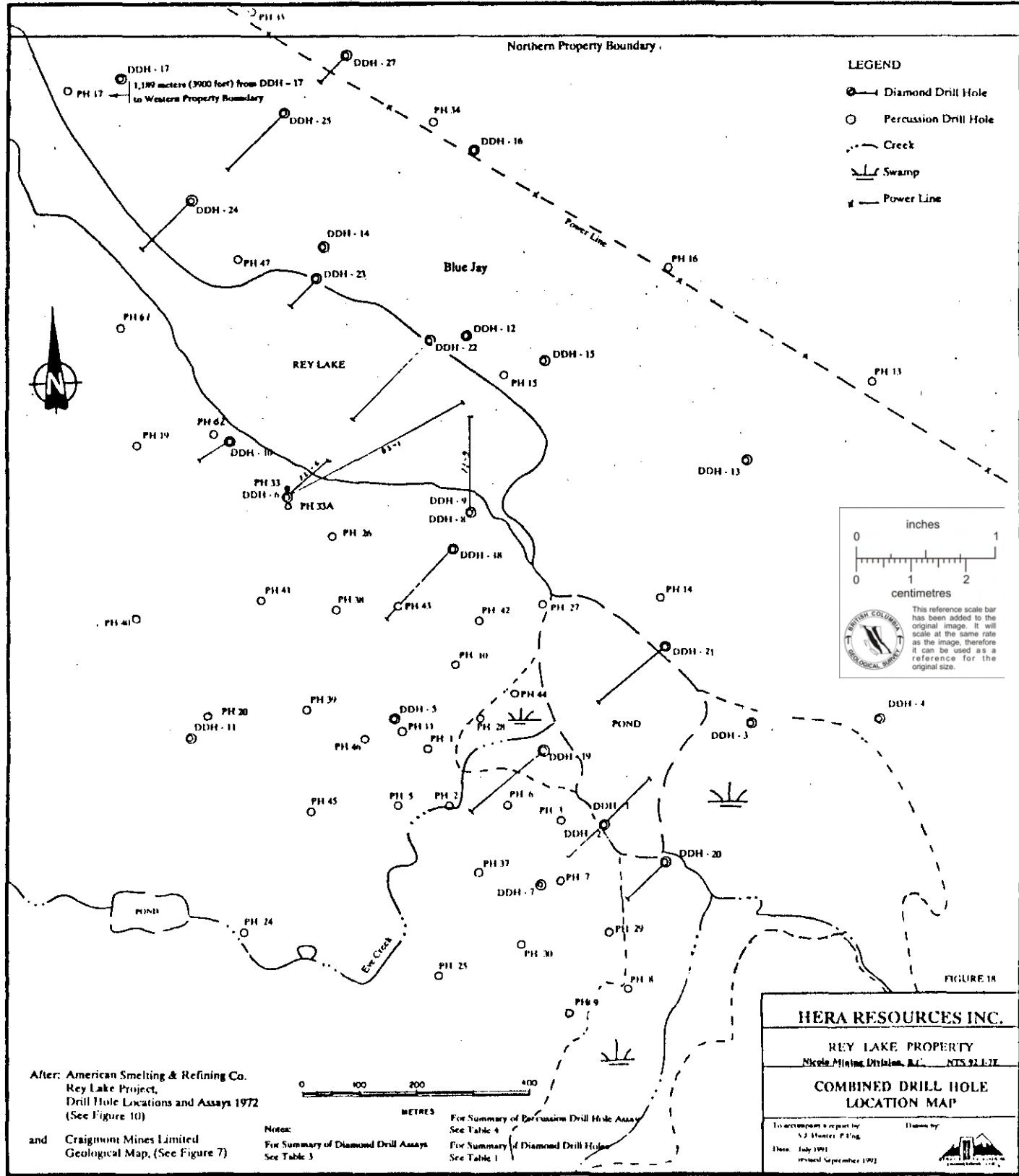
Drill hole exploration of the quartz monzonite stock area was confined to eight percussion holes which yielded low values and hence diamond drill investigation hinged on a single drill hole, DDH 72-3, which revealed barren intrusive over 106 feet of core.

c) Drilling

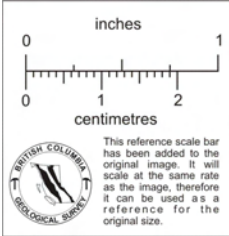
From the Asarco Report an extensive reconnaissance percussion drilling program was conducted in 1972-1973 on a 2000 ft. grid spacing covering an area of 22,000 ft. north-south by 15,000 ft. east-west. The deepest hole drilled was 350 ft. and the average depth was 272 ft. The purpose of the drilling was to test for mineralization, alteration and lithology. In total 85 percussion holes were drilled totaling 18,705 feet.

The 1972 percussion drilling program was followed by a six hole diamond drill program which outlined a breccia zone, hereto unknown, and with significant copper/molybdenum values. The skarn zone was confirmed to have above average values in copper /molybdenum. Using information from diamond drill holes 1, 2, 7, 8, 9 and percussion holes 3, 4, 7 and 44, a tonnage of 31,250,000 tons of mineralized rock grading 0.20% copper and 0.021% molybdenum was postulated in the breccia and andesite fault zones. If only the higher grade breccia zone is considered, a postulated zone 300 feet wide by 1,500 feet long by 500 feet deep contains 17,083,000 tons of rock assaying 0.22% copper and 0.024% molybdenum within the same area. PH 44 indicates a possible northerly extension for this zone. DDH 72-2 and DDH 73-7 indicate the breccia structure is up to 400 feet in thickness and dips steeply to the east (see Figures 11A and B).

The skarn zone was confirmed to have above average values for the property in copper/molybdenum with the intersection in DDH 72-6 of 0.32% copper and 0.018% molybdenum over 260 feet of core in green magnetic skarn. DDH 73-10 drilled in 1973 indicates the skarn zone is 500 feet wide with a steep dip to



- LEGEND**
- ⊙ Diamond Drill Hole
 - Percussion Drill Hole
 - Creek
 - ≡ Swamp
 - Power Line



After: American Smelting & Refining Co.
Rey Lake Project,
Drill Hole Locations and Assays 1972
(See Figure 10)

and Craigmont Mines Limited
Geological Map, (See Figure 7)

Notes:
For Summary of Diamond Drill Assays
See Table 3

For Summary of Percussion Drill Hole Assays
See Table 4
For Summary of Diamond Drill Holes
See Table 1

FIGURE 10

HERA RESOURCES INC.

REY LAKE PROPERTY
Nickel Mining Division, B.C. NTS 92-1-17

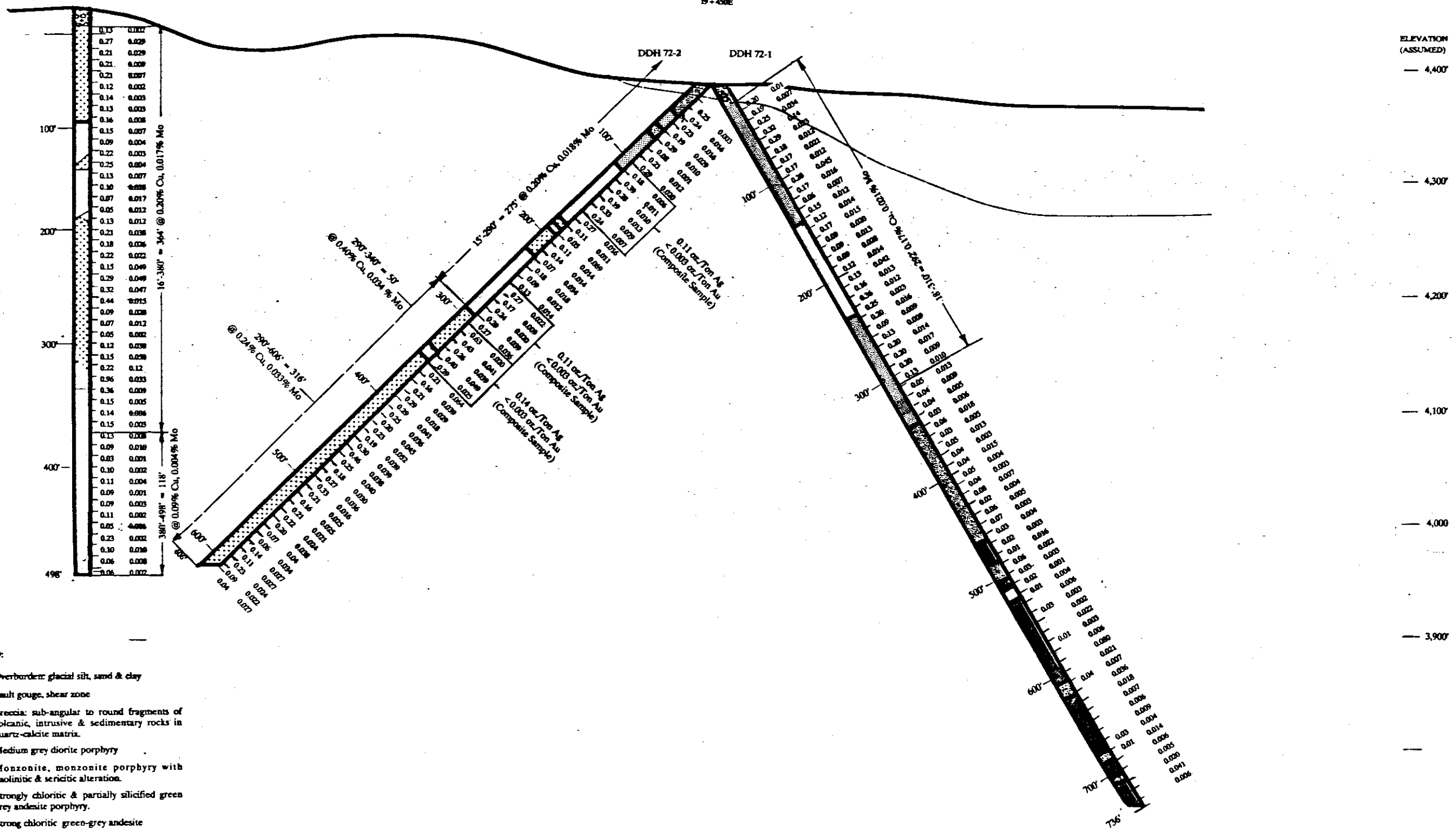
**COMBINED DRILL HOLE
LOCATION MAP**

To accompany a report by
S.J. Hunter, P. Eng. Drawn by

Date: July 1991
Revised September 1992

DDH 73-7

18 + 700N
19 + 450E



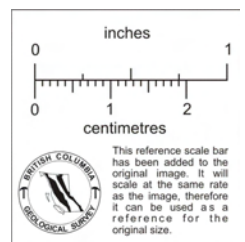
LEGEND:

- Overburden: glacial silt, sand & clay
- Fault gouge, shear zone
- Breccia: sub-angular to round fragments of volcanic, intrusive & sedimentary rocks in quartz-calcite matrix.
- Medium grey diorite porphyry
- Monzonite, monzonite porphyry with kaolinic & sericitic alteration.
- Strongly chloritic & partially silicified green grey andesite porphyry.
- Strong chloritic green-grey andesite

NOTES:

Assays %Cu, %Mo
 Cu values with less than 0.01% Cu are not plotted.
 Vertical Cross Section NE Looking NW.

After American Smelting & Refining Co.
 Rey Lake Property, Vertical Cross Sections NE
 DDH's 72-1, 2 & 73-7
 D.H. Olson and A.W. Courtney
 February 1974

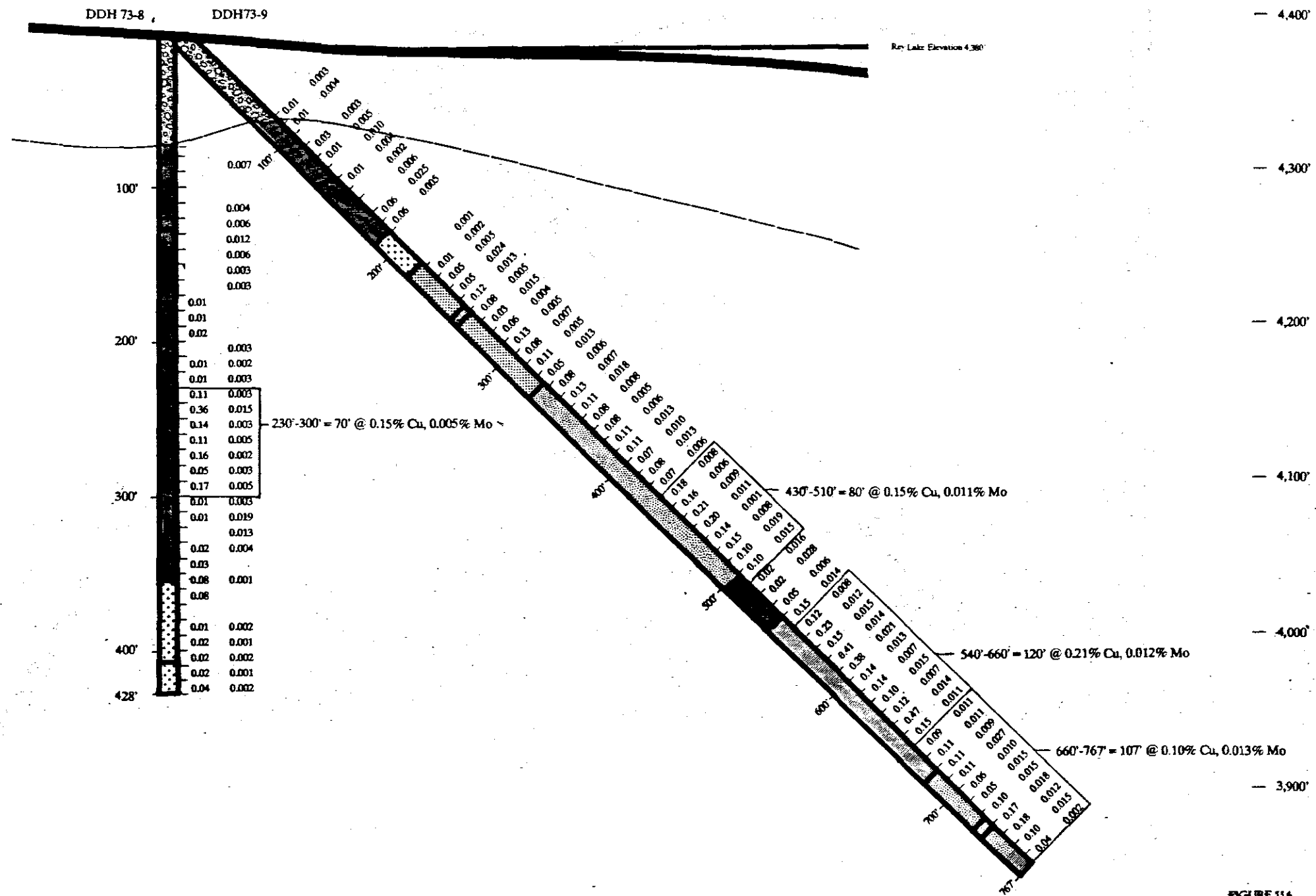


ELEVATION (ASSUMED)
 — 4,400
 — 4,300
 — 4,200
 — 4,100
 — 4,000
 — 3,900

FIGURE 11B

HERA RESOURCES INC.
 REY LAKE PROPERTY
 Nicola Mining Division, B.C. NTS 92 1-7E
ASARCO CROSS SECTION DRILL HOLES
 DDH -1, 2 and 7

To accompany a report by:
 S.J. Holmes, P.Eng. Drawn by:
 Date: July 1991
 revised September 1992



LEGEND

- Overburden
- Porphyritic Diorite
- Breccia
- Metasediment
- Biotite-Quartz Monzonite Porphyry
- Porphyritic Andesite With Quartz Phenocrysts
- Porphyritic Andesite
- Andesite - Dike
- Fault

NOTES:

Assays %Cu, %Mo

Cu values with less than 0.01% Cu and Mo values of < 0.001% Mo are not plotted.

Vertical Cross Section N - S Looking W.

After: American Smelting & Refining Co.
Generalized Geology of DDH 73-8, 9, 12 & PH72-42
Rey Lake Project, November 1973
D.H. Olson & A.W. Courtney

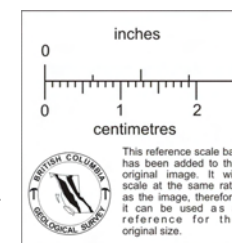


FIGURE 11A

HERA RESOURCES INC.

REY LAKE PROPERTY
Nicola Mining Division, B.C. NTS 92 I-7E

**ASARCO CROSS SECTION
DRILL HOLES DDH 73 - 8, 9**

To accompany a report by:
S.J. Hunter, P.Eng.
Date: July 1991
revised September 1992

Drawn by:



the east. Percussion holes 41 and 20 indicated a possible continuity of the skarn zone over 1,200 feet to the south.

The 1973 diamond drill program was directed to further test the breccia and skarn zones and several magnetometer highs. This program confirmed the breccia and skarn zones but did not extend them.

Craigmont drilled one exploratory hole in 1974. In 1975 Craigmont drilled nine diamond drill holes. Six of these were reconnaissance holes located north of Rey Lake, and two were drilled between the breccia and skarn zones.

d) Geophysics

The property area around Rey Lake has been studied from interpretation of magnetometer surveys, VLF surveys using the EM-16 instrument and an I.P. resistivity frequency domain survey conducted in 1972 by Asarco.

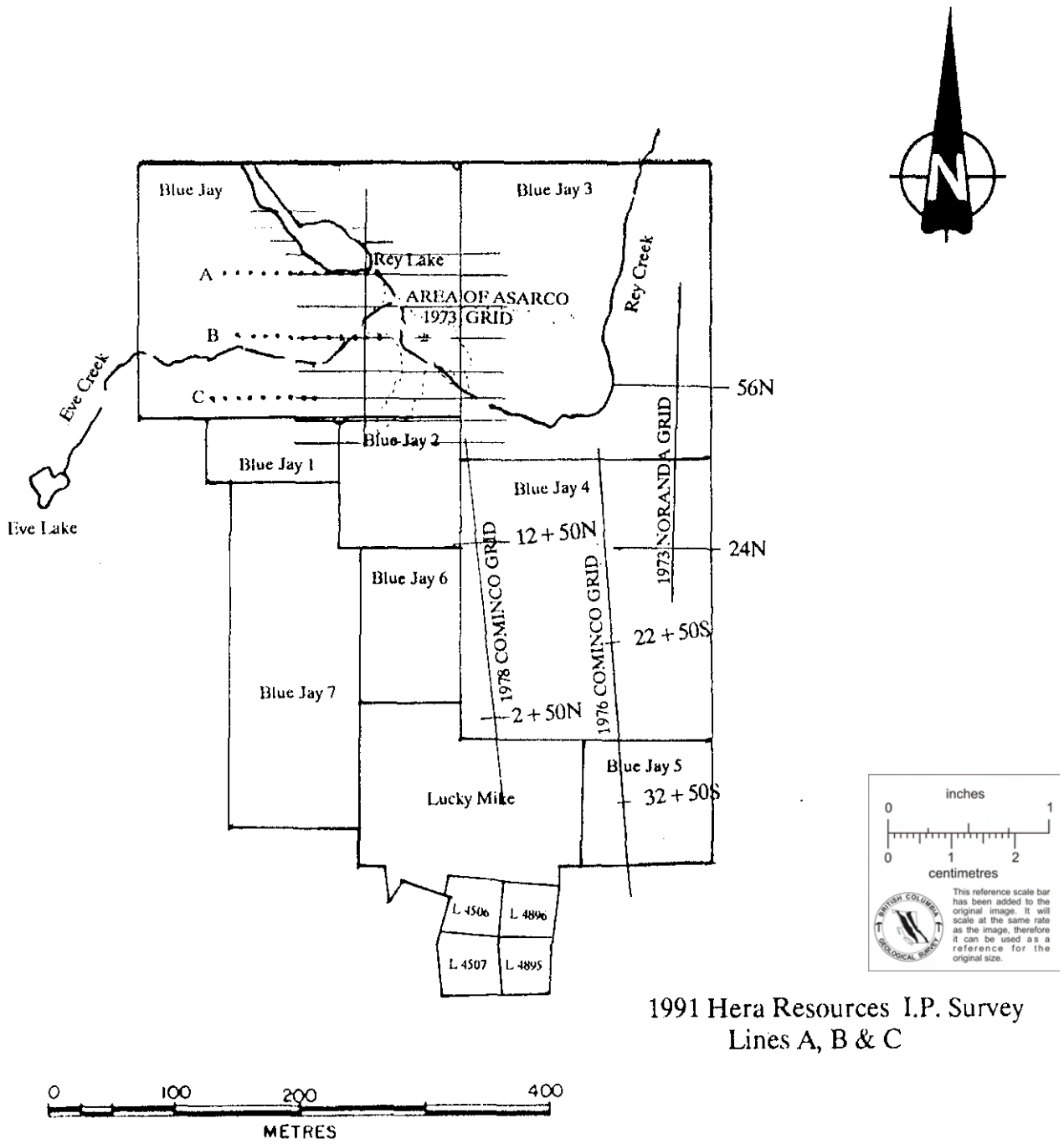
The magnetometer survey indicates strong northwest linear features with a series of lows lying within the quartz monzonite stock. Two anomalous magnetic areas were tested by diamond drill holes 72-6 and 73-9. The former revealed a skarn zone with magnetite on the south shore of Rey Lake and the latter hole tested an area under the eastern section of Rey Lake, containing magnetite bearing andesite rocks.

The EM survey data does not appear to correlate to general geological information.

The Asarco (1972) induced polarization/apparent resistivity survey was a frequency domain survey.

The I.P. survey revealed a general association of copper mineralization within a zone of I.P. response ranging from three to eight percent frequency effect. The I.P. apparent resistivity program indicated presence of strong linear north-south features. Sections of the I.P. survey were tested in DDH 72-6 wherein a local I.P. low appeared to indicate the mineralized skarn zone, and further, in DDH 73-13 which was drilled 1,200 feet east of Rey Lake to test an area of I.P. low with resulting intersection of moderately abundant pyrite throughout the core. DDH 73-15 was drilled to examine an I.P. anomaly east of Rey Lake and the hole contained an abundance of pyrite. Several anomalous low I.P. sections in the south were not tested. Several percussion drill holes tested I.P. areas with encouraging results.

An I.P./Apparent resistivity survey conducted by Strato Geological Engineering Ltd. during 1991 was a time domain survey. In this later Strato program three parallel east-west lines, each 500 meters apart, were traversed south of Rey Lake in the general area of the copper/molybdenum mineralization.



1991 Hera Resources I.P. Survey
Lines A, B & C

Figure 16

After: American Smelting & Refining Co.
Rey Lake Project, Contoured IP Map
D.H. Olson & A.W. Courtney, February 1974, (See Figure 8)

and Nornada Exploration
IP Survey %F.E. Contour Map
R.C. Heim and J.T. Walker, November 1973, (See Figure 19)

and Cominco, Drilling Plan
R.U. Bruaset, November 10, 1981
Assessment Report # 9880

HERA RESOURCES INC.

REY LAKE AREA

Nicola, M.D. NTS 92 I/7

**LOCATION OF PREVIOUS
IP SURVEYS**

To accompany a report by:
S.J. Hunter, P.Eng.

July 1991
revised September 1992



of this core, to have values in 0.14 to 0.17 oz. silver and less than 0.003 oz. gold. The remaining diamond drill holes were not assayed for precious metals.

The monzonite porphyry stock did not yield attractive mineral values, however, it cannot be written off as an exploratory area. DDH 73-9 offers the possibility of embayments in the perimeter of the pluton which may contain mineralization as evidenced by an interval in this hole which encountered both quartz monzonite and andesites and assayed 0.21% copper and 0.012% molybdenum over 120 feet from 540 to 660 feet.

Only three holes tested the area to the east of the porphyry stock. However, the indications of an I.P. low and I.P. high in this area requires this area to be investigated further.

The I.P. surveys are useful investigatory mechanisms and should be used to determine target areas and for further property reconnaissance.

Mineralization controls have not been well defined. Further detailed study and exploration is warranted to determine other attractive possibilities for copper, molybdenum, silver and gold.

Silver and gold assays, despite low values in the two holes tested, should be investigated in future programs.

Lucky Mike Property

The southern part of the Property has been the subject of reviews contained in the B.C. Ministry of Mines Annual Reports which describes the history of the area around Swakum Mountain.

(i) History

The area on and around Swakum Mountain has been explored since the year 1919 when the Lucky Mike (Last Chance) was staked. During the 20's to 40's several mineral showings were discovered and developed.

Several ore shipments were made from various properties on the mountain and have been recorded as follows:

Lucky Mike (Last Chance): 26 tons of ore yielding 2 oz gold, 137 oz silver, (0.08 oz/ton gold, 5.3 oz/ton silver), 1,932 lbs of copper and 1,753 lbs of lead.

Thelma and Bernice: 89 tons of ore yielding 1 oz. gold, 7,419 oz. silver, (0.01 oz/ton gold, 83.4 oz/ton silver), 9,683 lbs lead and 10,237 lbs zinc.

Previous Work

In 1987 Lacana conducted a geological, geophysical and geochemical survey over a 30 kilometer survey grid. Detailed mapping was conducted on the Lucky Mike, Old Alameada, Old Alameada #1 and other workings on the property. A Dighem III airborne geophysical survey was conducted over Swakum Mountain with 275 kilometers of flight line.

In 1988 Lacana followed up on the results of the 1987 field work by completing an 11 hole diamond drill program of 800 meters using NQ size core. The main areas of interest were the Lucky Mike workings, which was tested with seven drill holes (588 meters) and the Old Alameada workings, which was tested with four drill holes (212 meters).

Work Done By Issuer

In 1991 the Issuer commissioned Strato Geological Engineering Ltd. to conduct a study of reports and work performed on the Rey Lake Property by Asarco and Craigmont Mines Ltd. over the period 1972 to 1976, which provide the main exploration of the area around Rey Lake for copper and molybdenum deposits.

During the summer of 1991 the Issuer also conducted a small assessment work program consisting of a follow up IP survey.

To date the Issuer has spent \$4,350 in acquisition costs and \$30,163 in work programs on the Property.

There is no underground or surface plant or equipment on the Property nor any known body of commercial ore. The proposed program is an exploratory search for ore.

Work Program

S. Hunter, P. Eng. in his report of July 15, 1991 and revised September 25, 1992, on the Rey Lake Property recommends a two phase exploration program. Phase I includes a preliminary geological study and model development and an Induced Polarization survey estimated to cost \$150,000. This is the program the Issuer will undertake with the proceeds of this offering.

A Phase II program, contingent on obtaining favourable results from Phase I, will consist of sub surface testing of defined targets by diamond drilling in order to further test the geological model developed in Phase I.

**B. The Broken Hill Property,
Lilloet Mining Division, Province of British Columbia**

Pursuant to two property acquisition agreements dated July 25, 1988, between HRI and Jacob Butula, of 1423 Columbia Avenue, Trail, B.C. V1R 1J7, and HRI and Jacob Peter Butula of 2816 Allenby Way, Vernon, B.C. V1T 8P9, HRI purchased a 100% interest in the following nine contiguous mineral claims located in the Lilloet Mining Division:

Claim Name	Record No.	Expiry Date
Jay 1	3748	January 29, 1995
Jay 2	3749	January 29, 1995
Jay 3	3750	January 29, 1995
Jay 4	3751	January 29, 1995
Jay 5	3752	January 29, 1995
Jay 6	3753	January 29, 1995
Jay 7	3754	January 29, 1995
Jay 8	3755	January 29, 1995
Pola	3979	Expired

To date, the Issuer has spent \$20,000 in acquisition costs and \$21,961 in work programs on the property. The Issuer does not intend to conduct further exploration and development work on the property at this time.

Jacob Butula and Jacob Peter Butula are not now nor have they ever been a Director, Officer, Insider or Promoter of the Issuer.

THE PERSONNEL

Directors and Officers

The names and addresses of the Directors and Officers of the Issuer as well as their respective principal occupations within the preceding five years are as follows:

Name, Address and Position with the Issuer	Principal Occupation for Past Five Years	Number of Shares of Issuer Beneficially Owned
David William Hjerpe #231 - 5411 208th Street Langley, B.C. V3A 2K1 Chief Executive Officer President and Director	President, Hera Resources Inc. from July, 1988 to present; Salesman, William Clark Ford, auto dealership, February 1991 to August, 1992; Heavy truck representative with Zephyr Ford Truck Centre from April, 1985 to November 1987; Sales Representative with Chimo Travel Homes Ltd. from October, 1988 to December, 1989;	Escrow 440,000 Free 109,240

Larry Reaugh

Name of Company	Capacity	Duration
Rea Gold Corporation	President & Director	July 1981 to present
Globe Resources Ltd.	Director	1987 to present
Current Technology Corp.	Director	1987 to 1989
Cobequide Resources Ltd.	Director	1987 to 1990
Midland Gold Corporation	President & Director	1984 to 1988
Emgas Sidney Ltd.	Director	1988 to 1989
Verdstone Gold Corporation	President, Director & Chief Executive Officer	1985 to present

John W. Carson

Name of Company	Capacity	Duration
Athabaska Gold Resources Ltd.	Director & Promoter	March 1987 to December 1988
Highland Valley Resources	Chief Executive Officer & Promoter	April 1986 to July 1988
Footwall Resources Inc.	Chief Executive Officer & Promoter	April 1987 to August 1990
Glendale Resources Inc.	Chief Executive Officer & Promoter	October 1986 to August 1990
Sumac Ventures Inc.	Director	January 1986 to June 1988

Golden Grail Resources Ltd. was subject to cease trade order issued on October 24, 1989 for failing to file financial statements. Livio Susin was a director of Golden Grail Resources Ltd. at that time, but was not an Officer of the company nor responsible for the financial records of the Company. Upon learning that the financial statements had not been filed, he resigned from Golden Grail Resources Ltd.

Except as disclosed above, none of the Directors, Officers or Promoters of the Issuer is, or has been within the past five years, a director or promoter of any other reporting company which, during the period he was a director, officer or promoter of the company, was struck off the Registrar of Companies by the British Columbia Registrar of Companies, or other similar authority, or whose securities were the subject of a cease trade or suspension order for a period of more than 30 consecutive days.

In 1987, Larry W. Reaugh pleaded guilty to trading on inside information and was fined \$1,000 by the Ontario Provincial Court. No further action was taken.

Except as disclosed above, no Director, Officer and/or Promoter of the Issuer has, within the last ten years, been the subject of any penalties or sanctions by a court or securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

agreed to provide a full range of administrative, office and financial services to Talented for a fee of \$1,000 per month. That agreement was terminated as of January 31, 1989. \$10,000. in management fees were paid to Crown Pacific pursuant to that agreement. During the term of the agreement, the insiders of Crown Pacific were Robert Strahl and Livio Susin ("Susin") who were also directors of Talented.

Pursuant to a Management Agreement made effective August 1, 1988, between Talented and Tim Hipsher ("Hipsher"), Hipsher agreed to provide a full range of administrative, office and financial services to Talented for a fee of \$500 per month. That agreement was terminated as of November 30, 1988. During the term of that agreement, \$2,000 in management fees were paid to Hipsher.

Pursuant to a Management Agreement made effective February 1, 1989, between Talented and Susin, a director of the Issuer, Susin agreed to provide a full range of administrative, office and financial services to Talented for a fee of \$1,000 per month. That agreement was terminated as of April 30, 1989. During the term of that agreement, \$3,000 in management fees were paid to Susin.

David Hjerpe is responsible for the day to day management of the Issuer with the specific responsibilities being set out in the Management Agreement. By its nature, the natural resource industry places various time demands on managers of mining issuers that are not quantifiable in advance. There is, of course, the time spent on the daily management of the Issuer's office, including preparing and filing all documents required by the regulatory authorities, and maintaining the corporate accounts and books. Additionally, during the time a project is ongoing it is necessary for the manager to devote a greater percentage of its time to the Issuer's affairs; during the off season and when negotiations for new projects are not ongoing, less time is required of the manager. In any event, the manager of the Issuer intends to devote all his time to the Issuer's affairs to ensure its contractual and fiduciary duties are fulfilled.

Reference should be made to section entitled "Interest of Management and Others in Material Transactions" herein for particulars of management fees and rent paid to an employee/consultant.

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 of the Issuer other than as referred to herein.

Stock Options have been granted by the Issuer to David Hjerpe, Livio Susin, John Van Duzen, Poul Nielsen, William Howell, Larry Reaugh and Leonard Clarke to purchase 30,000 shares, 30,000 shares, 25,000 shares, 25,000 shares, 25,000 shares, 25,000 shares and 25,000 shares respectively. 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, namely \$0.50 per share.

Name and Address	Designation of Class	Type of Ownership	No. of Shares	Percentage of Shares
David Hjerpe #231 - 5411 208th Street Langley, B.C. V3A 2K1	Common(Free Trading) Common(Escrow)	Direct & Beneficial	109,240 <u>440,000</u> <u>549,240</u>	45.04%
Livio Susin 7270 Montecito Drive Burnaby, B.C. V5A 1R5	Common(Free Trading) Common(Escrow)	Direct & Beneficial	2,400 <u>210,000</u> <u>212,400</u>	17.42%
John Carson P.O. Box 1977 Grand Forks, B.C. V0H 1H0	Common(Free Trading) Common(Escrow)	Direct & Beneficial	50,000 <u>100,000</u> <u>150,000</u>	12.30%

The total number and percentage of shares of the Issuer beneficially owned, directly or indirectly, by all the Directors and Senior Officers, as a group are:

Designation of Class	Number of Shares Owned	Percentage Class
Common Share	795,930	65.28%

On completion of the sale of all of the Shares offered by this Prospectus, the Directors and Senior Officers will hold 38.46% of the issued and outstanding shares of the Issuer. The securities being offered by this Prospectus, therefore, represent 38.66% of the shares that will be outstanding on completion of the Offering.

Promoter

David Hjerpe and John Westly Carson are promoters of the Issuer in accordance with the definition contained in Section 1 of the Securities Act of the Province of British Columbia.

David Hjerpe personally purchased 57,000 shares at a price of \$0.25 per share, 14,093 shares at a price of \$1.25 per share, 4,707 flow through shares at a price of \$1.25 per share, 33,440 shares at a deemed price of \$1.25 per share in settlement of \$41,800 of debt, 300,000 escrow shares at a price of \$0.01 per share and 140,000 escrow shares at a price of \$0.05 per share, of which 20,000 escrow shares were transferred from David Masich.

John W. Carson personally purchased 50,000 shares at a price of \$0.25 per share, and 100,000 escrow shares at a price of \$0.01 per share.

Livio Susin was a promoter of Talented Mines Ltd. until the amalgamation with HRI. He personally purchased 2,400 shares at a price of \$1.25 per share.

4. Stock Option Agreements dated August 21, 1992, June 22, 1992 and February 19, 1992, with amendments dated June 22, 1992, referred to in section captioned "Options to Purchase Securities".
5. Escrow Agreement dated March 30, 1992 referred to in the section captioned "Escrowed Shares".
6. Agreement dated July 1, 1988 as amended October 1, 1990 between the Issuer and David Hjerpe for the latter to provide management services at \$ 1,250 per month and referred to in the section captioned "Executive Compensation".
7. Agreement dated October 1, 1990 between the Issuer and David Hjerpe, pursuant to which Issuer pays rent of \$750.00 per month. This agreement will terminate August 31, 1992.
8. Agreement dated October 1, 1990 between the Issuer and Leonard P. Clarke for the latter to provide specific services at \$ 1,250 per month plus costs. This agreement was terminated December 31, 1990. Mr. Clarke is the principal of Hartford Productions Inc.
9. Agreement dated January 1, 1991 between the Issuer and Hartford Productions Inc. for the latter to provide management services at \$1,250 per month plus costs. Leonard P. Clarke is the principal of Hartford Productions Inc.
10. Rent Agreement dated January 1, 1992 between the Issuer and Hartford Productions Inc. for the latter to provide office space for a period January 1, 1992 to September 30, 1992 for \$500 per month.
11. Agreement dated March 10, 1992 and amended August 25, 1992 between the Issuer and John W. Carson for the latter to provide public relations services at \$2,500 per month for March, April and May 1992 and then \$2,500 per month for a period of 6 months commencing the first day of the month following the dated the common shares of the Issuer start trading on the Exchange.
12. Agreement dated April 1, 1988 between the Talented and Crown Pacific Asset Management Ltd. for the latter to provide administrative, office and financial services at \$1,000 per month and referred to in the section captioned "Executive Compensation". This agreement was terminated January 31, 1989.
13. Option Agreement dated January 30, 1990 between the Issuer and Keith D'Angelo, Gerald D'Angelo and Sherwin F. Kelly (as Optionors), whereby the Issuer was granted an option to purchase a 100% interest in twelve

Public Relations

The Issuer has retained John W. Carson to provide public relation services. Pursuant to an agreement dated March 10, 1992 and amended August 25, 1992 the Issuer will pay John W. Carson \$2,500 per month for March, April and May 1992 and then \$2,500 per month for a period of 6 months commencing the first day of the month following the dated the common shares of the Issuer start trading on the Exchange.

Mr. Carson's duties will include, informing stock broker's of the Issuers activities and property, to advise the Issuer on the contents of its news release and assist in the drafting of same, to advise the Issuer on methods of communicating with its shareholders and the investment community, to maintain a mailing list of interested persons, to distribute news releases to the Company's shareholders and the investment community on a timely basis and to communicate with major mining companies and keep them informed of the Issuer's progress in exploring its property with the intent of negotiating a joint venture agreement in due course (although none is currently being considered).

John W. Carson is a principle shareholder and promoter of the Issuer. Refer to the section entitled "Principle Holders Of Securities" herein for further information.

Other Material Facts

Loans From Directors

David Hjerpe, a director of the Issuer, has loaned the Issuer the sum of \$10,000 in May 1990. In addition David Hjerpe loaned the Issuer \$355 in August, 1991 and \$1,500 on July 13, 1992. Livio Susin, a director of the Issuer, loaned the Issuer \$750 on July 21, 1992. Poul Neilsen, a director of the Issuer, loaned the Issuer \$750 on July 21, 1992. These loans are with out interest and are to be repaid in full out of the proceeds of this Offering (see heading "Use of Proceeds").

Shares Owned By Underwriters

Two Shareholders, who are defined as underwriters within the meaning of Local Policy 3-30, hold an aggregate of 6,000 shares. These persons have undertaken not to sell or otherwise deal in their shares for a period of six months from the date of listing on the Exchange.

Swakum Mountain Claim Group

- 1) Pursuant to an option Agreement dated January 30, 1990 as amended by Letter of Agreement (the "Swakum Agreement") between the Issuer (as

Barry J. Price is not now nor has he ever been a Director, Officer, Insider or Promoter of the Issuer. Willaim A. Howell became a Director of the Issuer in March 1992. During all material times the Keiko Agreement was signed and in good standing Willaim Howell was not then a Director, Officer, Insider or Promoter of the Issuer.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

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