

103H

{ SURF MINE 103H 046, 047, 048, 049
PUGSLEY MINE 103H 027

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HALLEY RESOURCES LTD.

CORPORATE PROFILE

The business of the Company is to explore and develop precious metals projects in Canada and the United States.

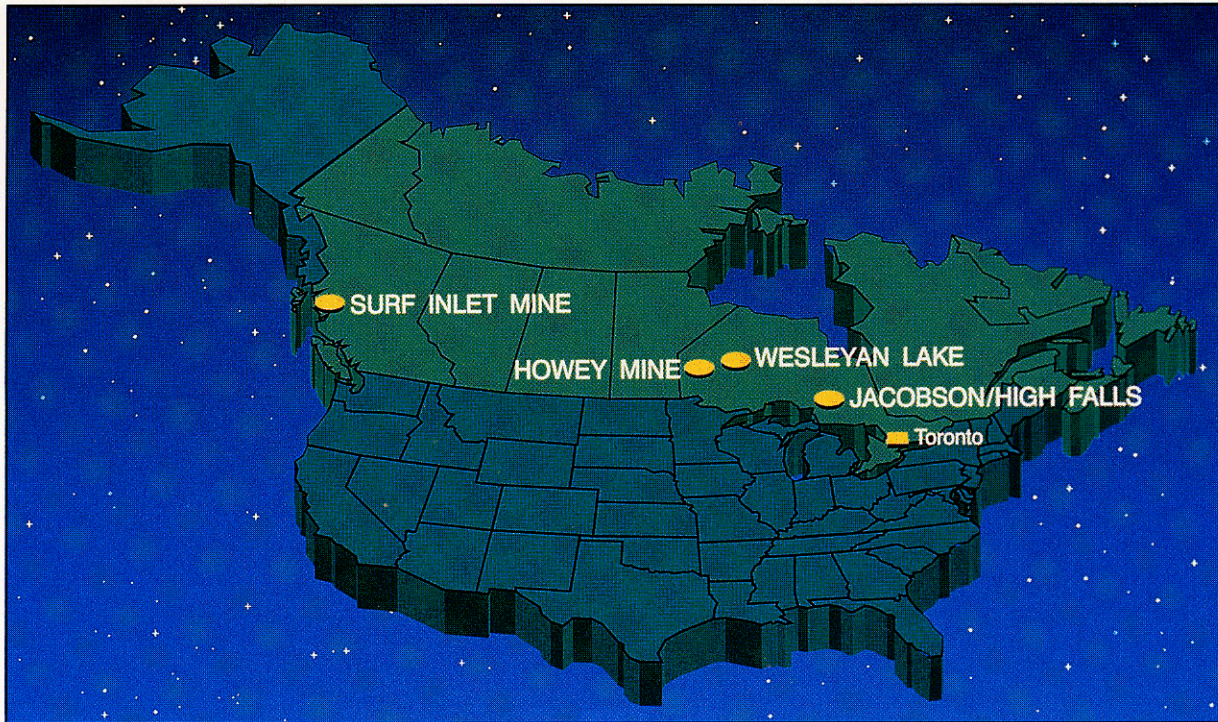
The main interest, through exploration and mining, is gold. Several major exploration programs are presently underway in the Province of Ontario, Canada.

In addition, subject to regulatory approval, the Company has acquired a 28% controlling interest in the common shares of Surf Inlet Mines Ltd. (V.S.E. -SFE) which controls the Surf Inlet Mine in the Province of British Columbia, Canada.

It is Halley's corporate plan to continue the exploration and development of present projects unilaterally, by utilizing current cash and exploration resources of \$4,000,000, or with new joint venture partners.

Furthermore, it is management's intention to pursue acquisitions of gold properties of merit that are near, or in, a production phase.

COMPANY HOLDINGS



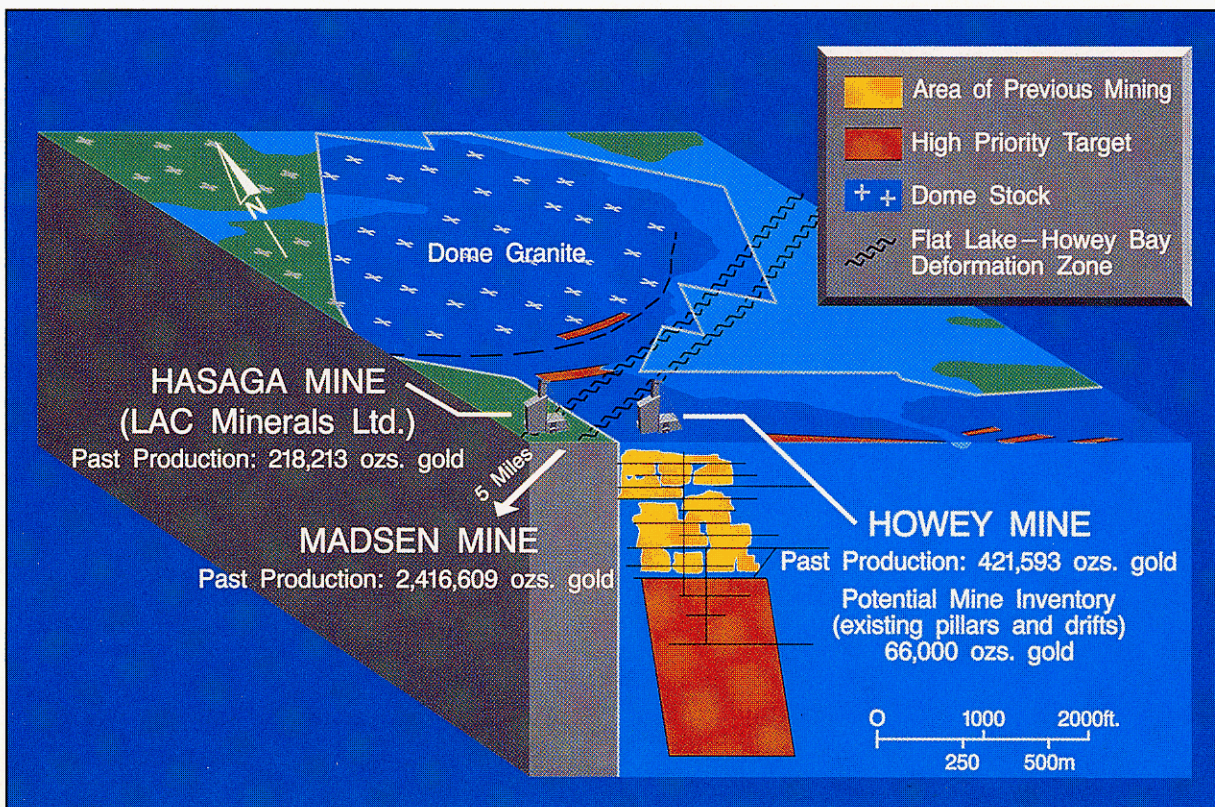
HOWEY MINE

The 1400 acre Howey Mine property is located in the heart of the famous Red Lake Gold Camp of northwestern Ontario, where 14 past and present mines have yielded more than 13.6 million ounces of gold.

During the period 1930-41, the Howey Mine produced a total of 421,593 ounces of gold from 10 levels to a depth of 1315 ft. In the initial years, ore grading 0.16 to 0.22 ounces gold per ton was mined from 15 to 40 ft. wide stopes while in later years, lower grade material was mined from stope widths in excess of 60 ft.

Existing pillars and drifts within the Howey Mine are estimated at 323,000 tons grading 0.14 ounces gold per ton, with a total potential inventory of 66,000 ounces of gold remaining underground to a depth of 2,000 ft. A \$900,000 surface exploration program is currently underway to evaluate the down-dip and on-strike extensions to the Howey Mine orebody, as well as two other favourable trends which have yielded encouraging results from limited previous work.

By incurring exploration expenditures of \$3,000,000, Halley (30%) and joint venture partner Newfields Minerals Inc. (20%) can earn a 50% interest in the Howey Mine from Teck Corporation, the operators of the current program.

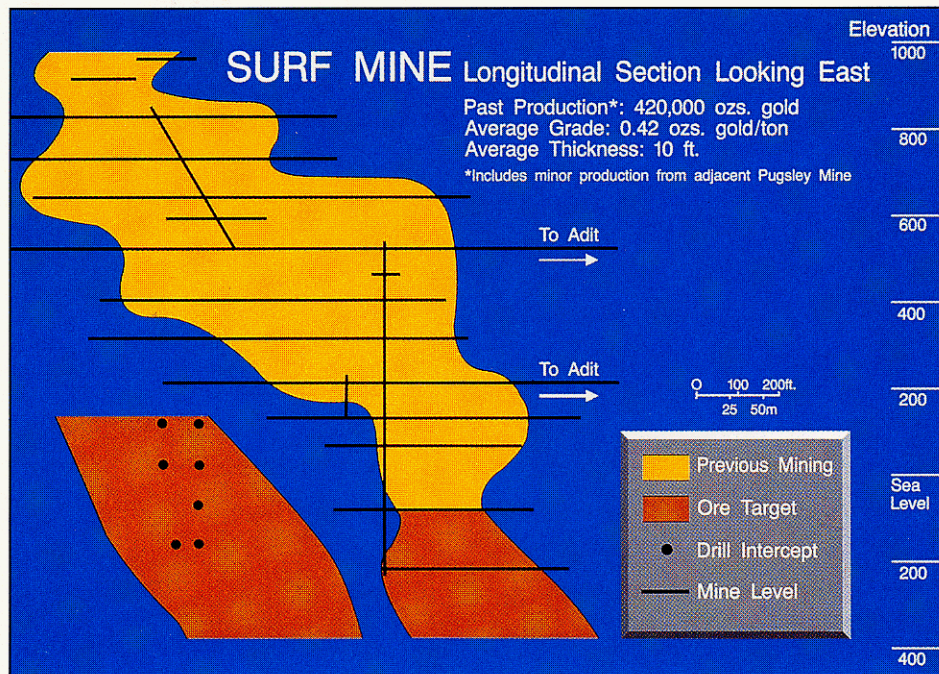


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SURF INLET MINES LTD.

Halley owns 1,000,000 shares of Surf Inlet Mines Ltd. (V.S.E. symbol - S.F.E.) which represents 28% of the outstanding common shares.

Surf Inlet Mines Ltd. can earn controlling interest in the Surf and Pugsley Mines situated 400 miles northwest of Vancouver, British Columbia. These adjacent past producers have yielded approximately 420,000 ounces of gold during operations from 1917 to 1926 and 1936 to 1942. Previous mining of the Surf orebody, the most significant of the two deposits, yielded 0.42 ounces gold per ton over an average mining width of 10 feet. Underground drilling in the early 1940's intersected very encouraging gold values (including 0.19 ounces gold per ton over 10.0 ft. and 0.68 ounces gold per ton over 3.0 ft.) suggesting that a new ore shoot of similar size and grade to the main orebody may be present at depth to the north. At the Pugsley Mine, current reserves are estimated at approximately 45,000 tons grading 0.4 ounces gold per ton, with numerous high priority targets identified. An aggressive underground drilling program has been proposed to evaluate the excellent exploration potential of both the Surf and Pugsley Mines.



CANLORM PROPERTIES

Through an agreement with Canlorm Resources Inc., Halley can earn a 50% interest in 3 promising Ontario gold properties through exploration expenditures of \$750,000 over a 3 year period;

JACOBSON

The Jacobson property is located near Wawa, Ontario in close proximity to several advanced exploration and/or production projects in the active Goudreau-Lochalsh Area. The claim group is 1.5 miles southeast of Canamax Resources' Kremzar Deposit (1,100,000 tons grading 0.235 ounces gold per ton), scheduled for production in late 1988, and 4.8 miles east-northeast of the Magino Deposit (1,926,645 tons grading 0.25 ounces gold per ton), currently being brought into production by McNellen Resources and Muscocho Explorations.

Recent exploration successes on several other promising prospects in the vicinity strongly suggests that the Goudreau-Lochalsh Area will develop into a significant gold mining camp.

The limited previous work on the Jacobson property has identified at least four mineralized trends, two of which may line-up with recently discovered gold mineralization on adjacent properties. The entire Jacobson claim group is contained within the same broad regional shear system responsible for the significant Kremzar and Magino gold deposits.

The 1988 exploration program on the Jacobson property will include detailed geophysics, surface trenching and shallow overburden drilling followed by diamond drilling.

HIGH FALLS

The 1,000 acre High Falls property, also located near Wawa, Ontario, is situated in close proximity to several former mines with cumulative past production of greater than 100,000 ounces of gold. These former producers, currently held by Citadel Gold Mines, contain current reserves of 508,500 tons grading 0.22 ounces gold per ton.

Exploration to date has identified numerous attractive gold showings on the High Falls property, with values up to 1.34 ounces gold per ton over 5.0 feet. Many of these promising targets have received minimal, if any, diamond drill investigation. The 1988 exploration program on the High Falls claim group will prioritize these target areas through detailed mapping and surface trenching, to be followed by diamond drilling.

WESLEYAN LAKE

The Wesleyan Lake property is located in the Bamaji Lake Area, 60 miles west-southwest of Pickle Lake, Ontario. The Bamaji Lake district, with its numerous precious metal occurrences, has attracted the attention of many major and junior exploration companies.

Work to date on the adjacent property held by Sulpetro Minerals has identified four mineralized shear zones. Limited diamond drilling on Sulpetro's "Main Zone" has yielded values up to 0.74 ounces gold per ton over moderate widths, with the structure projected to extend directly onto the Wesleyan Lake claim group. An additional target is represented by a tetrahedrite-bearing shear zone which has yielded significant gold-silver values from preliminary sampling. The 1988 exploration program on the Wesleyan Lake property will include prospecting and geological mapping together with surface trenching and sampling.

HALLEY RESOURCES LTD.

TRADING SYMBOL

HLL - Vancouver Stock Exchange

S.E.C. 12g EXEMPTION #

82-1653

ADDRESS

304-701 West Georgia Street
P.O. Box 10368
Vancouver, B.C. V7Y 1G5

TELEPHONE

(604) 682-0414

FAX NUMBER

(604) 682-8641

BANK

C.I.B.C.
Granville & Dunsmuir
Vancouver, B.C. V6C 1X5
665-1927

SOLICITOR

Maitland & Company
Michael Seifert
700 - 625 Howe St., Box 54
Vancouver, B.C.
681-7474

AUDITOR

Russell & Co.
Joyce Yurik
5503 Huckleberry Lane
North Vancouver, B.C. V7R 4N9
987-4451

TRANSFER AGENT

Pacific Corporate Services Limited
John Halse
830 - 625 Howe Street
Vancouver, B.C. V6C 1N9
689-9853

SHARE CAPITAL:

20,000,000 shares no par value
4,696,725 issued & outstanding
1,500,000 escrow shares.

DIRECTORS & OFFICERS:

OFFICERS:

Roy R. Brown, Chairman
David Patterson, President
Barbara Atkins, Secretary

DIRECTORS:

Roy R. Brown
David Patterson
Douglas C. Brazier