

012447

PROPERTY FILE

P.V.
92L 069, 076, 241, 242
H.P.H

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PROSPECTUS DATED: January 11, 1989

HISWAY RESOURCES CORP.
(hereinafter called the "Issuer")
827 Fort Street
Victoria, British Columbia

PUBLIC OFFERING
600,000 Common Shares

SHARES	PRICE TO PUBLIC	COMMISSION	NET PROCEEDS TO BE RECEIVED BY ISSUER*
2	\$0.45	\$0.045	\$0.405
	\$270,000	\$27,000	\$243,000

*Before deduction of the costs of the offering estimated to be \$35,000.00.

THERE IS NO MARKET FOR THE SECURITIES OF THE ISSUER. THE PRICE OF THE SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS WAS DETERMINED BY NEGOTIATIONS WITH THE AGENT.

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 ORE.

THERE ARE NO LAND SURVEYS OF ANY OF THE ISSUER'S MINERAL PROPERTIES OR CLAIMS AND UNTIL SUCH SURVEYS ARE COMPLETED THE EXISTENCE AND AREA OF THESE PROPERTIES OR CLAIMS COULD BE IN DOUBT. (SEE ALSO THE HEADING "RISK FACTORS" HEREIN).

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.

Name and Incorporation of Issuer

Hisway Resources Corp. (herein called "the Issuer") is a British Columbia company with certificate of incorporation dated the 2nd day of September, 1987 and numbered 332626 and has its registered and records offices at #300 - 6411 Buswell Street, in the Municipality of Richmond, in the Province of British Columbia. The head office and principal place of business of the Issuer is located at 827 Fort Street, in the City of Victoria, in the Province of British Columbia.

The said incorporation was effected by the receipt by the Registrar of Companies for British Columbia of a Memorandum, Articles and the other items required by Section 8 of the Company Act., R.S.B.C. 1979, Chapter 59, as amended. The said Memorandum and Articles have not been amended since incorporation.

Description of Business

The Company is a natural resource company principally engaged in the acquisition, exploration and development of natural resource properties.

Attached to this prospectus and forming a part hereof is an engineering report prepared by Peter Christopher, PhD., P.Eng. and dated March 24, 1988 (the "Christopher Report").

With the exception of facts obtained directly from the promoters, much of the information regarding the mining properties described herein which are intended to be explored and developed with the proceeds of this Offering has been obtained from the Christopher Report.

Differences in terminology have been used in this Prospectus, the Asset Purchase Agreement, the Material Contracts and the Christopher Report, the comments of the auditors and elsewhere. To avoid confusion the property and interest of the Issuer are set out in the following table and throughout this Prospectus the terminology "the original HPH Claims" will be utilized

100% interest in three mineral claims known as H.P.H. 1, 2 & 3 located near Nahwitti Lake in the Nanaimo Mining Division of British Columbia:

<u>Name</u>	<u>Record #</u>	<u>Units/Shape</u>	<u>Expiry Date</u>
H.P.H. 1	8597H	Two-Post	July 4, 1998
H.P.H. 2	8598H	Two-Post	July 4, 1998
H.P.H. 3	8599H	Two-Post	July 4, 1998

The proceeds of the offering are intended primarily for exploration of the original HPH Claims. There is no known body of ore and the proposed program is an exploratory search for ore.

Although the Issuer has not been in existence for five years, having been incorporated September 2, 1987, there has been considerable work done on the properties since they were first staked in 1930. See page 2 of the Christopher Report for a history of the property.

The Vendor in the Asset Purchase Agreement (See "Material Contracts") and the Issuer have together spent a total of \$87,203.00 on geological work, drilling and engineering on the HPH claims.

Much of the exploration by previous owners was done prior to the existence of the existing highways system built and developed by the British Columbia government. The Christopher Report at page 7 thereof states, "Early efforts were hampered by difficult access and heavy forest cover, but recent logging has resulted in excellent road access and limited forest cover."

The property of the Issuer which it is intended to explore with the proceeds of this Offering consists of the original HPH Claims.

The extent to which the Issuer will pursue Stage Two as outlined in the Christopher Report will depend on the results of the exploration of the original HPH Claims.

For the purposes aforesaid the Issuer was created September 2, 1987 to acquire the properties and assets as set out in the Asset Purchase Agreement (See "Material Contracts").

The Issuer has no subsidiaries, nor has it undergone any material reorganization, bankruptcy or receivership. All of its assets are of recent acquisition and are described in detail throughout the remainder of this prospectus together with the Christopher Report.

Information as to the properties:

The original HPH claims are situated adjacent to a provincial highway near Nahwitti Lake, about twelve miles west of Port Hardy.

The Christopher Report at pages (i) and 1 respectively states, "Excellent property access is provided by the main Holberg-Port Hardy Road with local access enhanced by recent logging of about 70% of the property." and "Access is via 26.5 kilometres of the Holberg-Cape Scott Road from Port Hardy."

Little, if any, road building would be required to mine the property as the adjacent highway is multi-purpose with close access to rail and shipping facilities and the existent logging road can also be utilized to haul ore.

The audited financial statements of Messrs. Crawford, Paterson, Broder & Campbell, Chartered Accountants, attached hereto and forming part of this preliminary Prospectus contain a statement of "Deferred Exploration, Development and Administrative Expenses" which show a total of \$118,547.00 having been expended by the Issuer on the HPH claims.

The audited financial statements of Messrs. Crawford, Paterson, Broder & Campbell, Chartered Accountants, for the period March 31, 1987 to August 31, 1987 of Hisway Mining Corporation, the Vendor company, show an expenditure of \$46,793.00 on the HPH claims.

The Christopher Report identifies trenches, shafts and adits from prior exploration and has analyses of chip samples taken from the trenches and shafts.

The Christopher Report states at page 7, "The writer feels that impressive surface showings and encouragement from previous drilling gives the property excellent potential for at least a moderate size deposit with strong precious metal content and that the numerous surface indications may represent leakage from large deposits at depth."

Work was done on the original HPH property prior to the acquisition by the Issuer. This work consists of an 111 foot adit and a 20 foot deep shaft. In addition Giant Explorations performed exploration work described as being 500 feet of trenches, 4,733 feet of diamond drilling in 38 holes and a number of geophysical and geochemical surveys. See the Christopher Report attached hereto as part of this prospectus for greater detail of this previous work.

The aforementioned properties were acquired in an Asset Purchase Agreement from Hisway Mining Corp. of 302 - 702 Fort Street, Victoria, British Columbia. See "Material Contracts". The property was acquired in a non-arm's length transaction.

The acquisition price of \$55,000.00 for the properties was determined after consideration by the Issuer of the price paid by the Vendor company when it acquired the HPH Claims (\$30,000.00) and the amount incurred by the Vendor for administrative, exploration and development expenses (\$46,793.00) between March 31, 1987 and August 31, 1987.

The following two directors of Hisway Mining Corp. (the Vendor) are promoters of the Issuer. By virtue of their holdings in the Vendor each will be beneficially entitled to greater than five percent interest in the consideration received by the Vendor in the last preceding paragraph:

Rodney Dexter Zimmerman
42 - 330 Tyee Road
Victoria, British Columbia
V9A 7G4

REPORT ON THE H.P.H PROPERTY
NANAIMO MINING DIVISION,
NAHWITTI LAKE AREA, BRITISH COLUMBIA

LOCATION:

N.T.S.: 92-L-12W
LATITUDE: 50° 41' 30"
LONGITUDE: 127° 47' 50"

CLAIMS:

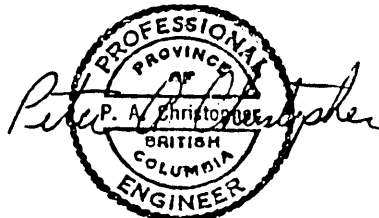
CLIFF, JLJ 1 TO 4, HPH #1 TO #3
NAHWITTI, DORLON, LEXA, IRON HAT, KAINS, QUATSINGO

REPORT FOR:

HISWAY RESOURCES CORP.
827 FORT STREET
VICTORIA, B. C. V8W 1H6

PREPARED BY:

Peter A. Christopher Ph.D., P.Eng.
PETER CHRISTOPHER AND ASSOCIATES INC.
3707 WEST 34TH AVENUE,
VANCOUVER, B.C. V6N 2K9



MARCH 24, 1988

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SUMMARY

The H.P.H. Property of Hisway Resources Corp., consisting of seven two post claims and 89 units in seven metric claims, covers a maximum possible area of 2125 hectares (5250 acres) in the Nanaimo Mining Division near Port Hardy, British Columbia. Excellent property access is provided by the main Holberg-Port Hardy Road with local access enhanced by recent logging of about 70% of the property.

The property has numerous showings and 15 named mineral occurrences that are documented in the British Columbia Government Mineral Inventory. Hisway Resources Corp. acquired the property to develop known replacement and skarn type mineral prospects on the old H.P.H. and surrounding claims, and to test a well mineralized stratigraphic interval at depth.

At least five types of occurrences are present on the property with precious metal enhanced silicified limestone (Main, Pit, Pond Zones) and auriferous zinc rich skarns and replacements (Dorlon Prospect) considered to be the most attractive exploration targets. Significant mineralized zones are generally associated with fault or fracture zones near limestone-intrusive contacts or felsite or andesite dykes within the limestone.

Chip samples collected by the writer contained 21.70 ounces silver over 2.1 meter at the Pit Zone, 22.06 ounces silver over 1.5 meter in the east shaft at the Main Showing and 7.80 ounces silver over 1.5 meters in a trench at the Pond Zone. Assays of up to 0.276 oz Au/ton and 26.40% zinc over 2.0 meters (Sutherland, 1966) and 0.301 oz Au/ton and 22.64% zinc over 1.6 meters (Magrum and von Einsiedel, 1988) have been reported for the Shaft Showing on the Dorlon Prospect.

The writer feels that the existing showings have potential for small tonnage operation but may be leakage from larger deposits. A success contingent, staged exploration program is outlined to test the potential of the zones at depth. A recommended Stage 1, Geophysical, Trenching and 1,000 meter diamond drill test is estimated to cost \$ 200,000. A contingent Stage 2, 2,000 meter diamond drill test is estimated to cost \$ 250,000. Further development will depend on the success of the initial phases and on the results of joint venture development of the Dorlon Prospect.

INTRODUCTION

The H.P.H. Property, consisting of seven two post claims and 89 units in seven metric claims, covers a maximum possible area of 2125 hectares (5250 acres) in the Nanaimo Mining Division near Port Hardy, British Columbia. The property was acquired by Hisway Resources Corporation to develop skarn type mineral prospects on the old H.P.H. and surrounding claims. The writer was retained by Hisway Resources Corp. to examine the property and recommend an appropriate exploration program for further development of the mineral property.

This report reviews the geological setting, known occurrences, previous exploration, and provides recommendations for success contingent exploration of the property.

LOCATION AND ACCESS (Figures 1 and 2)

The Hisway Resources Corporation property lies south and southeast of Nahwitti Lake on Northern Vancouver Island. The property is situated in N.T.S. map sheet 92-L-12 at geographic coordinates 50° 41' 30"N. latitude and 127° 47' 50"W. longitude about 21 kilometers west of Port Hardy. Access is via 26.5 kilometers of the Holberg-Cape Scott Road from Port Hardy. The main road passes within 30 meters of the east and west shaft portals on the H.P.H. #1 with the caved adit portal adjacent to the road. Local logging roads provide access to the Pit Zone on H.P.H. #3 and to the Pond Zone on H.P.H. #2.

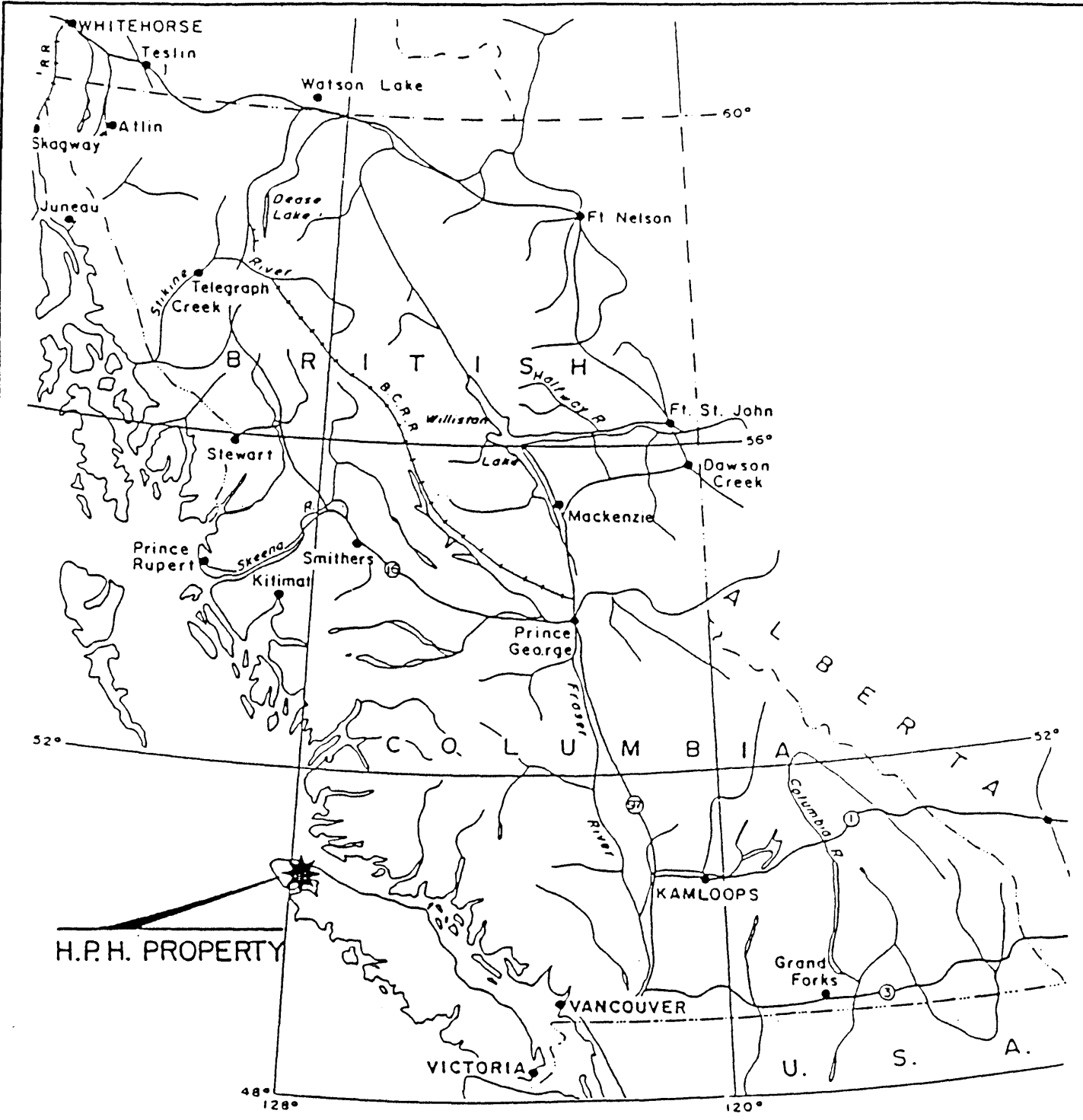
TOPOGRAPHY AND VEGETATION (Figure 2)

Relief within the property area is moderate with elevations ranging from 201 meters (660 feet) at Nahwitti Lake to 736 meters (2413 feet) at a peak west of Meade Creek. The areas of interest are generally below 366 meters (1200 feet).

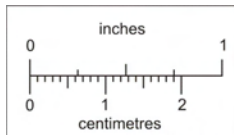
Vegetation is typical of the west coast rain forest with commercial timber consisting of cedar, hemlock and balsam. Logging operations have removed mature timber from about 80% of the property. Large parts of the property are low lying and swampy with outcrops restricted to creek valleys and areas of stronger relief.

PROPERTY DEFINITION

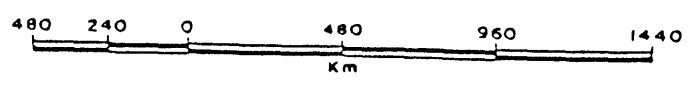
The H.P.H. Property, consisting of seven two post claims and 89 units in 7 metric claims, covers a maximum area of about 2125 ha. (5250 acres) in the Nanaimo Mining Division on map sheet 92-L-12. The H.P.H. claims have been continuously held since July 4, 1930 while the JLJ1 to JLJ4 and various metric claims have been recorded at various times since August 13, 1986. The Nahwitti, Dorlon, Lexa, Iron Hat, Kains, and Quatsino claims were located by various members of the Scott family and optioned to Hisway Mining Corp. in January 1987. The Cliff claim was located in August 1987 by Rodney Zimmerman for Hisway Mining Corp. which completed purchase of the H.P.H. claims in August 1987. The property is presently held by Hisway Resources Corp. with Silver Drake Resources Ltd. holding an option to earn 50% interest in the Dorlon Prospect area which includes the JLJ1 to JLJ4 and Cliff claims.



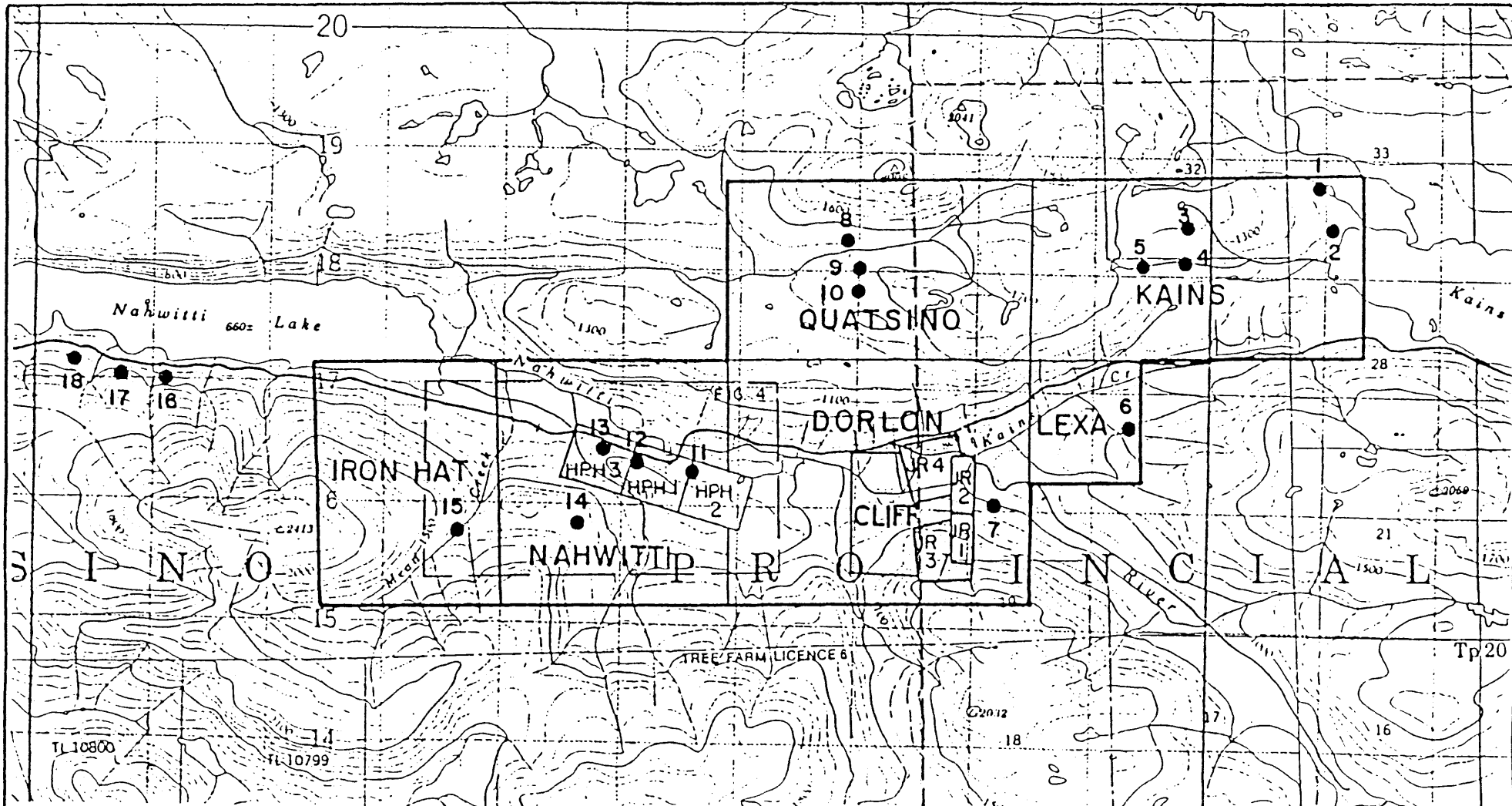
H.P.H. PROPERTY



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

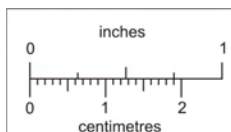


HISWAY RESOURCES CORP.	
H.P.H. PROPERTY	
LOCATION MAP	
N.T.S. 92L-12	NANAIMO M.D., B.C.
P.A. CHRISTOPHER & ASSOCIATES LTD.	
SCALE AS SHOWN	MARCH 1988
FIGURE 1	



● Mineral showing

1. Haw 26	14 HPH Bluff
2. " 24	15 St. Claire
3. " 12	16 South Shore
4. " 14	17 " "
5. " 15	18 " "
6. Mor	
7. Dorlon	
8. Haw 44	
9. Wit 21	
10. Haw 34	
11. HPH 2	
12. " Main	
13. " 3	



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



HISWAY RESOURCES CORP.

H.P.H. PROPERTY
CLAIM MAP WITH
MINERAL SHOWINGS

N.T.S. 92 L - 12

NANAIMO M.D., B.C.

0 1 2 3 KM.

P.A. CHRISTOPHER & ASSOCIATES LTD

SCALE AS SHOWN | MARCH 1988 | FIGURE 2

Table 1 summarizes pertinent claim data with claim locations shown on Figure 2.

Table 1. Pertinent Claim Data for H.P.H. Property.

<u>Name</u>	<u>Record #</u>	<u>Units/Shape</u>	<u>Locator</u>	<u>Date Recorded</u>
H.P.H.#1	8597	Two-Post	S.S. Pugh	July 4/30
H.P.H.#2	8598	"	Meade Helper	July 4/30
H.P.H.#3	8599	"	F.K. Hicklenton	July 4/30
JLJ 1	2730	"	J. Nelson	April 29/87
JLJ 2	2731	"	J. Nelson	"
JLJ 3	2732	"	J. Nelson	"
JLJ 4	2733	"	J. Nelson	"
Nahwitti	2657	16/4Nx4E	Lexa Scott	May 6/87
Dorlon	2455	20/4Sx5W	Dorothea Scott	Aug 13/86
Léxa	2762	4/2Sx2E	Lexa Scott	Aug 17/86
Iron Hat	2761	12/3Wx4N	Dan Scott	Aug 17/87
Kains	2759	18/3Nx6E	Lexa Scott	Aug 17/87
Quatsino	2760	15/3Nx5W	Lexa Scott	Aug 17/87
Cliff	2769	4/2Sx2E	R. Zimmerman	Aug 19/87

HISTORY

In June, 1930, Messrs. Meade Helper, Frank K. Hicklenton, and S.S. Pugh of Hardy Bay discovered lead-zinc mineralization about 2 miles east of Nahwitti Lake and staked several H.P.H. claims. American Smelting and Refining Company examined the property, concluded an option, staked 28 additional claims, and explored the property during the later part of 1930. Development, mainly on H.P.H. Nos. 1 and 2 claims, consisted of surface stripping, numerous trenches, two short shafts, and a 111 foot long adit. The option was dropped in 1931. In September 1931, H. C. Gunning examined and mapped the H.P.H. showings for the Geological Survey of Canada (Gunning, 1931).

In June 1936 the claims were under option to W.G. Dickinson of Victoria. Additional claims were staked and limited additional trenching was conducted.

In 1945, Sheep Creek Mines Ltd. drilled eight X-ray holes in the area of the H.P.H. Nos. 1 and 2, and reportedly intersected interesting mineralization. In 1947, the property was held under option by The Western Mining and Development Syndicate. The syndicate conducted geological mapping and radiograph and magnetic surveys (Wilson, 1948). B. O. Erickson is believed to have drilled 3,000 feet and encountered good mineralization, but no records are available.

In 1952, American Mining and Smelting again optioned the property and drilled 13 holes totalling 1,667 feet to test the South Shore Prospect about two miles west of the H.P.H. showings. Hole #2 is reported by Starck (1965) to have intersected 40.5 feet grading 0.15% Pb and 3.0% Zn.

The H.P.H. claims were optioned to Giant Explorations Ltd in August 1965. Giant Explorations explored the property from 1965 to December 1974 when the option was terminated. In 1965, Giant Explorations Limited blasted 500 feet of trenches. In 1966, Giant Explorations Limited explored the property with a geochemical survey (Sutherland, 1966) and 2,863 feet of diamond drilling in 21 holes (see Table 2). In 1968, exploration included geological and magnetometer surveys, hand stripping and pitting, and 17 holes totalling 1,870 feet were drilled. Airborne electromagnetic work over the entire claim group and limited induced polarization work was conducted during 1969 to 1971. In 1972 exploration shifted to the Dorlon Showing on the Silva 2 Group with grid geophysical and geochemical surveys and three X-ray diamond drill holes totalling 350 feet. In 1973 and 1974 additional geochemical sampling and trenching was conducted in the area of the TS Road Showing and Bluff Showings in the Taxi-Sun Grid and on Dorlon Showing in the Silva Grid. Giant Explorations Limited relinquished their option in December 1974.

Table 2. Drill Intersections by Giant Explorations Ltd.
oz/ton

Hole	Year	Interval	Cu%	Zn%	Pb%	Ag	Au	Comments
NL-1	1966	15-17'	.01	4.37		.85		Norman #1
NL-2	1966	4-9.5'	1.28	0.10		.66		"
		25.5-35'	1.52	<.05		.53		"
NL-4	1966	3-34.5'	1.32	0.49		.85		"
NL-5	1966	26-34'	0.77	0.29		.56		"
NL-19	1966	38-44'		8.66	1.91	6.0		HPH #3
		44-67'	0.14	4.83	3.05	5.0		"
NL-20	1966	57-75'		7.38	6.91	10.8	0.01	"
NLR-1	1972	51.5-67.5'	0.51	0.03	0.01			Dorlon
	inc.	61-67.5'	0.87	0.04	0.01	0.44	0.013	"
		72-82'	0.37					"
		82-97'	0.17					"
NLR-2	1972	72.5-73.5'	0.08	7.46	0.03	0.55		"
NLR-3	1972	62.5-63.5'	0.03	11.21	0.01	0.17		"

In 1979, Lorede Resources Ltd., Agilis Exploration Services Ltd. and Cyclone Developments Ltd. held claims called the Gold, Dust and Big Joe in the area of the present property with grid construction and geological surveys conducted. Tally Resources constructed grid and geologically mapped the Pato claim.

In 1980, Ron Stanwood prospected the JR claims and Silver Bar Resources prospected the HPH and Norman claims. In 1983, Trawler Petroleum Exploration conducted geological and geochemical programs on the Stump claims. In 1984, D. Petersen conducted prospecting and geochemical surveys for Darwin Engineering Ltd., on the Misty (South Shore) and Mead claims (HPH Bluff, HPH, St. Claire), and grid geochemical surveys on the Stump claims for Trawler Petroleum.

Hisway Mining Corp. optioned the H.P.H. Nos. 1 to 3 from the family of the original prospectors in March 1987 with the purchase completed in August 1987. Hisway Mining Corp. optioned six metric mineral claims from the Scott family of Duncan, British Columbia in

January 1987, and staked the Cliff claim on August 15, 1987 to cover possible open ground resulting from lapse of the JR 1 to JR 4 claims.

In the fall of 1987 Hisway Resources Corp. was formed in order to develop the H.P.H. Property with Silver Drake Resources Ltd. granted an option to earn a 50% interest in the Cliff and JLJ claims (Dorlon Prospect Area). Peter Christopher and Associates Inc. was retained to evaluate the setting of the H.P.H. Property and recommend an appropriate program for further exploration.

REGIONAL GEOLOGY (Figure 3)

The regional geology of the Rupert Inlet-Cape Scott Map-Area has been reported on by Northcote (1970) and Müller et al. (1974). Figure 3 shows the regional geology after Northcote (1970). Northcote shows the area to be underlain by five main units:

Intrusive Rocks with varied composition from diorite to granite and includes porphyritic phases. The unit includes Island Intrusions of Jurassic age, quartz feldspar porphyry, rhyolite dykes and sills, mafic intrusives and basalt to dacite dykes.

Lower Cretaceous Sedimentary Rocks (Longarm Formation) consists of conglomerate, sandstone, siltstone, shale with carbonaceous horizons, and a few thin coal seams.

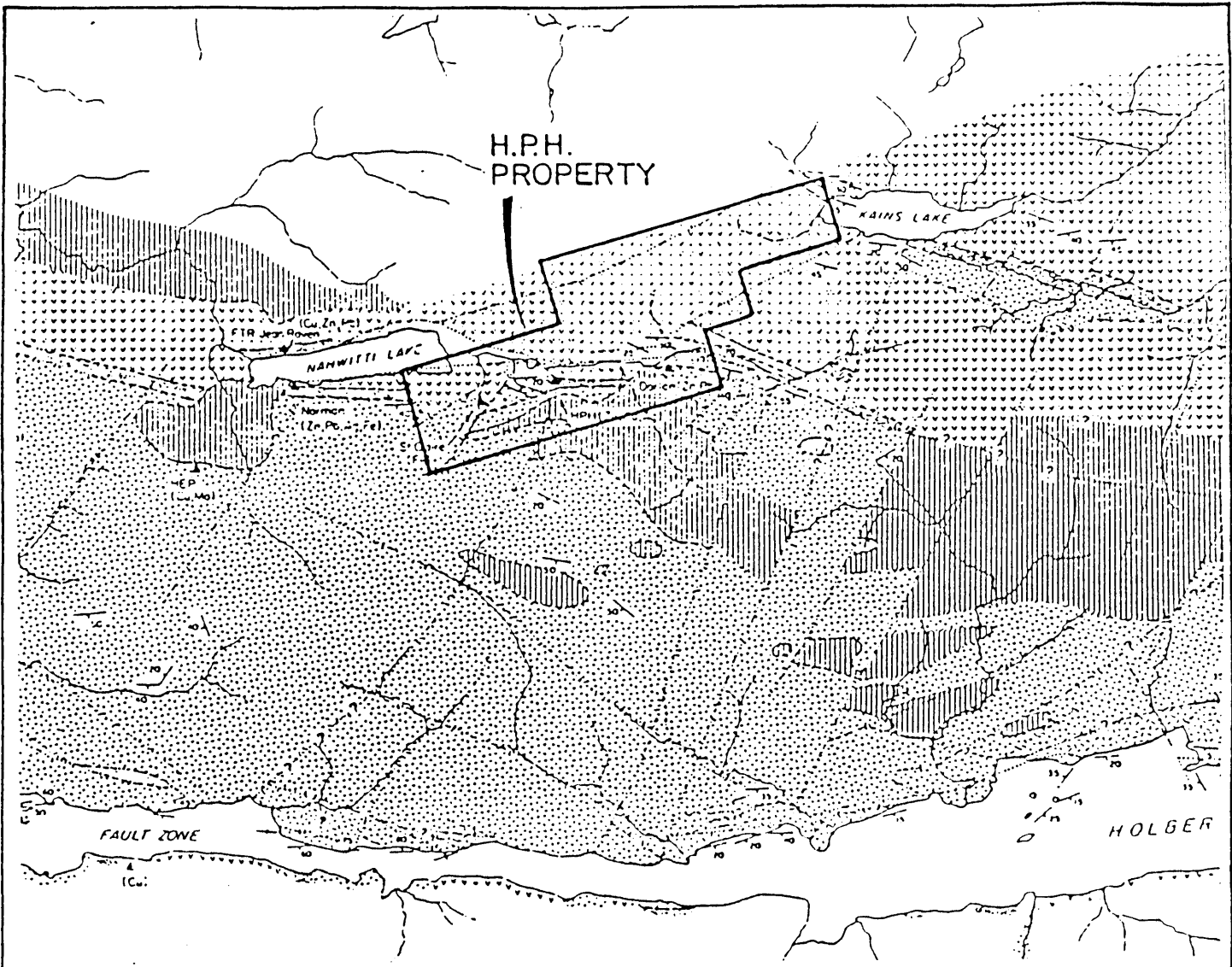
Bonanza Subgroup ranges from Upper Triassic to Lower Jurassic age and is divided into lower sedimentary and upper volcanic units.

Quatsino Formation near intrusive rocks, limestone of this units may be recrystallized to marble, silicified, or skarnified. Chalcopyrite and magnetite occurs with skarn and lead, zinc, and silver mineralization may occur with siliceous alteration.

Karmutsen Formation consists of Triassic age basaltic lava, pillow lava, breccia and aquagene tuff.

Triassic Sedimentary and volcanic rocks are collectively referred to as the Vancouver Group and are unconformably overlain by Lower Cretaceous sedimentary rocks.

The Karmutsen Formation shows a low grade of regional metamorphism with pervasive chloritization and epidotization. The Bonanza rocks are locally epidotized and chloritized. The area contains several widespread zones of propylitic alteration with restricted areas of argillic, pyrophyllitic, and siliceous alteration. Northcote stated that, "The belt of intrusive stocks and the accompanying hydrothermal alteration, silicification, and development of skarn occurring between Rupert Inlet and the mouth of the Stanby River is one of very high mineral potential."



H.P.H. PROPERTY






KAINS LAKE

NANWITTI LAKE







HOLGER

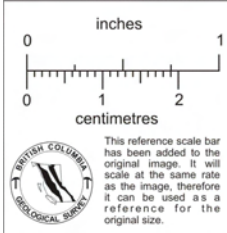
FAULT ZONE


LEGEND

- 
INTRUSIVE ROCKS
 VARIED COMPOSITION FROM DIORITE TO GRANITE AND INCLUDES PORPHYRITIC PHASES
- 
LOWER CRETACEOUS SEDIMENTARY ROCKS
 CONGLOMERATE, SANDSTONE, SILTSTONE, SHALE, CARBONACEOUS HORIZONS
- 
BONANZA SUBGROUP
 UPPER VOLCANIC UNIT, LARGELY PYROCLASTIC TUFF, LAPILLI TUFF AND TUFF BRECCIA OF ANDESITE AND BASALT COMPOSITION WITH SOME BASALT AND RHYODACITE FLOWS AT THE TOP OF THE UNIT
 LOWER SEDIMENTARY UNIT; THIN BEDDED ARGILLACEOUS AND CARBONACEOUS LIMESTONE, CALCAREOUS SHALE AND SILTSTONE AND GREYWACKE
- 
QUATSINO FORMATION
 LIMESTONE, MEDIUM TO THICK BEDDED
- 
KARMUTSEN FORMATION
 BASALTIC AMYGDALCIDAL AND MASSIVE FLOWS, INTERBEDDED TUFF, SOME PILLOW BRECCIA AND POORLY DEVELOPED PILLOWS, THIN LIMESTONE BEDS NEAR TOP OF FORMATION

SYMBOLS

- CONTACTS:
-  KNOWN
 -  APPROXIMATE
 -  ASSUMED
 -  LINEAMENTS FROM AIR PHOTOGRAPHS
 SOME OF THESE ARE KNOWN TO REPRESENT FAULTS
 -  BEDDING
 -  MINERAL DEPOSITS



HISWAY RESOURCES CORP.		
H.P.H. PROPERTY		
REGIONAL GEOLOGY		
N.T.S. 92L-12	NANAIMO M.D., B.C.	
		
P.A. CHRISTOPHER & ASSOCIATES LTD.		
SCALE AS SHOWN	MARCH 1988	FIGURE 3

Post-Lower Cretaceous block faulting, along northwest trends, dominates the deformation pattern at the north end of Vancouver Island. A major fault system follows Holberg Inlet with other sub-parallel structures passing through William Lake-Fisherman River and Nahwitti Lake. Numerous northeast trending structures have indicated offsets of several hundred feet.

Stratigraphic trends follow the major northwesterly faults with bedding generally gentle to moderate southwesterly. Local steeper or reversals of dips result from faulting and folding and flexing of bedding occurs along major faults.

PROPERTY GEOLOGY (Figure 4)

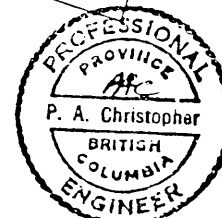
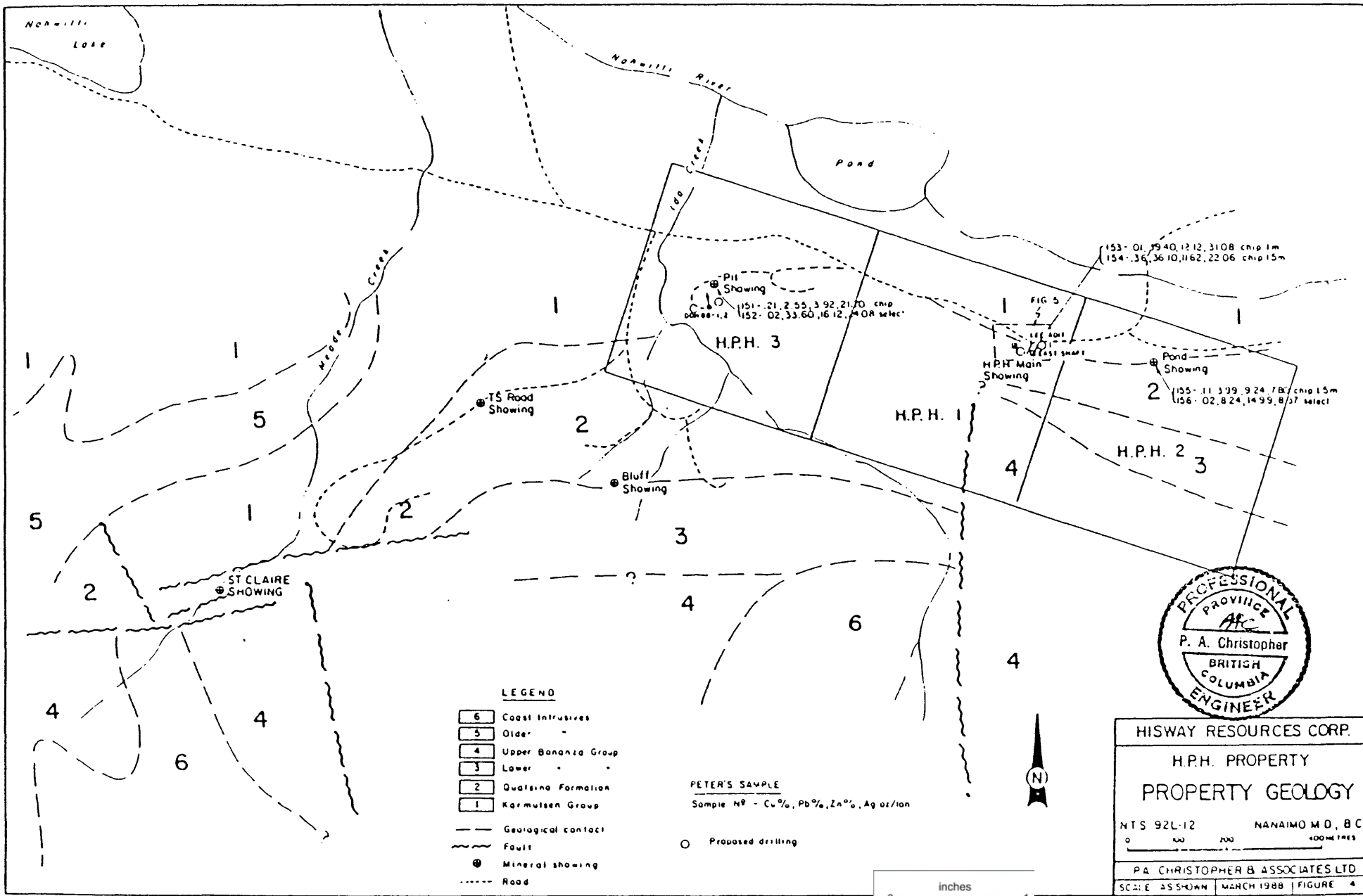
The H.P.H. Property area is underlain by rocks of the Vancouver Group, which are intruded by Coast Intrusives granodiorite and older diorite and felsite dykes. Mineralization occurs in a 500 foot thick section of Quatsino Limestone. The limestone bed strikes west northwest and dips 20° to 70° south (Northcote, 1970). Sutherland (1966) noted that, near Nahwitti Lake, individual strikes vary from west to N 40° W.

The band of Quatsino limestone is bounded conformably on the south by Bonanza volcanic rocks and on the north by Karmutsen Volcanics. The limestone unit extends the length of the property with the exception of areas where it is interrupted by Coast Intrusions and faulting from northerly to N 40° W. Intrusions are situated west of Meade Creek, between the H.P.H. and Dorlon showings, and south of the H.P.H. and Iron Hat (St. Claire) Showings (Figure 4 after Sutherland, 1966). A large felsite mass intrudes the sequence along and west of Meade Creek with several similar narrow dykes at the H.P.H. Main Showing.

About a mile west of the H.P.H. showings, the Dorlon Zinc-gold showings occur near the contact of the Quatsino Limestone and the sedimentary division of the Bonanza unit. A body of Coast Intrusive, hornblende monzonite to granodiorite occurring between the H.P.H. and Dorlon Showings, is considered to have caused the mineralization. Faults and contacts appear to control solution movement from the intrusive bodies.

MINERALIZATION

Numerous occurrences of lead, zinc, copper, gold, silver, cobalt and molybdenum which include several named B.C. Mineral Inventory Occurrences (Figure 2) are situated in a eight kilometer long mineral belt, passing through Nihwitti Lake. Mineral Inventory Prospects include: H.P.H. (MI 92L-69, 241, 242), H.P.H. Bluff (MI 92L-243); South Shore (RAS, HSW) or Norman (MI 92L-74, 244, 245), St. Claire (MI 92L-75); and Dorlon, Rain, or Ucan (MI 92L-76). Mineralization occurs within the Quatsino Limestone unit of the Vancouver Group, generally within a mile of the Coast Intrusive masses and near faults. Structures that controlled mineralization also appear to have controlled emplacement of felsite, diorite and andesite dykes which are in the proximity of most showings.



HISWAY RESOURCES CORP.

H.P.H. PROPERTY

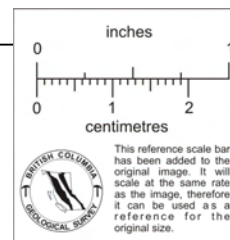
PROPERTY GEOLOGY

NTS 92L-12 NANAIMO M.D., B.C.

0 500 1000 1500 METRES

PA CHRISTOPHER & ASSOCIATES LTD.

SCALE AS SHOWN MARCH 1988 | FIGURE 4



Mineralization exposed on the property can be classified under five types of occurrences:

- 1) Zinc rich skarn deposits containing minor copper and silver minerals (eg. South Shore Prospects),
- 2) Siliceous cherty replacements in limestone with associated lead, zinc and minor copper minerals (eg. H.P.H. Main Show),
- 3) Veinlets and disseminations of sphalerite in limestone bands which may also contain lead, silver and gold minerals (eg. Dorlon),
- 4) Magnetite, pyrite contact deposits occasionally containing minor copper and zinc sulphides (eg. St. Claire).
- 5) Copper in basic volcanics of the Karmutsen Group (eg. HAW).

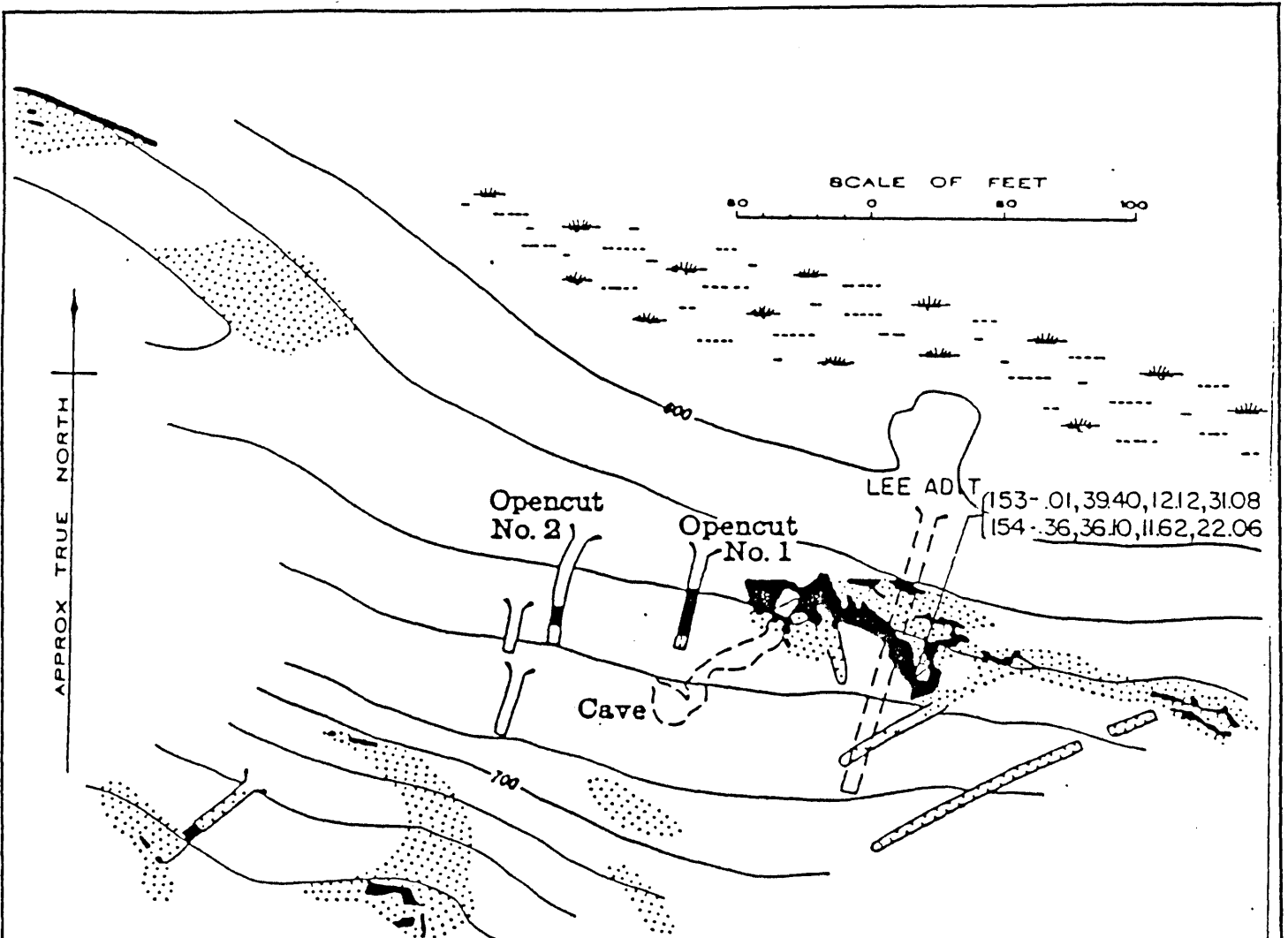
Prospects located in limestones are typical of skarn and replacement deposits with massive and disseminated sulfide replacement zones localized along lithologic contacts, fractures, fault zones, and intrusive contacts. Of the several types of occurrences on the property, the H.P.H. and Dorlon types are considered to have the best potential for developing economic deposits because of enhanced precious metal content.

Assays of up to 0.276 oz Au/ton and 26.40% zinc over 2.0 meters (Sutherland, 1966) and 0.301 oz Au/ton and 22.64% zinc over 1.6 meters (Magrum and von Einsiedel, 1988) have been reported for the Shaft Showing on the Dorlon Prospect. Select samples assaying up to 0.94 oz Au/ton have been reported by both Sutherland (1966) and in the 1936 B.C. Minister of Mines Report. A 16 foot section from 51.5 feet to 67.5 feet in Hole NLR-1-72 assayed 0.51% copper and 0.048% cobalt.

The principal showings and most of the development on the H.P.H. Property are on the original H.P.H. Nos. 1 to 3 claims. The main showings on the H.P.H. No. 1 were originally mapped as shown in Figure 5 by Gunning (1931). The main showing occurs in silicified limestone that is cut by a number of andesitic to felsic dykes. Similar mineralized, silicified limestone occurs 600 meters west and 200 meters east of the main showing at the Pit and Pond Zones, respectively (Figure 4). Chip samples collected by the writer contained 21.70 ounces silver over 2.1 meters at the Pit Zone, 22.06 ounces silver over 1.5 meters in the east shaft at the Main Showing and 7.80 ounces silver over 1.5 meters in a trench at the Pond Zone. Gunning's (1931) examinations of polished surfaces of main showing specimens revealed tetrahedrite and possibly dyscrasite (silver antimonide) with sphalerite and galena. The writer's sample locations and assay results are shown on Figures 4 and 5 with analytical results summarized in Table 3 and Appendix A.

Table 3. Summary of Sampling of HPH Property.

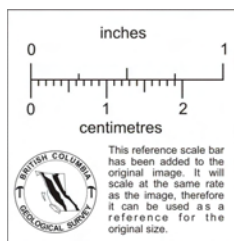
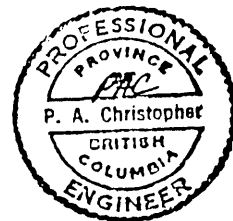
Sample #	Type	Length	%Cu	%Pb	%Zn	Ag Au		Comment
						oz/t		
0151	Chip	2.1m.	.21	2.55	3.92	21.70	.002	>10% Cpy, Sph, Gn
0152	Select		.02	33.60	16.12	24.08	.003	Dump Pit Z.
0153	Chip	1.0m.	.01	39.40	12.12	31.08	.002	E Shaft Collar
0154	Chip	1.5m.	.36	36.10	11.62	22.06	.003	In E Shaft
0155	Chip	1.5m.	.11	3.99	9.24	7.80	.002	Pond Zone
0156	Select		.02	8.24	14.99	8.37	.002	" "



Plan of workings H.P.H. group, Nahwitti lake, Vancouver island, British Columbia. Mineralized areas where exposed shown by solid black; outcrops of limestones by stipple pattern; a few small outcrops of diabase and silicified limestone are not indicated.

PETER'S SAMPLE

Sample No. - Cu % , Pb % , Zn % , Ag oz/ton.



HISWAY RESOURCES CORP.		
H.P.H. PROPERTY		
H.P.H. MAIN SHOWING		
N.T.S. 92 L - 12	NANAIMO M.D., B.C.	
P.A. CHRISTOPHER & ASSOCIATES LTD.		
SCALE AS SHOWN	MARCH 1988	FIGURE 5

At the St. Claire iron prospect, an extensive development of garnet and epidote with magnetite, minor pyrrhotite, pyrite, and occasional arsenopyrite, is situated against granodiorite.

The Bluff Showing occurs in Quatsino Limestone immediately adjacent to the Quatsino-Bonanza contact. Two small lenticular bodies sub-parallel the south-dipping contact and contain pyrite, sphalerite and minor amounts of galena.

DISCUSSION OF H.P.H. PROPERTY

The H.P.H. property covers a ten kilometer belt of Vancouver Group rocks which Northcote (1970) suggested as having excellent exploration potential. Intrusive rocks injected along the belt have caused silicification and related copper, lead, zinc, silver and gold mineralization with 15 named mineral occurrences on the property (Figure 2). Samples collected by the writer confirm the presence of excellent silver values at showings on the original H.P.H. Nos. 1 to 3, and previous sampling indicates some excellent gold values at the Dorlon Prospect (presently under option to Silver Drake Resources Ltd.). Continued interest in the belt results from the impressive nature of surface mineralization at the Main Showing and is demonstrated by the fact that the H.P.H. Nos. 1 to 3 have been continuously held and repeatedly optioned since initial staking in 1930. American Smelting and Refining Company optioned the claims in 1930 and again in 1952, Sheep Creek explored the property in 1945, and Giant Explorations Limited held an option from 1965 to 1974.

The writer feels that impressive surface showings and encouragement from previous drilling gives the property excellent potential for at least a moderate size deposit with strong precious metal content and that the numerous surface indications may represent leakage from large deposits at depth. An electromagnetic method capable of detecting mineralized bodies at depth should be employed to prioritize drill target selection. Testing at depth below the Main, Pit, and Pond Zones is warranted.

CONCLUSIONS AND RECOMMENDATIONS

The H.P.H. Property covers 10 kilometers of favourable exploration terrane for replacement and skarn type deposits of silver, lead, zinc, copper, gold and cobalt. The quality of the main showings is reflected in the fact that the initial claims have been held since the discovery in 1930 and that serious exploration companies have made repeated efforts to develop the potential. Early efforts were hampered by difficult access and heavy forest cover, but recent logging has resulted in excellent road access and limited forest cover.

The property has excellent potential for moderate size, base metal skarn and replacement deposits with enhanced precious metal content. The numerous surface showings may represent leakage from larger deposits at depth. The Pond, Main, and Pit Zones presently warrant testing at depth. Application of modern electromagnetic and/or induced polarization methods should develop a number of additional drill targets.

A success contingent, staged exploration program is recommended for further testing of the H.P.H. Property. A recommended Stage 1 geophysical, trenching and 1,000 meter drilling program should concentrate on Pit, Main, and Pond Zones in the original H.P.H. claims. Contingent on successful completion of the Stage I program, a Stage 2, 2,000 meter drill test is estimated to cost \$ 250,000. Cost estimates for the proposed exploration programs follow:

COST ESTIMATES

STAGE 1. Geophysical, Trenching, Diamond Drilling.

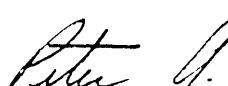
Project Preparation & Mobilization.....	\$ 3,000
Field Supervision.....	15,000
Field Assistance.....	5,000
Transportation & Accommodation.....	5,000
Grid Preparation.....	5,000
Geophysical Surveys.....	25,000
Trenching & Site Preparation.....	15,000
Diamond Drilling 1,000 meters @ \$ 85/meter.....	85,000
Geochemical Analyses.....	5,000
Consumables.....	2,000
Engineering & Reporting.....	10,000
Contingency.....	<u>25,000</u>

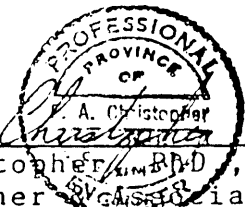
Stage 1 Total \$ 200,000

STAGE 2. Site Preparation & Diamond Drilling (Contingent).

Project Preparation & Mobilization.....	\$ 3,000
Field Supervision.....	15,000
Field Assistance.....	5,000
Transportation & Accommodation.....	5,000
Site Preparation.....	5,000
Diamond Drilling 2,000 meters @ \$ 82/meter.....	164,000
Geochemical Analyses.....	10,000
Consumables.....	3,000
Engineering & Reporting.....	10,000
Contingency.....	<u>30,000</u>

Stage 2 Total \$ 250,000


Peter A. Christopher, P.Eng.
Peter Christopher Associates Inc.
March 24, 1988



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APPENDIX A.
CERTIFICATES OF ANALYSIS

ACME ANALYTICAL LABORATORIES LTD. DATE RECEIVED: FEB 15 1988
852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE (604) 253-3158 FAX (604) 253-1716 DATE REPORT MAILED: Feb. 22/88.

ASSAY CERTIFICATE

- SAMPLE TYPE: ROCK

ASSAYER: *C. Leong* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

PETER CHRISTOPHER PROJECT-HPH File # 88-0424

SAMPLE#	CU %	PB %	ZN %	AG OZ/T	AU OZ/T
K 0151	.21	2.55	3.92	21.70	.002
K 0152	.02	33.60	16.12	24.08	.003
K 0153	.01	39.40	12.12	31.08	.002
K 0154	.36	36.10	11.62	22.06	.003
K 0155	.11	3.99	9.24	7.80	.002
K 0156	.02	8.24	14.99	8.37	.002

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GEOLOGICAL & EXPLORATION SERVICES
3707 West 34th Ave., Vancouver, B.C. V6N 2K9

Office/Res: 263-6152

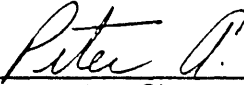
March 24, 1988

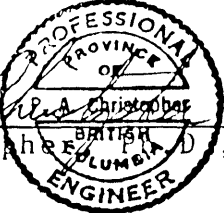
Hisway Resources Corp.
827 Fort Street
Victoria, British Columbia
V8W 1H8

Dear Sirs:

I, Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated March 24, 1988 on the H.P.H Property, Nanaimo Mining Division, in any Filing Statement, Statement of Material Facts, or Prospects issued by Hisway Resources Corp.

Dated at Vancouver, British Columbia, this 24th day of March, 1988.


Peter A. Christopher, Ph.D., P.Eng.



The seal is circular with the text "PROFESSIONAL ENGINEER" around the perimeter and "PROVINCE OF BRITISH COLUMBIA" in the center. The name "Peter A. Christopher" is written across the seal.