

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY 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 HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

014814

PROSPECTUS

DATED: MAY 7, 1987

GOLD RIDGE RESOURCES INC.

2104 - 1450 WEST GEORGIA STREET
VANCOUVER, BRITISH COLUMBIA V6G 2T8

PUBLIC OFFERING 250,000 COMMON SHARES

	Price to Public	Underwriting discounts or commissions or mark-ups	Proceeds to Issuer or selling security-holder
Per Share	\$1.10	\$0.0825	\$1.0175
Total	\$275,000.00	\$20,625.00 ^[1]	\$254,375.00 ^[2]

[1] The Issuer has granted the Agent a non-assignable warrant.

[2] Before deducting expenses of the offering estimated at \$10,000.00 which will be paid by the Issuer.

THERE IS NO MARKET FOR THE SECURITIES OF THE ISSUER.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. ALL OF THE PROPERTIES IN WHICH THE ISSUER HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. NO SURVEY OF THE PROPERTY OF THE ISSUER HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH THE PROPERTIES ARE SITUATE, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. REFER TO RISK FACTORS, PAGE 10.

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SECURITIES BEING OFFERED PURSUANT TO THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE VANCOUVER STOCK EXCHANGE ON OR BEFORE NOVEMBER 9TH, 1987, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

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 THIS ISSUE.

UPON COMPLETION OF THE OFFERING THIS ISSUE WILL REPRESENT 7.26% OF THE SHARES THEN OUTSTANDING AS COMPARED TO 33.37% THAT WILL THEN BE OWNED BY THE CONTROLLING PERSONS, PROMOTERS, DIRECTORS AND SENIOR OFFICERS OF THE ISSUER AND ASSOCIATES OF THE AGENT. PLEASE REFER TO THE HEADING "PRINCIPAL HOLDERS OF SECURITIES" ON PAGE 15 AND "DILUTION" ON PAGE 10.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. REFERENCE SHOULD BE MADE TO ITEM "DIRECTORS AND OFFICERS" ON PAGE 13 FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE FOR THE SHARES AT THE TIME OF SALE OF ANY SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE AGENT'S WARRANTS. REFERENCE SHOULD BE MADE TO "PLAN OF DISTRIBUTION" ON PAGE 4.

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER "PLAN OF DISTRIBUTION" ON PAGE 4 OF THIS PROSPECTUS.

AGENT

BRINK, HUDSON & LEFEVER LTD.

1500 PARK PLACE, 666 BURNARD STREET
VANCOUVER, BRITISH COLUMBIA V6C 3C4

EFFECTIVE DATE: MAY 13TH, 1987

PROSPECTUS SUMMARY

The information given below is intended to provide a summary only of the principal features of the Offering. Reference is made to the more detailed information appearing elsewhere in this Prospectus.

The Offering

Issuer: Gold Ridge Resources Inc. ("the Corporation")

Amount: 250,000 Common Shares

Price: \$1.10 per Common Share

Issue: 250,000 Common Shares representing approximately 7.25% of the total number of Common Shares of the Corporation to be outstanding after this Offering.

Use of Proceeds: The net proceeds of the Offering under this Prospectus after deducting the Agent's fees and estimated expenses of issue will be approximately \$244,375.00. Such proceeds, together with present working capital of the Corporation approximately \$393,360.00, as of April 1st, 1987, will be used to carry out the recommended work project set out as Phase III in the Engineering Report of R.A. James Leader, P.Eng., and Walter E. Clarke, B.Sc., P.Eng., both of Wright Engineers Limited, dated November, 1986, in the amount of \$168,000.00. The remaining funds will be added to working capital and may be used to do further exploration and development work on the Property. See "Use of Proceeds to Issuer".

Dilution: The offering price of \$1.10 per Common Share exceeds the net tangible book value per Common Share by \$0.793, after giving effect to this Offering, representing a dilution of 67.36%. See "Dilution".

Risk Factors: Investment in the Common Shares offered by this Prospectus is subject to the inherent risks associated with the exploration for minerals. A prospective investor should consider carefully the following factors:

Exploration Risks

There is attendant upon all exploration a high risk that a combination of experience and careful evaluation may not be able to overcome. There is no assurance of reserves on the Wingdam Lease that would make an operation commercially viable. See "Mineral Properties".

Flucuations in the Price of Gold

The price of gold has been subject to sudden upward and downward price movements over short periods of time and may react unpredictably to international monetary and political considerations including currency devaluation and revaluation, or even economic conditions within a particular country, trade imbalances or trade speculation. The price of gold will directly affect the viability of operations on the Wingdam Lease.

General

The Corporation has not yet commenced active operations and has thus no history of earnings. The only source of income presently available is through the sale of equity shares.

GOLD RIDGE RESOURCES INC.

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PLAN OF DISTRIBUTION

Appointment of Agent

By Agency Agreement dated the 19th day of January, 1987, as amended April 16, 1987, the Issuer by its Agent hereby offers (the "Offering") to the public through the facilities of the Vancouver Stock Exchange (the "Exchange") 250,000 Shares (the "Shares") of the Issuer at the price of \$1.10 per share. The Offering will be made in accordance with the rules and policies of the Exchange and will take place on a day (the "Offering Day") determined by the Agent and the Issuer with the consent of the Exchange, within a period of one hundred and eighty (180) days from the date upon which the Shares of the Issuer are conditionally listed on the Exchange.

The Agent has agreed to purchase from the Offering any Shares not sold at the conclusion of the Offering. In consideration therefor, the Agent has been granted a non-transferable share purchase warrant ("Agent's Warrant") entitling it to purchase up to 50,000 shares of the Issuer at any time up to the close of business one hundred and eighty (180) days from the listing of the Issuer's shares on the Exchange or twelve (12) months from the date of this Prospectus, whichever is earlier, at the price of \$1.20 per share.

The Agent's Warrant will contain, among other things, anti-dilution provisions and provisions for 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 or reclassification of the shares, or payment of stock dividends.

The Agent will receive a commission of \$0.0825 per share sold in the Offering.

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 bonus derived from this Offering.

The obligation of the Agent under the Agency Agreement may be terminated by the Agent prior to the Offering Day at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time upon the occurrence of certain stated events.

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

Those persons holding not less than five (5%) percent of the capital of Brink, Hudson & Lefever Ltd. are as follows: AGT

Financial Corporation, Brian D. Graves, Francis A. Lefever, G. Douglas MacDonald, John L. Mathers and Fred G. T. Wong.

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

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

DESCRIPTION OF SECURITIES OFFERED

Agent's Warrant

The Agent's Warrant will be non-transferable and one (1) Agent's Warrant is required to purchase one (1) share in the capital of the Issuer.

Additional Offering

This Prospectus also qualifies for sale to the public at the market price prevailing at the time of the sale, any shares purchased by the Agent or any of the common shares which may be acquired on the exercise of the Agent's Warrant at any time up to one hundred and eighty (180) days from the date of the listing of the Issuer's shares on the Exchange, but not more than one (1) year from the date of this Prospectus. The Issuer will not receive any proceeds from the sale of any such shares by the Agent, all of which proceeds will, in such event, accrue to the Agent.

USE OF PROCEEDS

The net proceeds to be received by the Issuer from the sale of all common shares offered hereunder will be \$254,375.00, which when added to the existing working capital as of April 1, 1987, of \$393,360.00, will amount to \$647,735.00.

These funds will be used for the following purposes:

(i)	to pay the legal, audit and printing expenses of this Prospectus:	\$ 10,000.00
(ii)	to carry out the recommended work project set out as Phase III in the Engineering Report of R.A. James Leader, P.Eng., and Walter E. Clarke, B.Sc., P.Eng., both of Wright Engineers Limited, dated Nov. 1986:	\$ 168,000.00
(iii)	working capital:	<u>\$ 469,735.00</u>
	TOTAL:	<u>\$ 647,735.00</u>

If the Agent exercises all of the Agent's Warrants the Issuer will receive further proceeds of \$60,000.00.

The Issuer intends to spend any of the funds realized by the exercise of the Agent's Warrant by adding it to the working capital.

The Issuer intends to invest unallocated working capital in interest bearing accounts. These funds may be available for ongoing development work after the present program is completed, if so recommended by the Engineering consultants of the Issuer in order to maintain the Issuer's commitments under its option agreement.

The Issuer will not commit itself to spend in excess of Fifty Thousand (\$50,000.00) Dollars on the acquisition or exploration of any properties without obtaining the recommendation of a qualified engineer or geologist, independent of the vendor or operator.

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

In the event of any material change in the affairs of the Issuer during primary distribution of the Shares offered by this Prospectus, an amendment of this Prospectus will be filed. Following completion of the primary distribution of the Shares offered by this Prospectus, shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

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

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

SHARE AND LOAN CAPITAL STRUCTURE

The following table sets out the outstanding capital of the Issuer:

<u>Designation of Securities</u>	<u>Amount Auth'd</u>	<u>Outstanding as of date of balance sheet</u>	<u>Outstanding as of date of the Prospectus</u>	<u>Outstanding if all shares offered are sold</u>	<u>1</u>
Common Shares	20,000,000	3,196,001	3,196,001	3,446,001	

Note 1 - Figure assumes all of the offering being sold. It does not take into consideration the possible issuance of up to 50,000 common shares upon issuance of Agent's Warrant, or a further 159,800 common shares upon the exercise of Incentive Options. For Agent's Warrant see page 5, and Incentive Options see page 14.

NAME AND INCORPORATION OF ISSUER

Gold Ridge Resources Inc. was incorporated by Memorandum and Articles under the British Columbia Act on May 9, 1986, under the name "Gold Ridge Resources Inc." The Company is currently a non-reporting company under the Act, but upon acceptance of this Prospectus by the Superintendent of Brokers ("Superintendent"), the Company will become a reporting company. The Company's Registered and Records Office is located at 1083 Lodge Road, North Vancouver, British Columbia. Gold Ridge Resources Inc. is hereinafter referred to, except where the context otherwise requires as "Gold Ridge" or "the Company".

DESCRIPTION OF BUSINESS

The Issuer's principal business which it carries on, or intends to carry on, is the acquisition, development and exploration of resource properties.

Wingdam Lease

Silver Ridge Resources Inc. ("Silver Ridge") holds a Lease dated June 14, 1986, from Bud Henning, Sr., of the gutter gold gravels under Placer Leases 742 and 743, Tag Numbers 482646 M and 482647 M, on Lightning Creek. Silver Ridge has granted to the Issuer the Option to acquire a fifty (50%) percent undivided interest in that Lease. The Lease permits the mining of precious metals from the deep gravel under those Leases 742 and 743 for a period of two years, renewable for two successive terms, and providing for a payment of five (5%) percent royalty of the total value of all precious metals and minerals produced and recovered from the property. The option may be maintained in good standing by making the following money payments and work commitments on the property, namely:

- (a) The payment of Fifty-Seven Thousand (\$57,000.00) Dollars, cash, (already paid);
- (b) The expenditure of development work on the Leases in the amount of Ninety Thousand (\$90,000.00) Dollars on or before September 1, 1986 (paid and carried out);
- (c) The expenditure of One Hundred and Forty-Five Thousand (\$145,000.00) Dollars on or before May 1st, 1987 (paid and carried out);
- (d) A further expenditure of Seven Hundred and Eight Thousand (\$708,000.00) Dollars on or before September 1st, 1988 (still to be carried out), by amending agreement dated May 7, 1987, the date for this expenditure was extended to September 1st, 1988;

Upon full exercise of the option, and the expenditure of the aforesaid sums, on or before the designated dates, the Issuer will have earned a fifty (50%) percent undivided interest in the said Lease, and will have, by then, entered into a Joint Venture Agreement with Silver Ridge Resources Inc., providing for an equal sharing thereafter of the costs and profits from the operation. By Amendment dated April 13th, 1987, all monies expended by the Issuer in full exercise of the above option will be repaid out of first net profits of operation.

The Optionor in the above Option, Silver Ridge Resources Inc., acquired the Option from Bud Henning, Sr., by the payment of \$100,000.00 (Cdn. Funds) by the equivalent of \$5,000.00 (U.S.) down payment, the supply of a cable tool drilling rig delivered at the mining site on Lightning Creek to the approximate sum of \$50,000.00, and the balance of the \$100,000.00 (Cdn.) by the allotment and issue to Bud Henning, Sr., of 43,000 treasury shares. This Lease carries a five (5%) percent royalty of the total value of all precious metals and minerals produced and recovered from the property. The Lease between Silver Ridge and Henning is in good standing. The transaction between Silver Ridge and the Issuer must be considered a non-arms length transaction in that both companies have common directors. The Issuer has fulfilled its commitments on its agreement with Silver Ridge to date. It is further pertinent to note the Issuer loaned \$65,000.00 to Silver Ridge in its early stages, without interest, which funds are repayable on July 19, 1987.

To date the properties of the Lease have been rehabilitated to the extent that the existing bridge which had been damaged by flooding has been restored and rehabilitated, collar of the main shaft on the property has been cleared and restored, and a metal building has been erected on the property in such a way that the main shaft is enclosed within the building to permit the ongoing development work for the full twelve (12) month season without any consideration for winter conditions.

Location of the Property

The following is an extract from the Summary Report of Walter E. Clarke, B.Sc., P.Eng., of Wright Engineers Limited, dated November, 1986.

The Wingdam Placer Property is situated in North Central British Columbia, 50 kilometres east of the town of Quesnel. The two placer leases comprising this property are situated on Lightning Creek and occupy a distance of one mile in length and a half mile in width.

Access to the property is via Highway 26 which runs from Quesnel to Barkerville. This highway runs the length of the property, providing excellent access to all areas of the property. Access to the area of the leases south of Lightning Creek is provided by a recently upgraded bridge crossing.

In the area of the two placer leases, the Lightning Creek valley width varies between 200 to 600 feet. The terrain is rolling hills covered in timber stands of spruce and pine. The elevations at the property vary between 3,000 and 3,400 feet above sea level. The valley of Lightning Creek at this point can best be described as a narrow valley with walls sloping between 20 to 35 degrees. In places slumps of glacial debris, which have been cut down by the creek, result in steep embankments. The valley bottom is quite level and the creek gradient is between 5 and 13 feet per thousand feet of length. The flows of Lightning Creek are reported to vary between a maximum of 4,000 cu. ft. per second at spring run-off to 100 cu. ft. per second during the winter months. The average is stated to be about 1,700 cu. ft. per second.

The climate in the area is one of warm summers with average daily temperatures of 26 deg. C. and cold winters where the temperatures in February call fall to -35 deg. C. Average snowfall was reported to be 6 feet and total precipitation about 30 inches. Historical records show that despite the harsh winters mining work was carried out on a year-round basis.

Property Ownership

The two placer leases covering the property are owned by Mr. Bud Henning, Sr., of LaGrange, California, U.S.A. Silver Ridge Resources Inc., in an Agreement dated June 14, 1986, and amended September 18, 1986, has optioned for a basic term of two years from the date of signing, from Bud Henning, Sr., these leases, namely: PL 742 and PL 743. The agreement allows for extraction of the ground encompassing the deep lead bedrock and gravels for a distance of 25 ft. above it. Provided the terms of the leases are in good standing, the option may be renewed without further payment for two successive periods of two years each.

Gold Ridge Resources Inc., in an agreement with Silver Ridge

Resources Inc., has acquired an option to earn a 50% interest in the leases by making payment to Silver Ridge Resources Inc. and carrying out exploration and development work up to a level of expenditure as provided in the terms of the agreement, with a provision in the said agreement that all such funds will be repayable to Gold Ridge out of net profits as a first charge.

The location of the leases are as marked on the government placer lease map shown in Figure 3 of the Summary Report of Wright Engineers Ltd. which forms part of this Prospectus. The Leases are in good standing and free from any restraining orders. Under the terms of the agreement, the owner may after reasonable notice, carry out dredging operations above the deep lead gravels. Wright Engineers Ltd. has not confirmed the exact locations of the lease boundaries.

Production of minerals from these gravels is subject to a 5% gross royalty.

Premanco Industries Ltd. of Quesnel, B.C., hold the surface rights to District Lot 446. The surrounding area is believed to be Crown Land. Silver Ridge Resources Inc. have leased a 1.035 hectare area of Lot 446 and have an option to buy the total area of Lot 446 amounting to 64.75 hectares. All rights held by Silver Ridge by way of mining, surface and option right will be included in the fifty (50%) percent undivided interest to be earned by the Issuer.

Description of Deposit - Reserves - History

For description of the deposit, reserves and history of the property, reference may be had to the Summary of Preliminary Engineering Report on the property, dated November, 1986, by Walter E. Clarke, B.Sc., P.Eng., which Summary and the Amendment thereof dated April 24, 1987, form part of this Prospectus.

RISK FACTORS

Investment in the common shares offered under this Prospectus is subject to the risks normally associated with the development of mining operations. The following factors should be considered:

(i) Dilution

The dilution per common share based on net tangible assets excluding deferred expenditures, including the proceeds of this offering, is presented in the following table:

	<u>Per Share</u>
Offering Price	\$1.10
Net tangible book value before distribution	\$0.307

	<u>Per Share</u>
Increase of net tangible book value	
attributable to the Offering	\$0.052
Net tangible book value after the	
Offering	\$0.359
Dilution to Subscriber	\$0.741
Percentage of Dilution in relation	
to the Offering Price	67.36%

(ii) A comparison and percentage of securities being offered for cash, and those issued or to be issued to Promoters, Directors, Officers, substantial security holders as defined in Section 104(2) of the Act, and Underwriters, for cash, property and securities, is as follows:

(A) Shares to the public by Prospectus:	15%
(B) To Insiders and Underwriter by way of both issued and optioned shares:	85%

(iii) The Directors of the Issuer feel there is good probability of resale of shares purchased at a profit.

(iv) The recommended programs provided by Walter E. Clarke, B.Sc., P.Eng., of Wright Engineers Limited, do not guarantee that the removal of gold as programmed is a viable operation.

Exploration Risks

There is no assurance that the reserves on Wingdam Creek will be commercially viable, or that further explorations will yield positive results.

Flucuations in the Price of Gold

Sudden downward and upward price movements over short periods of time have recently occurred in the price of gold, and may be affected by unpredictable international monetary and political considerations, such as currency devaluations or revaluations, economic conditions within an individual country, trade imbalances or trade speculation.

General

Although the Issuer has assessed the ore reserve figures presented in the Summary Report of Wright Engineers Limited in this Prospectus, and believes the methods used to estimate such reserves are appropriate, such figures are estimates, notwithstanding that certain of the ore reserve figures have been calculated by independent consultants. Furthermore, no assurance can be given that the indicated level of ore recovery will be realized. Market price flucuations of gold may render ore reserves containing relatively low grades of gold mineralization

**SUMMARY OF
PRELIMINARY
ENGINEERING REPORT**

on the

WINGDAM PLACER PROPERTY

Cariboo Mining Division - British Columbia

Lat. 53° 03' N

Long 121° 58' W

5877500 N

569400 E

for

GOLD RIDGE RESOURCES INC.



WRIGHT ENGINEERS LIMITED
VANCOUVER **CANADA**

PROJECT NO. 1481

NOVEMBER, 1986

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INTRODUCTION

This summary report is a condensed form of a preliminary engineering report prepared by the authors for Gold Ridge Resources Inc. in October, 1986. In order to provide clarification on specific points, maps and plans that formed part of the preliminary engineering report, have been appended to this summary and referred to in the text.

Although the authors visited the property in August, 1986, most of the information and data provided in the preliminary engineering report was based on previously written reports and records on the property. The full reference list of these reports, which was appended to the preliminary report, is also attached to this summary.

Certificates of the authors are attached to this summary. A letter of consent for the inclusion of this summary in a prospectus or Statement of Material facts is also attached.

Appended to this report are the summary, conclusions and recommendations from a report titled "Hydro Technical Study for the Wingdam Placer Mine" by Piteau Associates Engineering Ltd. These extracts should be read in conjunction with this report.

LOCATION, ACCESS AND PHYSIOGRAPHY

The Wingdam Placer Property is situated in North Central British Columbia, 50 kilometres east of the town of Quesnel (Figure 1). The two placer leases comprising this property are situated on Lightning Creek and occupy a distance of one mile in length and half a mile in width. Their approximate locations are shown on Figure 2.

Access to the property is via Highway 26 which runs from Quesnel to Barkerville. This highway runs the length of the property, providing excellent access



to all areas of the property (Figure 2). Access to the area of the leases south of Lightning Creek is provided by a recently upgraded bridge crossing.

In the area of the two placer leases, the Lightning Creek valley width varies between 200 to 600 feet. The terrain is rolling hills covered in timber stands of spruce and pine. The elevations at the property vary between 3,000 and 3,400 feet above sea level. The valley of Lightning Creek at this point can best be described as a narrow valley with walls sloping between 20 to 35 degrees. In places slumps of glacial debris, which have been cut down by the creek, result in steep embankments. The valley bottom is quite level and the creek gradient is between 5 and 13 feet per thousand feet of length. The flows in Lightning Creek are reported to vary between a maximum of 4,000 cu.ft. per second at spring run off to 100 cu.ft. per second during winter months. The average is stated to be about 1,700 cu.ft. per second.

The climate in the area is one of warm summers with average daily temperatures around 26 deg.C and cold winters where the temperature in February can fall to -35 deg.C. Average snowfall was reported to be 6 feet and total precipitation about 30 inches. Historical records show that despite the harsh winters mining work was carried out on a year-round basis.

PROPERTY OWNERSHIP

The two placer leases covering the property are owned by Mr. Bud Henning, Sr., of La Grange, California, U.S.A. Silver Ridge Resources Inc., in an Agreement dated 14 June, 1986, and amended 18 September, 1986, has optioned for a basic term of two years from the date of signing, from Bud Henning Sr., these leases namely: PL 742 and PL 743. The agreement allows for extraction of the ground encompassing the deep lead bedrock and gravels for a distance of 25 ft. above it. Provided the terms of the leases are in good standing, the option may be renewed without further payment for two successive periods of two years each.

Gold Ridge Resources Inc., in an agreement with Silver Ridge Resources Inc., has acquired an option to earn a 50% interest in the leases by making payment to



Silver Ridge Resources Inc. and carrying out exploration and development work up to a level of expenditure as provided in the terms of the agreement.

The location of the leases as marked on the government placer lease map is shown in Figure 3. The leases are in good standing and free from any restraining orders. Under the terms of the agreement, the owner may after reasonable notice carry out dredging operations above the deep lead gravels. WEL has not confirmed the exact locations of the lease boundaries.

Production of minerals from these gravels is subject to a 5% gross royalty.

Premanco Industries Ltd. of Quesnel, B.C., hold the surface rights to District Lot 446 shown on Figure 2. The surrounding area is believed to be Crown Land. Silver Ridge Resources Inc. have leased a 1.035 hectare area of Lot 446 as shown on Figure 4 and have an option to buy the total area of Lot 446 amounting to 64.75 hectares.

DESCRIPTION OF DEPOSIT

Wingdam is situated close to the edge of the south-western limb of an anticline into which the Precambrian Cariboo series is folded. The rocks of the Cariboo series in the Wingdam region consist of argillites, quartzites and conglomerates.

Mineralized quartz veins occur in the rocks of the Precambrian Cariboo series exposed in Pinegrove Creek, Ramos Creek, on the left bank of Lightning Creek below Wingdam and in the Melvin shaft. Similar veins are also exposed in the Mesozoic rocks on Lightning Creek and in the hydraulic pit of Slade-Cariboo Placers Limited. There is therefore abundant evidence of a source for the formation of Tertiary bedrock placer deposits.

In the immediate vicinity of Wingdam, Lightning Creek is contained in a steep narrow valley, and one mile below Wingdam enters a canyon some miles in length. Immediately above and below Wingdam, it is evident that the creek crosses



and recrosses its buried pre-Glacial channel, the bed-rock of which has been proved by drilling to lie at a depth of about 165 feet below the creek.

Apart from the superficial post-Glacial placer concentrations, two distinct periods of placer deposition occurred in the immediate proximity of Wingdam: (a) A deposit of possibly inter-Glacial age, underlying the top boulder-clay, and occurring at a depth of 120 feet below the surface. The gold extracted was fairly coarse, flat and well worn. (b) The deep lead bedrock gravels of the pre-glacial channel which lie buried at a depth of about 165 feet below the creek".

The bedrock gravels in the pre-Glacial channel constitute the horizon available to Gold Ridge Resources Inc. for production. This auriferous sand and gravel, attaining pay thicknesses up to 9 feet, is overlain by 15 - 25 feet of fine sand and gravel, interbedded with lenses of very fine silt. These lenses, when water-saturated, will flow extremely easily through small openings and have been referred to as "slum". This latter material, sometimes immediately overlying the bedrock gravels, was the source of mining problems for previous operators. It is reported that gold occurs in fractures and other irregularities in channel bedrock, which necessitates mining the top foot or so of bedrock along with the auriferous gravels.

RESERVES

An evaluation of reserves in the pre-glacial, or deep channel gravels has been based on the assay results from 12 churn drill holes and a 26 inch diameter well on 6 sections spaced from 350 to 1,450 feet apart, and on results of past production. (See Figure 4). No data on the gravels is available for the easterly 1,100 feet of the property. These reserves have been calculated by assuming that the volume per yard and value for this area would exist as was calculated for the balance of the property. The churn drill holes were drilled as early as the year 1905 and during the years 1915 to 1917 and the 26 inch diameter well in 1933. Production in the years 1937 and 1938 from the deep lead workings recorded in the operating company's annual reports was 2871.8 cu.yds. averaging 0.378 oz. Au./cu.yd.



WEL estimate the deep channel reserves as follows:

	Volume <u>cu.yds</u>	Grade <u>oz.Au./cu.yd.</u>
Probable	63,518	0.827
Possible	<u>16,790</u>	<u>0.827</u>
Total	<u>80,308</u>	<u>0.827</u>

Gold fineness is approximately 900. Assuming gold at C.\$500 per ounce and silver at C.\$7.50 per ounce, the gross value of the reserves would be:

$$80,308 \times (0.827 \times 0.90 \times 500 + 0.827 \times 0.10 \times 7.50) \quad \$29,936,433$$

say \$30,000,000

The WEL reserve estimate was carried out in accordance with the principles established in the U.S. Department of the Interior's placer examination handbook.

An assessment of the reliability of the churn drill results, the basis for the reserve estimate, is implicit to a reasonable evaluation of the property. A very comprehensive report by Earl K. Nixon, chief technical counselor for Lightning Creek Gold Alluvials, dated September 7, 1941, provides considerable insight into the total operation. It was based on examination of property and company records and personal contact with the management in charge of operations during the development and production periods, 1934-1939. The assay results of churn drilling prior to 1934 were considered to be unreliable but there seems to have been much improvement in the drilling completed from 1934 to 1937.

A comparison was made between pre and post 1934 assays which were used in the reserve calculation. The pre 1934 average assays are much higher than the post 1934 average assays.



The 2871.8 cu.yds. production from the sector lying between Sections F and C averaged 0.378 oz. Au/cu.yd., of which 344 cu.yds. averaged 1.08 oz. Au/cu.yd. The average grade from drill holes is 0.865 oz. Au/cu.yd. Nixon partially attributes this discrepancy to the mining methods employed which did not ensure complete extraction.

An area of probable disturbance exists from 100 feet east to 200 feet west of the old No. 1 shaft. The reserve estimate for this area is 4,000 cu.yds., averaging 1.43 oz./cu.yd. Because of the disturbed nature of the ground, mining of this area is not recommended.

Approximately 50% of the WEL Probable reserves are based on 9 drill holes (6 pre-1934) on Sections C and D, 1450 feet apart. Additional drilling is necessary to firm up the volume and grade of reserves in this sector.

The presence of the deep channel east of Section F is indicated in the most northerly hole on Section J, but no assay data is available to substantiate the Possible reserves allocated to this easterly 1100 feet of the property. Definition of the deep channel location, followed by drilling is required.

Four holes were drilled recently by Gold Ridge Resources Inc. for hydrology test work. Two of these were sampled for gold values. The results of analysis for gold at one of the holes, as reported by Bacon Donaldson and Associates Ltd. are given below. The collection and analysis of the samples was not carried out under WEL's direction. We have therefore not used the results for reserve calculation but include them here for reference. The hole bottomed on bedrock at a depth of 166 feet from collar. The average grade over the bottom 11 feet of gravel is 1.29 oz./cu.yd.



<u>Hole No. 3</u>	
<u>Footage</u> <u>ft.</u>	<u>Calculated</u> <u>Gold Content</u> <u>oz/cu.yd</u>
151-155	0.006
155-159	1.841
159-164	0.761
164-166	1.502

In their report on the analysis of the samples, Bacon Donaldson and Associations Ltd. commented on the size of the gold as follows:

"It should be noted that the gold was mostly of a large size (i.e. much larger than 20 mesh). This implies that the concentration process may have lost finer gold".

HISTORY

The Wingdam was first discovered during the 1860's gold rush. During this time the surface superficial placer deposits were worked. In the 1890's the main focus of work was on gaining access to the sub-surface placer deposits. From 1900 until the 1930's several shafts were sunk to try to enter both the interglacial and deep lead gravels. These attempts failed because of a lack of proper financing and inadequate provisions for dewatering. During this period several lines of churn drill holes were put down to test the gravels.

There have been two main periods of mining activity on the property. During the 1930's an underground mine was developed to extract both the interglacial gravels, situated at the upstream end of the property, and the deep channel gravels downstream. Although the workings for each gravel horizon were accessed separately, a connection existed between the two mines.

The workings in the interglacial gravels were extensive but the deep channel or pre-glacial gravels had only minor gravel workings. An extensive rock drive system



was established during 1934-37 to drain the deep gravels. This formed part of the "Australian Deep Lead System" being used to extract these gravels. From the rock drives numerous drain holes were drilled to dewater the gravels. These were followed by raising at several points along the drives to access the gravels. (See Figure 5). Heavy flows of water and minor collapses were reported in the gravel workings. The mine was flooded in 1938 by an in-rush of water and slum into the workings from the No. 1 raise downstream.

During the early 1960's, the rock drives were dewatered and rehabilitated. This involved forming a grout curtain from surface where the in-rush had occurred to seal the workings. Considerable quantities of slum had to be removed from the workings but the shaft and rock drive system was found to be in good condition. High water flows were encountered in the gravel workings and spiling had to be used to advance through the gravels. The main areas of gravel working were from No. 2, 3 and 4 raises downstream. The No. 1 raise downstream was securely bulkheaded off. In September, 1964 work at the property ceased. Reports written since 1964 give varying reasons for closure. Two reports reviewed by the authors state that a collapse of the gravel workings in the No. 4 raise downstream caused an inflow of slum and subsequent closure. Two other reports reviewed by the authors put the causes of closure as either excessively high rehabilitation costs or a failure of the mining system to yield the desired results. The Report of the Inspector of Mines for 1964 indicates that closure was the result of management decisions and not caused by a collapse in the workings and flooding of the mine. In our opinion the exact reason for closure remains uncertain and further investigation is necessary. Since then all surface buildings have been removed and the shaft was capped in the 1970's after the wooden shaft house burnt down.

Recent work by Gold Ridge Resources Inc. has included uncapping the Melvin shaft and constructing a building over the shaft collar.



CONCLUSIONS AND OBSERVATIONS

The following conclusions and observations are based on a thorough review, by the authors, of all available reference material and on personal communications with persons connected with past operations on the property.

Gravel Reserves

- (1) Past drilling results and mining activity have proved the existence of a deep channel placer deposit at Wingdam. The values indicated by drilling show concentrations of auriferous gravels in the deep channel that are of sufficient grade to be considered for mining.
- (2) The reserves indicated by drilling are 80,000 cu.yds. of gravel averaging 0.83 oz/cu.yd. Because of the distance between drill lines and the unreliability of some drilling results, these reserves cannot be classified as proven without further confirmation of gravel values. The two areas of the property that will require further drilling are between Lines C and D and upstream of Line F. The area between Lines C and D is considered to have the best potential.
- (3) There is a discrepancy between the values of gold in gravel calculated from the drilling results and those reported from production. The authors are unable to explain the reason(s) for this variance.
- (4) Because of the probable ground disturbance around Line A, the reserves in this area should not be considered for mining, as access to the gravels will likely be impossible.

Production: Past and Future

- (1) The previous operations had difficulty in extracting the gravel. This was the result of mining gravels that still contained water under pressure and mining too close to or into areas containing saturated slum.



- (2) In order for the gravels to be extracted successfully, the deep channel will have to be dewatered previous to mining and where there are slum beds above the gravels, these will have to also be dewatered or stabilized.
- (3) Closely spaced drill holes underground will be required for locating and dewatering the gravels and slums.

Condition of Workings

- (1) The Melvin shaft collar is in reasonable condition and will require only minor repairs. Based on the experience of the operators in the 1960's, the shaft and rock drives now underwater are expected to be in good condition. However without conducting an underwater survey or dewatering the workings, this assumption cannot be confirmed and accurate rehabilitation costs cannot be assessed.
- (2) The reasons for the closure of the operation in September will have an important bearing on the amount of work required to dewater and rehabilitate the workings. If an orderly shut down was effected, there will be little silt in the workings to cause problems with dewatering. If the mine flooded because of a water and slum break through into the workings, the removal of sand and silt from the workings will increase the time for rehabilitation.

RECOMMENDATIONS

- (1) Further exploration work should be carried out to confirm the gravel reserves and values. This work should include seismic surveys to locate the deep channel followed by confirmatory drilling from surface to test the gravels.

We recommend the area from Line D to Line C (Figure 4) to be tested first as it has the best potential for minable reserves.



- (2) A detailed survey of surface features is recommended. The existing plans are of insufficient detail or do not relate to the existing conditions at the site.
- (3) A preliminary plan of operation should be submitted to the Inspector of Mines for approval. Once conceptual mining methods have been developed, these also should be presented to the Inspector.
- (4) Further hydrological studies are recommended. These should be carried out between Lines C and D. Their objective will be to define the flow regimes in the gravels and ascertain how they might be drained. It is important to determine if there is a hydraulic connection between the deep channel and Lightning Creek.
- (5) Sampling of the gravels and slum materials is recommended. These results can be used in conjunction with the results from the hydrology test work to design a conceptual extraction system for the gravel.
- (6) Dewatering of the Melvin shaft should commence only when the drilling program has confirmed the gold values to a level of confidence on which a decision to proceed can be made. Prior to dewatering the shaft, more detailed work is required on the techniques and costs to access and mine the gravels. We recommend this take the form of a feasibility study to evaluate the property potential.

ESTIMATED BUDGET FOR FURTHER WORK

The authors recommend a phased approach to development of the property with the decision to proceed further, based on the results of each phase of work. The budget below is divided into three phases. The costs for Phase I are based on known past expenditures. Phase II costs are based on actual quotations or estimates for defined scopes of work. Phase III costs are very preliminary and based on "ball park" figures given by contractors for work under unknown conditions. Once the shaft has been dewatered the costs (for rehabilitating shaft bottom and rock drives) can be



estimated. The cost of gravel production cannot be assessed until a satisfactory method of extraction has been established.

Phase I involves the work currently being performed at Wingdam.

Phase II is the work that is required to be carried out in order that a decision can be made on rehabilitation and production.

Phase III is the dewatering of the Melvin shaft to prepare for mine rehabilitation.

Phase I

The work carried out in this stage and costs include:

	<u>\$</u>
1. Hydrology studies by Piteau and Associates	20,000
2. Site preparation work	3,500
3. Drilling of test well and piezometer holes	51,000
4. Opening up of Melvin shaft and recapping	5,000
5. Erection of building over shaft, 6,000 ft. ² size	130,000
6. Preliminary Engineering Report	<u>15,000</u>
Phase I - Total	<u>224,500</u>



Phase II

The work included in this stage, with associated costs, is as follows:

	<u>\$</u>
1. Preparing a preliminary plan of approach and presenting it to the Inspector of Mines	4,000
2. Preparation of accurate surface maps	11,550
3. Refractive seismic surveys	12,650
4. Confirmatory drilling and sampling of gravels	36,200
5. Hydrological investigations	36,000
6. Feasibility and engineering studies to confirm the following:	
- Method of mining gravels including testwork	19,400
- Cost to rehabilitate workings including site work at property	13,900
- Re-estimation of gravel values based on further exploration	3,400
- Prepare final feasibility report on property	<u>14,100</u>
Phase II - Total	<u>151,200</u>

Note: These costs differ from the costs quoted in the preliminary engineering report. The changes are the result of obtaining, since the report was issued, revised estimates for parts of the work program.



Phase III

The work in Phase III is to dewater the Melvin shaft. Sufficient information is not available to enable us to make a detailed estimate. The following costs are very approximate and are intended only to give an indication of the expected level of costs.

	<u>\$</u>
1. Mobilization of equipment and preparation of surface facilities	90,000
2. Dewatering of shaft including minor retimbering to gain access to shaft bottom	<u>78,000</u>
Phase III - Total	<u>168,000</u>

This estimate assumes that no grouting from surface will be required. It also assumes that the shaft linings are in good condition and only minor amounts of debris are present at the shaft bottom. These assumptions have not been confirmed.



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CERTIFICATE

I, Walter E. Clarke, of the City of Victoria, British Columbia, do hereby certify that:

1. I am a consulting geological and mining engineer with an office at 1362 Dallas Road, Victoria, British Columbia, V8S 1A1.
2. I am a graduate of Queen's University (1939) Kingston, Ontario, with a B.Sc. degree in Geology and Mineralogy.
3. I have practiced my profession for over 40 years in the fields of geological exploration, mine development and operating, and consulting, throughout Canada, Western United States and various foreign countries.
4. I am a member in good standing of the Association of Professional Engineers in the provinces of British Columbia and Ontario.
5. I examined the surface areas of the Wingdam claims on 28th August, 1986.
6. I have no interest, either direct or indirect, in the properties or securities of Silver Ridge Resources Inc., or Gold Ridge Resources Inc., nor do I expect to acquire any such interest in the future.
7. I consent to the use of this Summary report in a Prospectus, Statement of Material Facts or Qualifying Report.

Walter E. Clarke

WALTER E. CLARKE, B.Sc., P.Eng.,

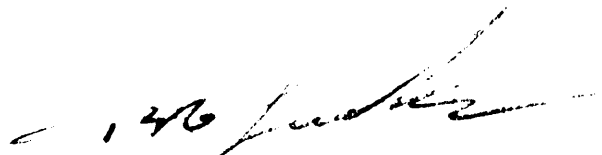
13 NOVEMBER, 1986



CERTIFICATE

I, Robert Alexander James Leader, employed by Wright Engineers Limited of 1444 Alberni Street, Vancouver, B.C. do hereby certify that:

1. I am a Senior Mining Engineer, employed by Wright Engineers Limited.
2. I hold an A.C.S.M. (First class) from the Camborne School of Mines, Cornwall, England and a Master of Science (Engineering) from Queens University, Kingston, Ontario.
3. I have practiced my profession for more than 12 years.
4. I am a registered Professional Engineer in the Province of British Columbia.
5. I examined the surface areas of the Wingdam claims on 28th August, 1986.
6. I have no interest, direct or indirect, in the properties or securities of Silver Ridge Resources Inc., or Gold Ridge Resources Inc., nor do I expect to acquire any such interest in the future.
7. I consent to the use of this Summary report in a Prospectus, Statement of Material Facts or Qualifying Report.


R.A.J. LEADER, P.Eng.,

13 NOVEMBER, 1986



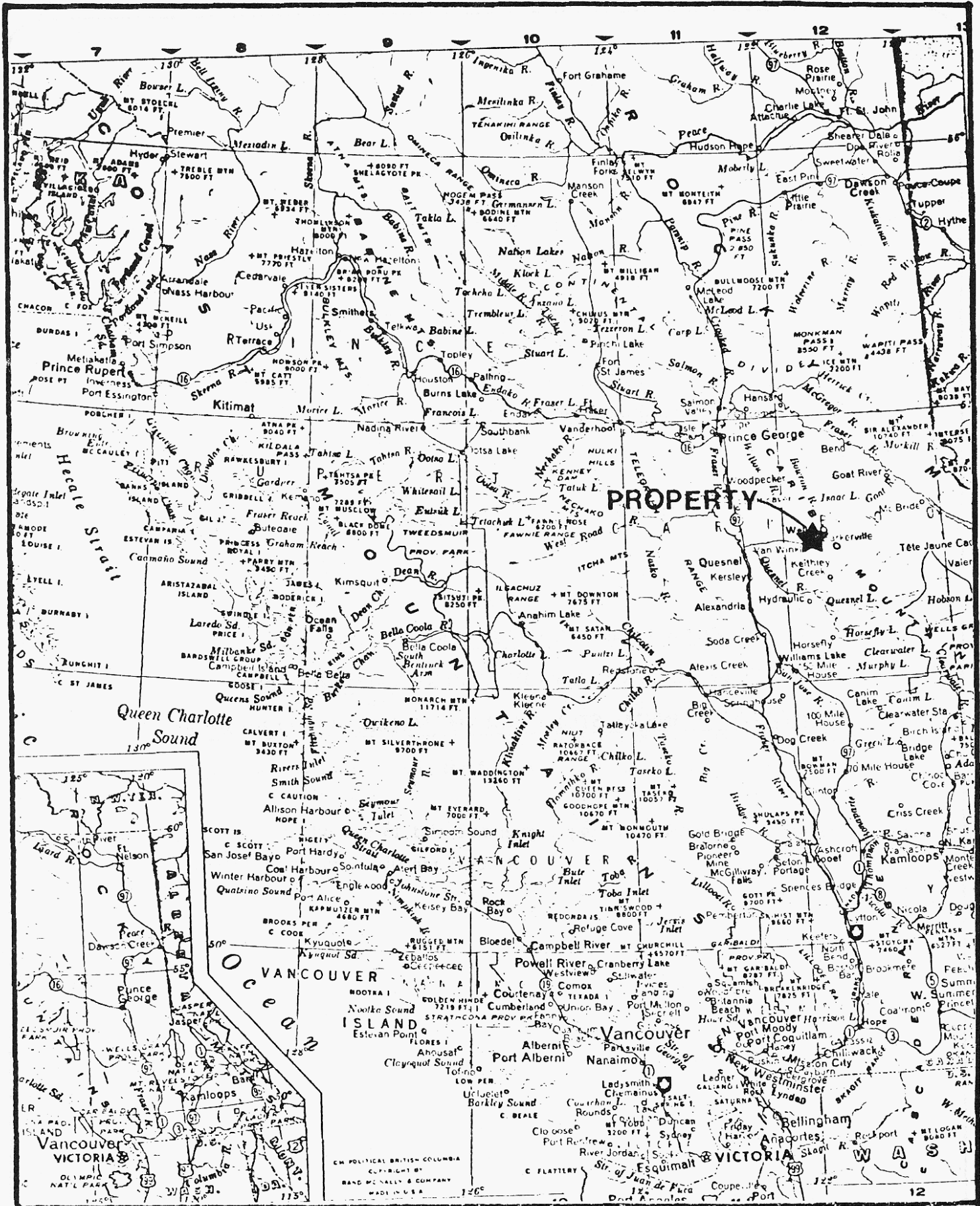
APPENDIX

PITEAU AND ASSOCIATES ENGINEERING LTD.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

"HYDRO TECHNICAL STUDY FOR THE WINGDAM PLACER MINE"





LOCATION MAP



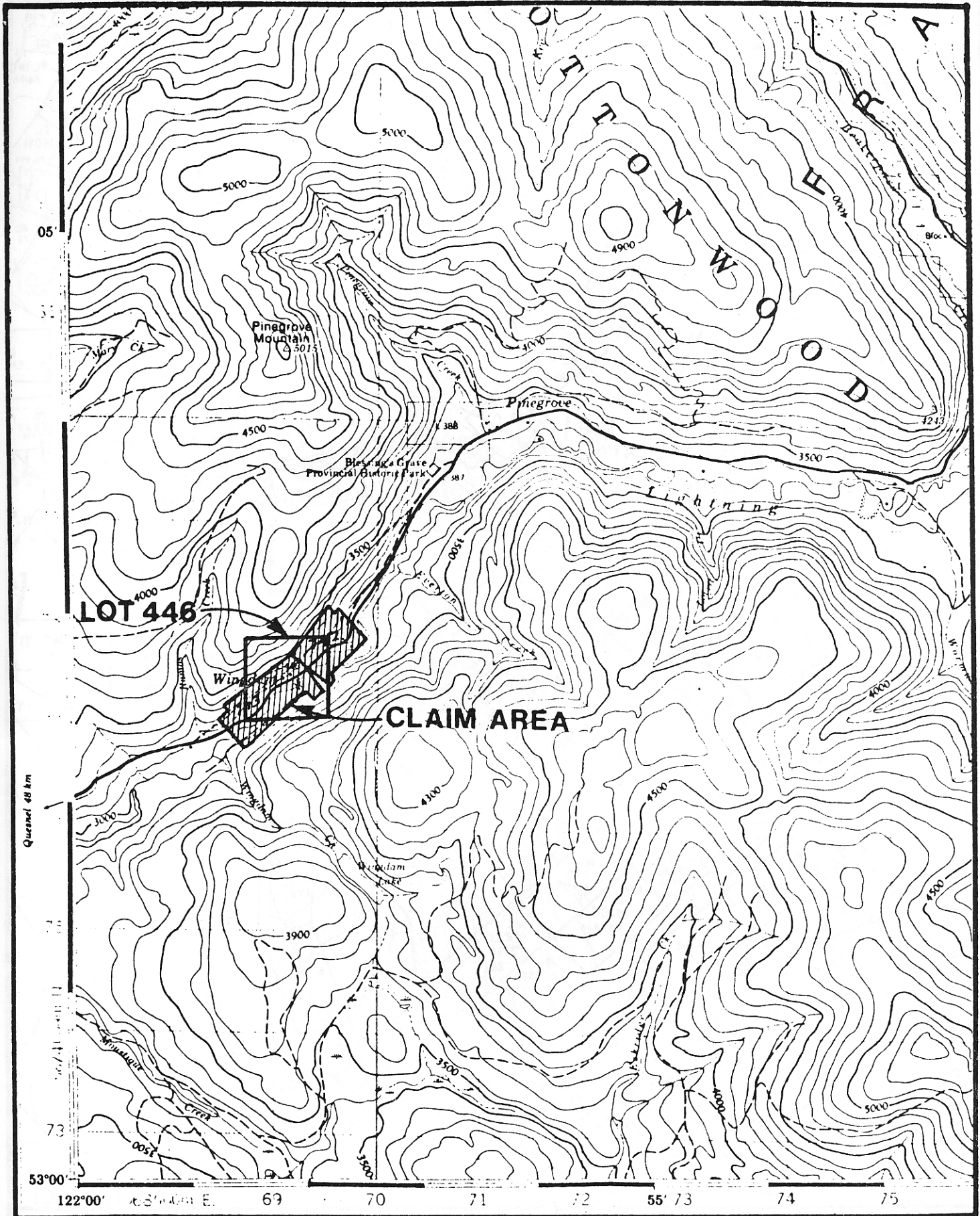
WRIGHT ENGINEERS LIMITED
VANCOUVER
CANADA

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Check		Appr. Date	

DRAWING NO.

REV

A1481 100 FIG. 1

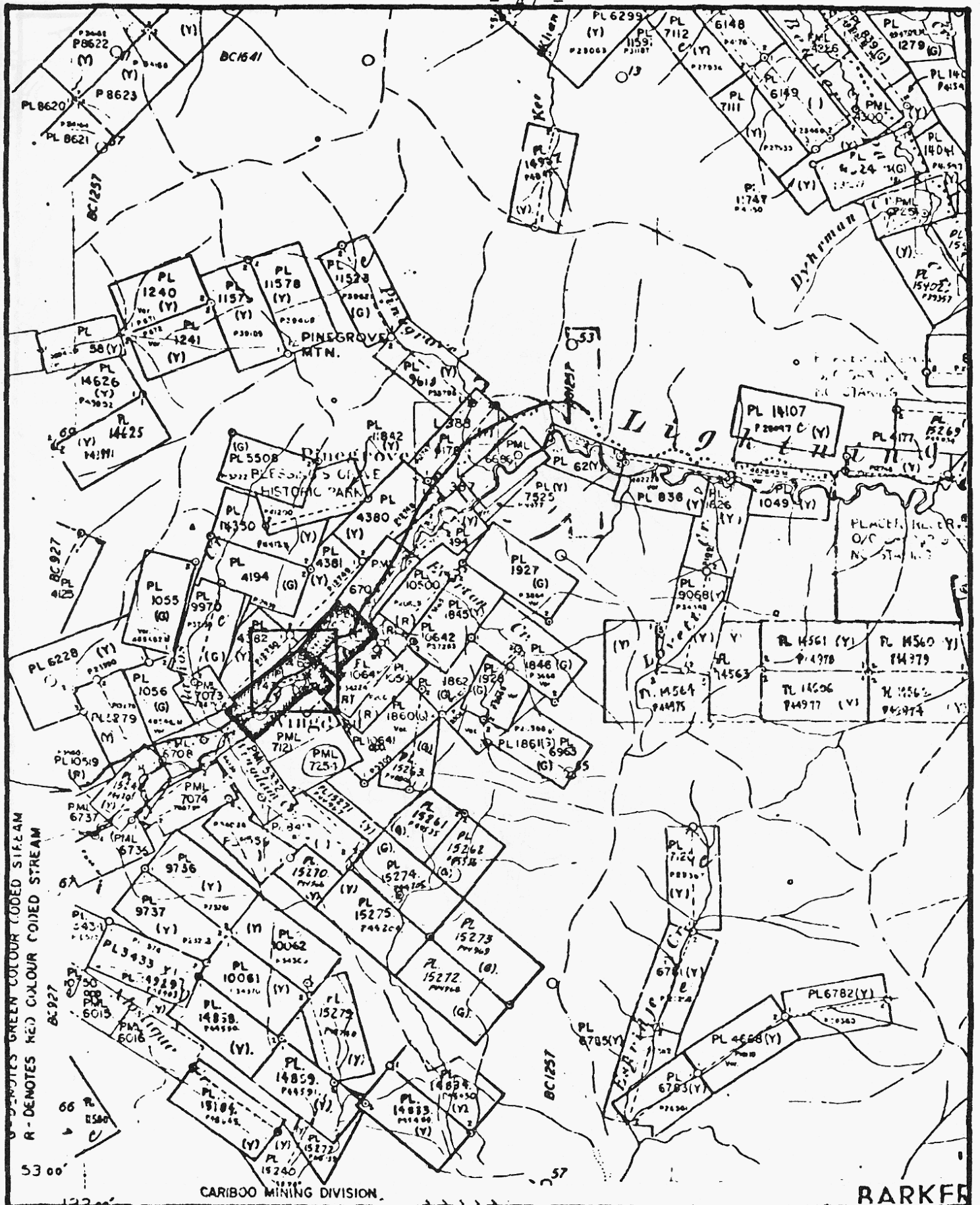


ACCESS MAP

WRIGHT ENGINEERS LIMITED
VANCOUVER CANADA

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Check		Appr. Date	

DRAWING NO.			REV
A	1481	100	FIG. 2

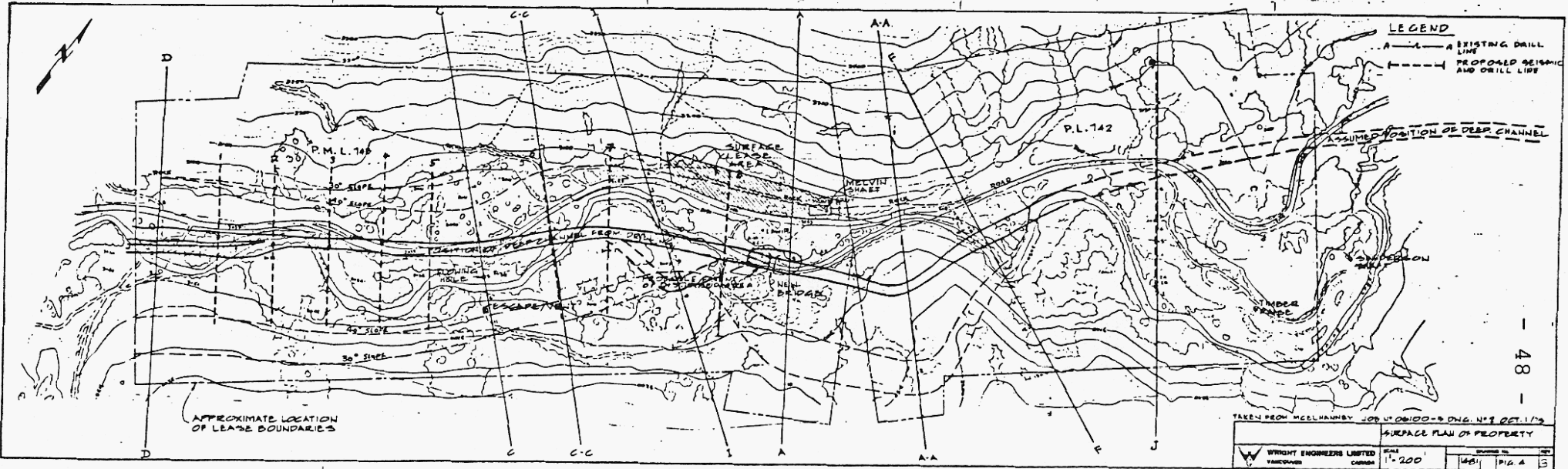


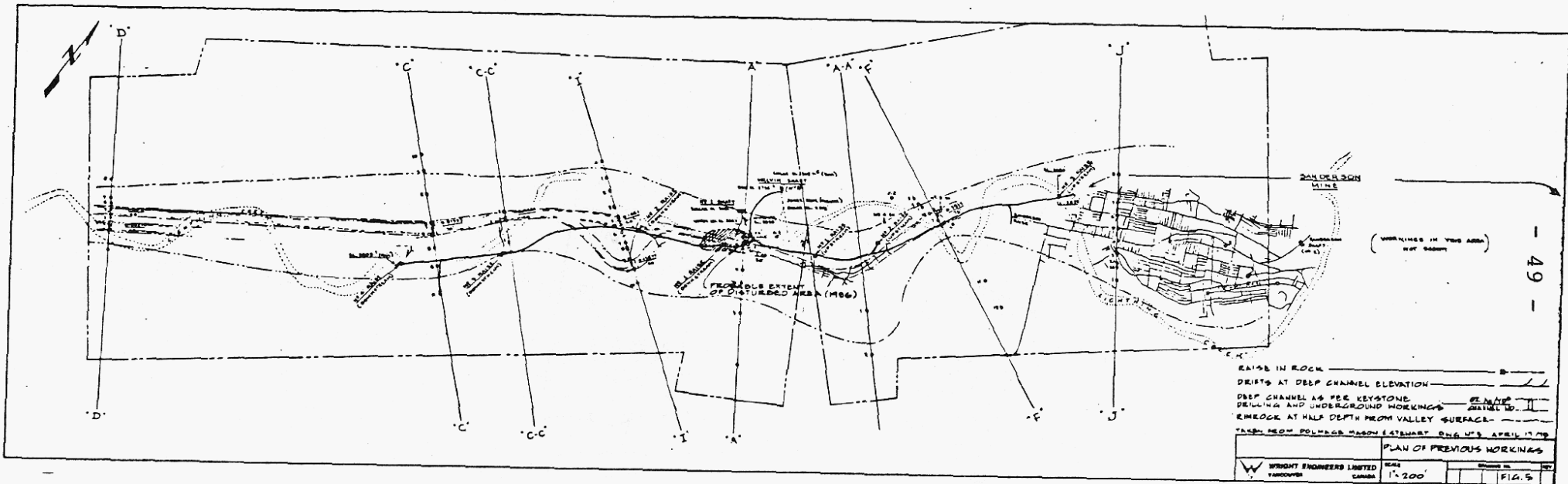
CLAIM MAP

WRIGHT ENGINEERS LIMITED
VANCOUVER CANADA

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A 1481	100	FIG. 3	







PITEAU ASSOCIATES
GEOTECHNICAL AND
HYDROGEOLOGICAL CONSULTANTS

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DENNIS C. MARTIN
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ALAN F. STEWART
FREDERIC B. CLARIDGE
TADEUSZ L. DABROWSKI

SUMMARY

Water has been the principal source of problems encountered during past mining activities on the Wingdam placer leases. Available records indicate that average monthly water pumpage from the operating mine workings in the 1930's was as high as 1100 igpm in some months during the spring runoff period (June-July). In the past, high water flows into the deep lead drifts made it very difficult to stabilize the mining face, particularly in zones where silty fine sand (generally referred to as "slum") was encountered. In some areas, seepage inflows caused sudden intrushes of slum. In March 1938, this intrush caused a chain reaction which ultimately led to major subsidence. On this occasion, the subsidence was sufficiently disruptive that Lightning Creek entered the downstream No. 1 raise, flooded the entire Melvin drift and effectively terminated mine operations. Information available on the operation of this mine in the 1960's also indicates that small intrushes of slum followed by subsidence again caused closure of the mine. Previous mining experience under the conditions present at the Wingdam Placer Mine indicates that proper control of groundwater is essential for safe and profitable operation of the mine.

In order to obtain the required information on groundwater flow and sediment types, a drilling and testing program was carried out in late August and September, 1986. This involved drilling and sampling surficial sediments, installing piezometers, constructing a test well and performing a pumping test on the well. The results of the field program were used to determine the hydrogeological properties of the surficial sediments at the site and to interpret the local groundwater flow systems.

Based on the data analyzed from these tests, it is concluded that the underground workings appear to have a good hydraulic connection to a surface water source, probably Lightning Creek, at some point approximately 500m upstream from the Melvin Shaft.



An exploration hole, located approximately 500m downstream from the Melvin Shaft, has an artesian head and flows at a rate of about 150 gpm. The differences between hydraulic heads measured in the Melvin Shaft and in the deep lead gravels at the pump test site indicate that the underground drifts have a very limited effect on groundwater flow in the deep lead. This could change, however, if the drifts are dewatered and very high hydraulic gradients toward the underground workings are induced.

In order to reduce problems associated with large groundwater inflows to the workings, the deep lead gravel and overlying slum should be depressurized prior to drifting into the deep lead. Although some attempts at depressurization of the unconsolidated sediments were used during the previous unsuccessful mining attempts, the methods used were not as effective as the methods that are in use today, and did not provide sufficient depressurization. It is considered that by using a combination of relatively inexpensive dewatering wells and plastic lined drainholes, the deep lead and overlying slum can be sufficiently depressurized to enable use of conventional ground support systems in most areas of the mine. It is concluded that more expensive seepage and support systems will be required only in the rather localized areas where recharge from Lightning Creek is significant.

In order to better evaluate the drainability of the sediments, it is recommended that another pumping test be carried out and evaluated in an area where little or no disturbance by previous mining activity has occurred. The testing work described in this report was performed in an area where some subsidence had occurred and, hence, created the potential for more than average recharge to the deep lead from Lightning Creek. The proposed second phase testing program should provide a better understanding of the degree of hydraulic separation between the deep lead and Lightning Creek.



Water pumped from the underground workings is expected to be of adequate quality to enable direct discharge into Lightning Creek, after passing through a settling pond designed to remove suspended solids. A short site investigation and some geotechnical design work should be carried out in the potential settling pond area southwest of the Melvin Shaft, prior to construction of ponds and eventual pumping of underground workings.

8. CONCLUSIONS AND RECOMMENDATIONS

1. It has been estimated that a pumping capacity of 1500 igpm (113 L/s) will be required to dewater the shaft within a period of three months. If time is likely to be a critical factor, we recommend that a pump system capable of producing 2000 igpm (150 L/s) be installed in order to provide some factor of safety against unexpected inflows caused by one or a combination of factors. For example, a leaky connection with Lightning Creek may have originated if subsidence caused the mine closure in 1964.
2. Possible problems related to suspended sediments in the water and sludge in the rock drifts and shaft sump should also be anticipated, so that pumping does not have to be interrupted once dewatering starts. In this regard, settling ponds capable of handling the anticipated flows, and a pump capable of pumping thick slurries, may be required. Based on a water sample obtained from the flowing hole, which is almost certainly discharge from the Melvin drifts, the chemical quality of the discharge should not be a problem.
3. Our preliminary analyses indicate that, in areas where subsidence has not occurred, it will be possible to depressurize the deep lead gravel and overlying slum. Up to ten 20 L/s (260 gpm) dewatering wells, with three in operation at any given time, may be required to achieve approximately 50% of the required depressurization. Tentatively, these wells should be of similar construction to the test well. The purpose of these wells is to reduce pore pressures to allow installation of drainholes under less adverse conditions.

4. After the required dewatering wells are in operation, drainholes and monitoring holes should be installed from the underground drifts. Only when these drainholes are installed, and when monitoring data indicates that piezometric pressures in the deep lead gravel and slum have been sufficiently reduced to ensure stability for the drift, should mining in the deep lead commence. Criteria for establishing the stability of the drift in the deep lead will have to be developed, along with the best mining method. These criteria would be based on geomechanical properties of the slum and deep lead gravel units, the degree of depressurization, and on the type of support system used.
5. If the steel casings were left in selected future 200mm diameter surface exploration holes, they could be completed as dewatering wells. Also, it would be feasible to monitor water levels in the casing, thereby providing a means of monitoring the degree of connection between the drifts and the deep lead, as the drift is being dewatered.
6. It is concluded that it is feasible to mine in areas where subsidence has occurred. However, careful planning will be required to ensure that depressurization of the basal sand and gravel and the overlying slum is achieved. It is anticipated that the required rate of pumping from these zones will be up to three times greater than from undisturbed (non-subsidence) areas. A high density of wells and/or drainholes is almost certainly going to be required in these zones.
7. Information regarding the operation of this mine in the 1960's should be researched, as it would be invaluable in assessing the severity of groundwater problems which could be encountered. Of particular importance are any details on slum intrusions and/or subsidence which may have been a factor in abandonment of this mine in 1964.

8. Before mining commences, the extent and thickness of the "slum" should be sufficiently well delineated so that areas where slum is likely either absent, or of limited extent, can be identified and mined first. Areas where slum is present, but where subsidence has not occurred in the past, should be mined next. Areas where subsidence has previously occurred should be mined last, by which time a good dewatering and mining system would be developed, based on experiences in the areas of more stable ground.
9. Additional drilling and hydrogeology studies will be required in the 2nd phase of mine evaluation. In particular, a pump test performed in an area where subsidence has not occurred should be performed. We suggest that these studies be coordinated with drilling to confirm ore grades, in order to minimize costs. The nature of this work can be included in a separate proposal.

Respectfully submitted,

PITEAU ASSOCIATES ENGINEERING LTD.



R. Allan Dakin, P.Eng.



Andrew T. Holmes, P.Eng.



WRIGHT ENGINEERS LIMITED

Phone (604) 684-9371 • Cable "WRIGHTENG" • Telex 04-54367

1444 Alberni Street, Vancouver, British Columbia, Canada, V6G 2Z4

Project No: 1481-210

April 24, 1987

Gold Ridge Resources Inc.
2104 - 1450 West Georgia Street
Vancouver, B.C.
V6G 2T8

Dear Sirs:

Re: Wingdam Placer Property

We are writing in regard to the phased development program outlined in our Summary of a Preliminary Report on the Wingdam Property. The current status of this development program is as follows. Phases I and II have been successfully completed. Based on the results of these programs, studies are now being undertaken to examine methods of effectively extracting the placer gold prior to commencing with the next phase of work, which is the development of the property. Methods under review include conventional mining, freezing and grouting support techniques and leaching.

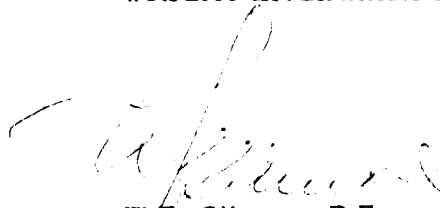
We consent to the inclusion of this letter in a prospectus or statement of material fact.

Neither our firm nor any member thereof has received or expects to receive, to the best of our knowledge, any interest in the property of Gold Ridge Resources Inc., or any associate or affiliate thereof. Neither do we own directly or indirectly any securities of Gold Ridge Resources Inc., or any associate or affiliate thereof.

No member of our firm is or expects to be elected, appointed, or employed as a Director, officer or employee of Gold Ridge Resources Inc.

Yours very truly,

WRIGHT ENGINEERS LIMITED



W.F. Gilmore, P.Eng.,
Vice President, Mining


WFG/JL/srm

CERTIFICATE OF THE ISSUER

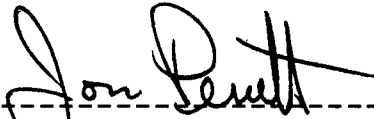
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act and the Regulations thereunder.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of May 1987.

GOLD RIDGE RESOURCES INC.




SYDNEY FULLJAMES, Chief
Executive Officer



JON BRIAN PERRETT, Chief
Financial Officer

On behalf of the Board of Directors



BARRY GREGORY WILSON, Director

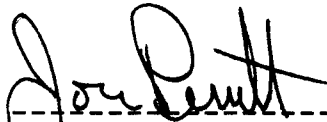


LEONE FINSKARS, Director

Promoters



SYDNEY FULLJAMES



JON BRIAN PERRETT




BARRY GREGORY WILSON

CERTIFICATE OF THE AGENT

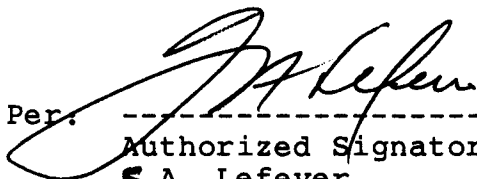
To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act.

DATED at the City of Vancouver, Province of British Columbia, this 7th day of May, 1987.

BRINK, HUDSON & LEFEVER LTD.

Per: 

Authorized Signatory
B.D. Graves, President

Per: 

Authorized Signatory
F.A. Lefever