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103-I 018-

Quartz Silver

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND 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
EFFECTIVE DATE: FEBRUARY 23, 1988

NEW ISSUE
DATED: February 15, 1988

MOUNT ALLARD RESOURCES LTD.

4624 Tuck Avenue
Terrace, British Columbia
V8G 2G2

(hereinafter called the "Issuer")

600,000 Common Shares

	Price to the public	Commission ⁽¹⁾	Net Proceeds to be Received by the Issuer ⁽²⁾
Per Share	\$0.55 ⁽³⁾	\$0.07	\$0.48
Total	\$330,000	\$42,000	\$288,000

- (1) The Agents have been granted a warrant to acquire 150,000 shares of the Issuer at a price of \$0.56 per share. Further references should be made to the section titled "Options to Purchase Securities" in this Prospectus.
- (2) Before deduction of the costs of the issue, including applicable Vancouver Stock Exchange and Regulatory fees, estimated to be \$25,000.00.
- (3) The price of the shares has been determined by the Issuer through negotiations with the Agents.

There is no market through which these securities may be sold and the price of the shares was established by the Issuer in negotiation with the Agents.

This Prospectus also qualifies the issuance of the Agent's Warrants. The Agent may sell any shares acquired on the exercise of the warrants pursuant to the Securities Act or Regulations without further qualification. See "Plan of Distribution" on page 1.

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 any property of the Issuer has been made and therefore in accordance with the laws of the jurisdiction in which the properties are situated, their existence and value could be in doubt. See also the heading "Risk Factors" herein. With respect to the expenditure or the diversion of funds by the Issuer, see the heading "Use of Proceeds".

The Vancouver Stock Exchange has conditionally listed the securities being offered pursuant to this Prospectus. Listing is subject to the listing requirements of the Vancouver Stock Exchange on or before August 22, 1988, including prescribed distribution requirements.

The Issuer does not intend 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.

Offering this issue will represent 31.43% of the shares then outstanding as compared to 42.96% that will then be held by the Issuer, its directors, promoters, directors and senior officers of the Issuer and by Agents and their associates. Refer to the heading "Directors and Officers of the Securities" herein for details of shares held by directors, promoters and controlling persons and associates.

A person defined as an "underwriter" for the purpose of Local Policy Statement 3-30 of the British Columbia Securities Commission has purchased, prior to this Offering, 20,000 shares in the capital of the Issuer, all of which were purchased by him for \$0.25 per share.

One or more of the directors and officer of the Issuer has an interest, direct or indirect, in other natural resource companies. Reference should be made to the heading "Directors and Officers" herein for a comment as to the resolution of possible conflicts of interest.

We, as Agents, 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" in this Prospectus.

AGENTS

CANARIM INVESTMENT CORPORATION LTD.
22nd Floor, 609 Granville Street
Vancouver, British Columbia
V7X 1H2

MERIT INVESTMENT CORPORATION
1500 - 625 Howe Street
Vancouver, British Columbia
V6C 2T6

PROPERTY FILE
103-I 018

APPENDIX B

SUMMARY REPORT
on the
QUARTZ - SILVER CLAIMS
for
MT. ALLARD RESOURCES LTD.

G. Cavey
J. Chapman
August 13th. 1987

OREQUEST



SUMMARY

A preliminary program involving geological mapping, soil and rock geochemistry, prospecting, VLF-EM and magnetometer surveys was carried out on the Quartz - Silver claims of Mt. Allard Resources during June, 1987. The work was performed by OreQuest Consultants Ltd.

Several base and precious metal bearing quartz veins exposed along a road cut led to the staking of the claim block. These veins are associated with felsic dykes related to the Alice Arm intrusives.

Neighbouring properties currently being explored by Mascot Gold Mines and Terracamp Developments Ltd. have encountered high grade gold values in similar environments.

Cut line grids were established over two zones on the property for geochemical and geophysical surveys. Both grids cover areas of exposed quartz sulphide veins and felsic dykes.

A program of additional geochemical soil sampling to expand the current grid areas, followed by trenching, is recommended for the property.

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G. Cavey. Consulting Geologist	
J. Chapman. Consulting Geologist	
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INTRODUCTION

The exploration model for the property targets high grade gold bearing quartz - sulphide veins associated with Tertiary dykes intruding the Jurassic - Cretaceous Bowser sediments.

Outcrop is of limited extent on the property so that soil geochemistry and geophysical surveys are the primary exploration techniques.

Mineralization consists of pyrite, arsenopyrite, galena, sphalerite and chalcopyrite as lenses and pods within the quartz veins, and as disseminations within the dykes. The veins are normally associated with felsic dykes which cut the argillites and sandstones of the Bowser group.

LOCATION AND ACCESS

The Quartz - Silver mineral claim group is 24 kilometers north of the city of Terrace located in west - central B.C. The claim block is situated on the south side of the Nelson River and is centered at 54°43' North Latitude and 128°52' West Longitude on NTS map sheet 103I/10 W (Fig. 1).

Easy access is provided to the claims by an all weather gravel road which leaves the Yellowhead #16 Highway approximately 5 kilometers west of Terrace and passes 5 km to the east of the claim group.

The majority of the claim group is accessible by several old, 4 wheel drive logging roads which branch off the main access road.

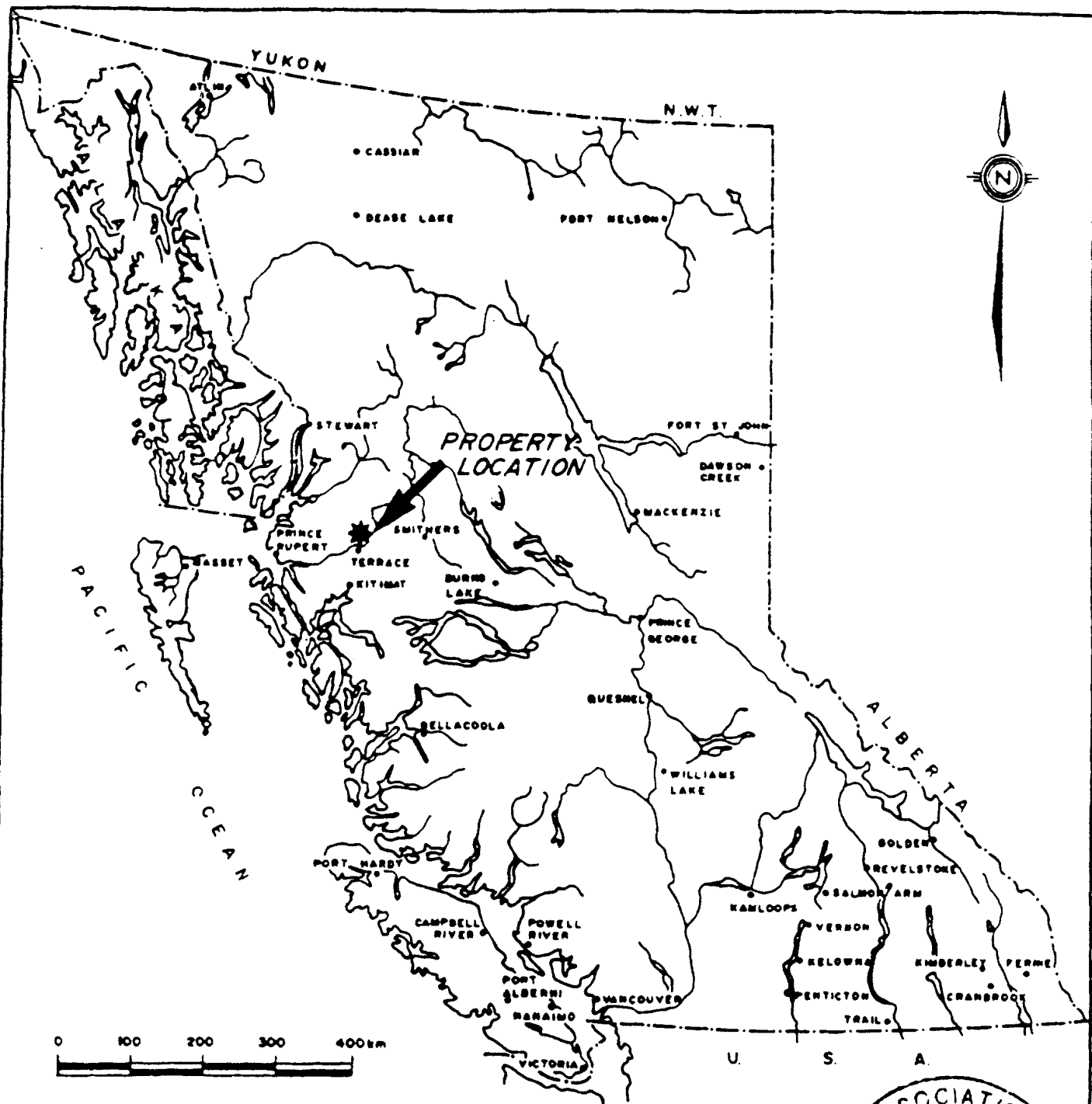


FIGURE 1

PROPERTY LOCATION MAP

MOUNT ALLARD RESOURCES LTD.

QUARTZ-SILVER, GAP 1 CLAIMS

SKEENA MINING DIVISION, N.T.S. 103I/10W, BC.

OREQUEST



Supporting infrastructure is well established with the main power transmission line which supplies power to the Nass Valley passing by the claim group, while the CNR Prince Rupert rail line which roughly follows the Yellowhead #16 Highway across B.C. is located 25 kilometers south of the property.

Canadian Airlines International has twice daily scheduled flights from Vancouver to Terrace.

PHYSIOGRAPHY

The property is located at the divide of the Pacific Ranges of the Coast Mountains and the Hazelton Mountains of the Intermontane Physiographic Belt.

The Kitsumkaium Valley is typical of a wide glaciated valley with flat, gently rolling valley bottoms and steep, rugged mountain flanks. Elevations on the property vary from 200 - 775 metres ASL.

The area has been logged leaving mostly immature cedar, hemlock, fir and spruce with choking intergrowths of alder and willow.

The Nelson River and several ponds on the property would provide enough water for any drilling needs.

PROPERTY STATUS

The Kalum group of claims consist of 3 claim blocks totalling 44 units (Fig. 2). All claims are owned by Mount Allard Resources Ltd. through an option

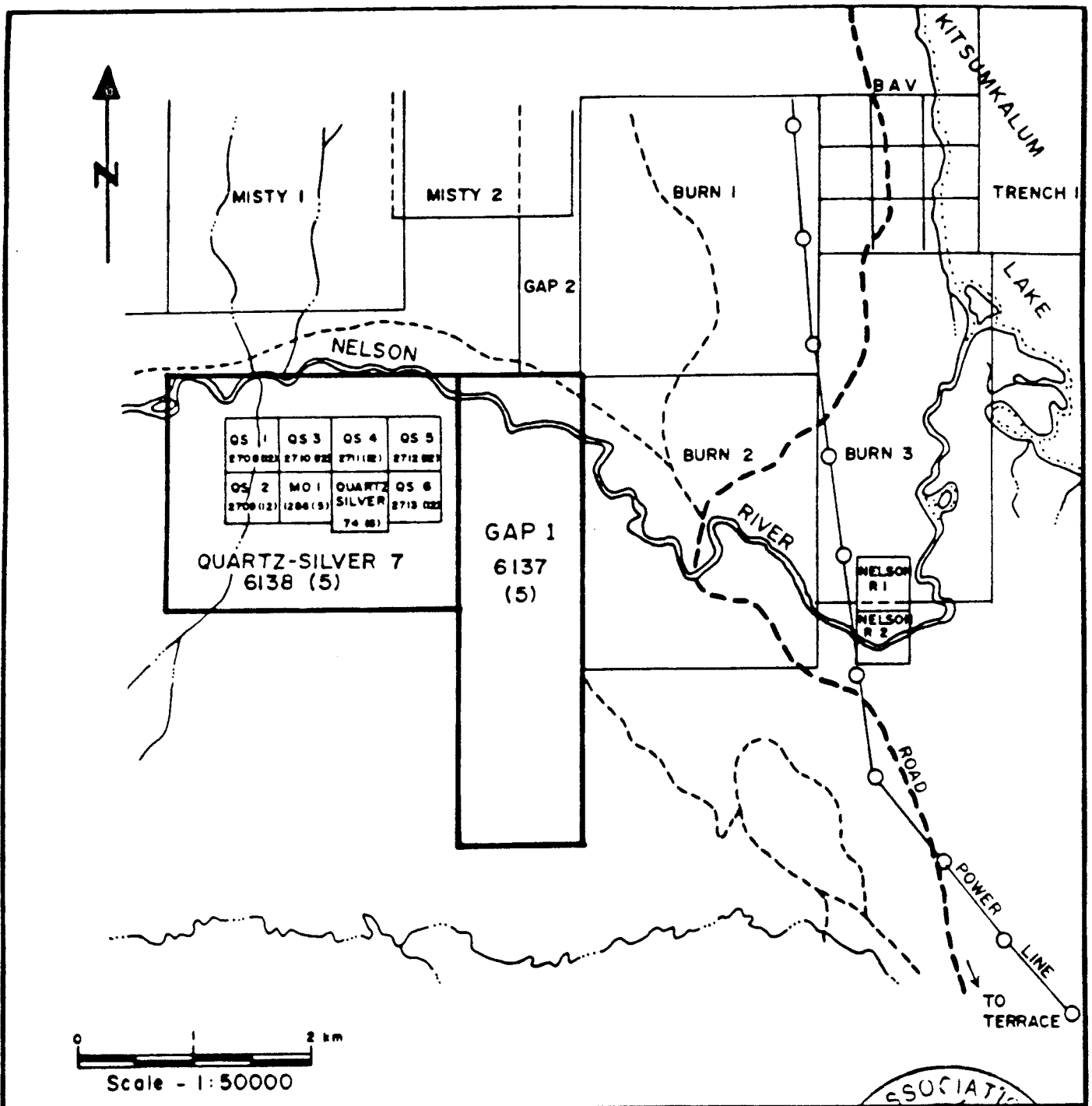


FIGURE 2

CLAIM MAP

MOUNT ALLARD RESOURCES LTD.

QUARTZ - SILVER, GAP 1 CLAIMS

SKEENA MINING DIVISION, N.T.S. 103I/10W, B.C.

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agreement with the Kalum Lake Mining Group.

The following table summarizes pertinent data for the claim block:

Claim Name	Units	Record #	Anniversary Date
GAP 1	16	6137 (5)	May 5, 1988
Quartz Silver 7	20	6138 (5)	May 5, 1988
QS 1 - 6	6	2708 - 2713 (12)	December 8, 1987
MO 1	1	1286 (5)	May 15, 1988
Quartz Silver	1	74 (6)	June 9, 1988

HISTORY AND PREVIOUS WORK

The original discovery was made by Mr. John Apolczer in 1968 during road building for logging operations. The Quartz - Silver claims were located by Mr. Apolczer and a Mr. Bates to cover this showing. Subsequently trenching and blasting were undertaken to increase exposure of the discovery showing and several other zones were identified.

The first record of work on the Quartz - Silver claims was carried out by W.M. Sharp for Atlantis Mines in 1969. This consisted of preliminary geological mapping and sampling, primarily along the road cut.

The property was returned to Mr. Apolczer and Mr. Bates in 1970, whereupon they completed two pack - sack diamond drill holes in the vicinity of the main quartz - sulphide vein. Recovery was poor, however sludge samples were collected and assayed.

In 1985, Imperial Metals acquired an option on the property and conducted geological mapping and soil sampling. The bulk of this work was carried out in the vicinity of the main showing. Some weak soil anomalies were reported from this work, however no follow - up was implemented.

The property's eastern border is common to the western border of Terracamp Developments Ltd., a newly listed Vancouver Stock Exchange company. A recent drill program compiled by OreQuest Consultants Ltd. (Cavey, Chapman, 1987) on the Terracamp property returned values as high as 4.9 oz/ton silver and 1.86 oz/ton gold in narrow drill intersections and had values of as high as 13.9 oz/ton silver and 7.3 oz/ton gold from two quartz veins with a granodiorite body.

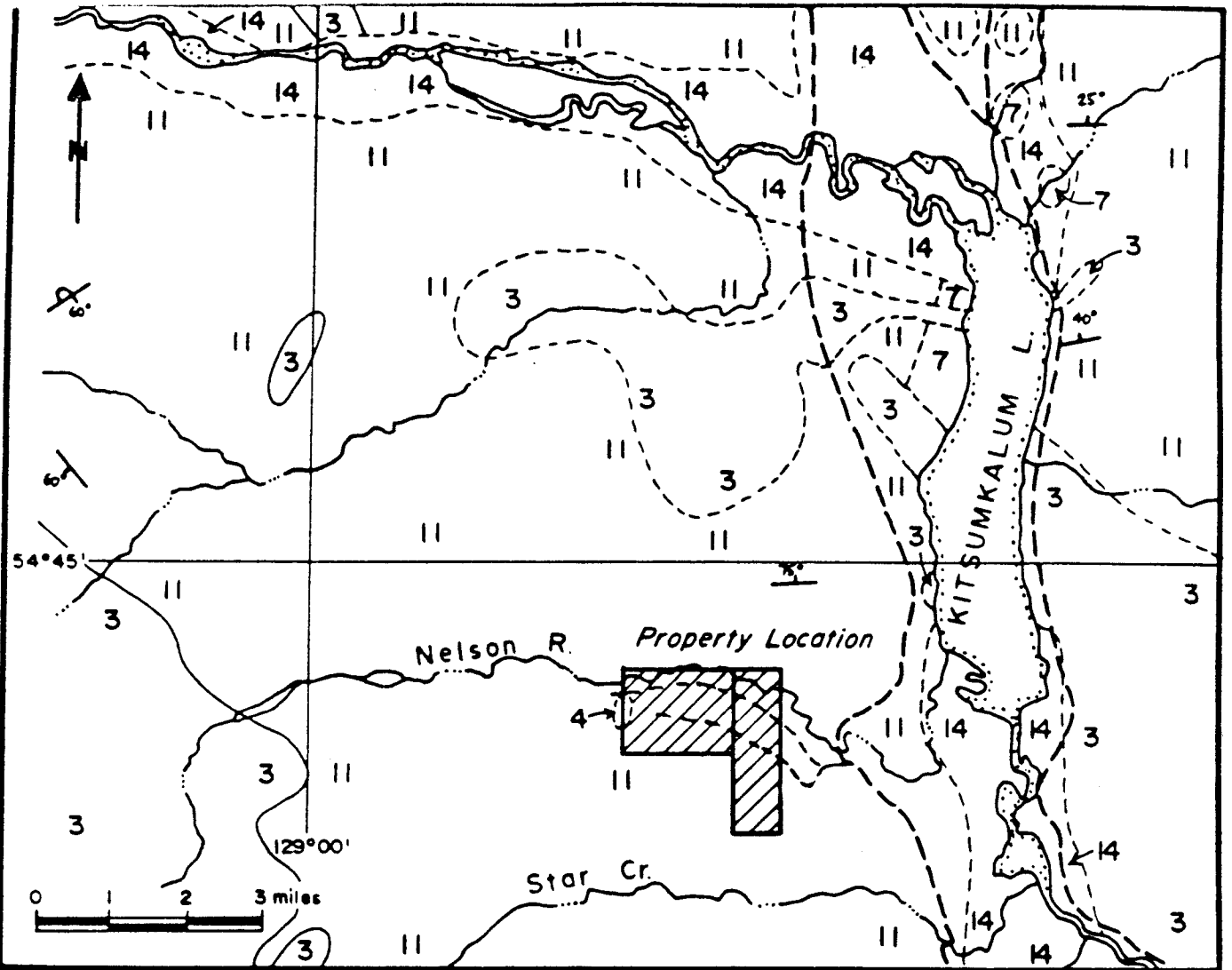
GEOLOGY

Regional

The Quartz - Silver claims are underlain by Upper Jurassic - Lower Cretaceous sediments of the Bowser Group. These, largely argillaceous rocks, have a generally northeasterly strike and show evidence of at least one episode of folding, with the fold axis parallel to strike.

Intermediate intrusives of Coast Plutonic complex occur peripherally to the claim block and the felsic to intermediate dykes located on the property are believed to be related to these larger Coast Mountain intrusives (Fig. 3).

The majority of the quartz - sulphide occurrences noted to date are



LEGEND

- Road
- - - Geological Contact (defined, assumed)
- $\frac{1}{8}''$ Bedding

SEDIMENTARY and VOLCANIC ROCKS

QUATERNARY

14 Alluvium, Sand, Gravel, Till

JURASSIC and CRETACEOUS

11 Siltstone, Greywacke, Sandstone, Conglomerate, Minor Limestone and Coal, Bowser Group

LOWER JURASSIC

7 Volcanic Breccia

INTRUSIVE ROCKS

TERTIARY and OLDER

3 Coast Plutonic Complex: Granitic Rocks, Quartz Diorite, Granodiorite, Quartz Monzonite

4 Alice Arm Intrusives

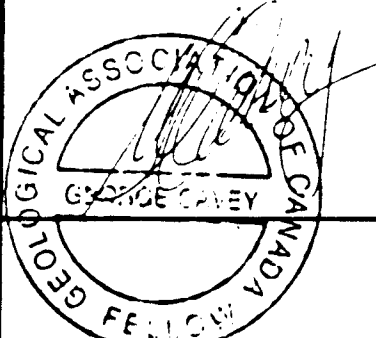


FIGURE 3

REGIONAL GEOLOGY

MOUNT ALLARD RESOURCES LTD.

QUARTZ SILVER, GAP 1 CLAIMS

SKEENA MINING DIVISION, N.T.S. 1031/10W, B.C.

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associated with felsic dykes. A minor group of quartz - sulphide veins occur within the sedimentary package, however they tend to be less consistent in thickness and extent.

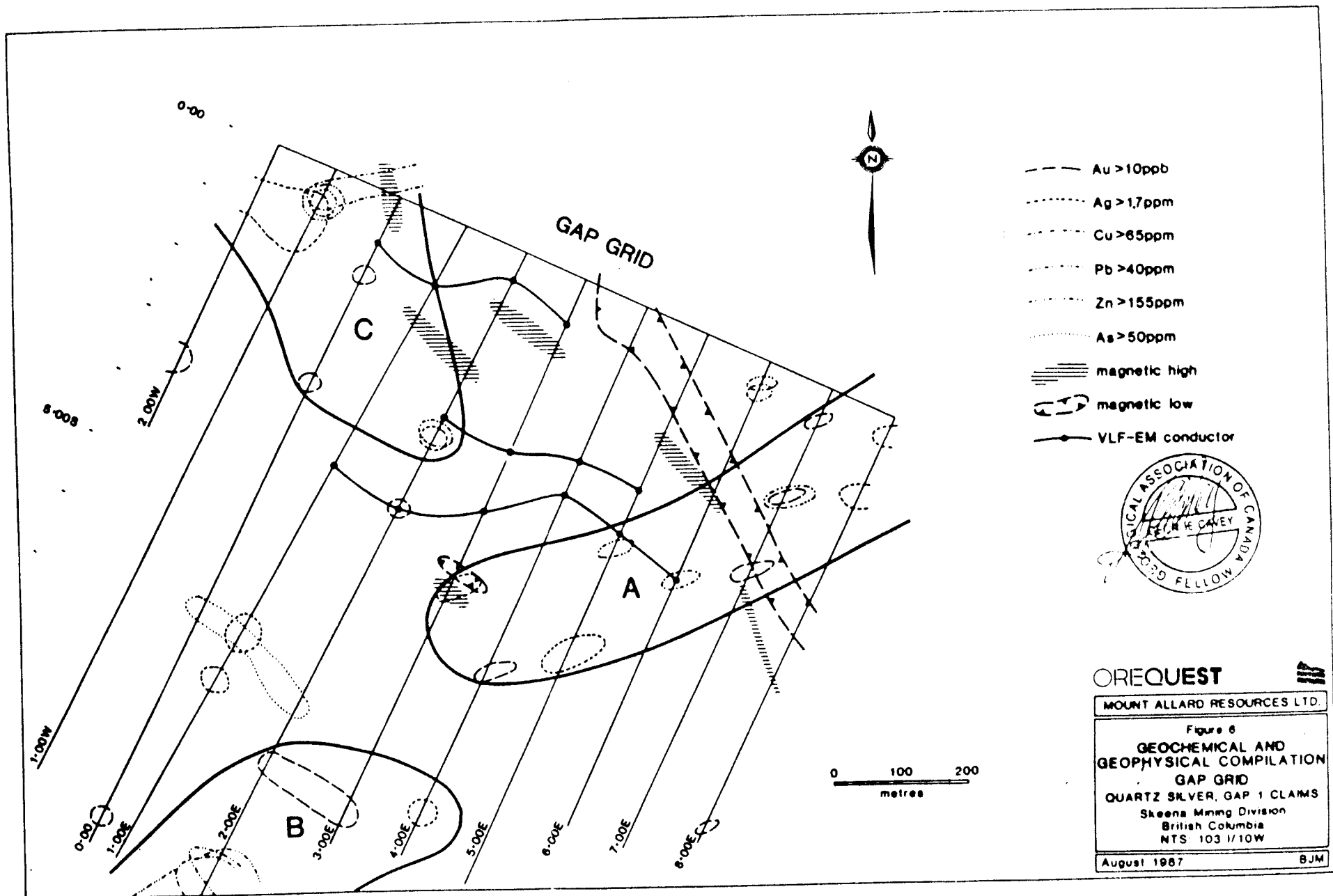
No regional scale structures were noted on the property, however, numerous small scale faults and shears were observed. There was no obviously dominant trend to these features.

GEOCHEMICAL SURVEY

The soil geochemical survey was carried out at 25 m sample intervals on lines at 100 m spacings. In the area of the discovery showings on the lower grid, the line spacing was reduced to 50 m. Attempts were made to sample the B horizon wherever possible, however poor soil development over much of the grid area resulted in a number of A and C horizon samples. Gaps in the sampling are due predominantly to swamp cover and occasionally outcrop.

Silt samples were collected from the numerous small drainages and seeps that drain into the Nelson River. These were collected at both the base of slope and along the upper road which traverses the property near the southern border (Fig. 7). A moderate gold anomaly was detected on the west half of the Quartz - Silver block. This consisted of a 445 ppb Au silt at the base of slope, MA-59 and 114 ppb upstream MA-79. A third set of silts collected 300 m further upstream showed the anomaly to be decreasing to 45 ppb Au.

A total of 546 and 282 samples were collected from the lower and Gap grids respectively. The samples were shipped to Acme Analytical Labs Ltd. in



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Figure 6
**GEOCHEMICAL AND
 GEOPHYSICAL COMPILATION
 GAP GRID
 QUARTZ SILVER, GAP 1 CLAIMS
 Skeena Mining Division
 British Columbia
 NTS 103 1/10W**

August 1987

BJM

Vancouver where they were dried and sieved to -80 mesh. Analysis of gold, silver, copper, lead, zinc and arsenic were by standard I.C.P. techniques with an atomic absorption finish for gold.

The results are presented in Figures 5 and 6. Anomalous values for gold and silver as determined by inspection and statistics are as follows:

Au 10 ppb

Ag 1.7 ppm

On the lower grid, a moderately strong multi - element anomaly, at L0/4N, exists in the area of the original discovery showings (Fig. 5). Significantly, the strongest gold response (540 ppb) occurs 100 m uphill from the main showings. Some felsic dyking containing thin stringers of arsenopyrite has been noted in this area. Outcrop exposure is limited to the creek bed.

A second weakly anomalous zone, at L4W/2+75N, shows a gold - silver - copper anomaly with a high of 420 ppb Au and 2.1 ppm Ag. Trenching will be required to determine the cause of this anomaly as there is no outcrop. Two linear anomalies extend out from this area, a 400 m long coincident gold silver zone to the northwest and a 400 m gold zone to the west. Values within these zones range up to 36 ppb Au and 1.9 ppm Ag. A number of single point silver anomalies are present on the lower grid with results up to 10.1 ppm.

On the Gap grid there are three main anomalous zones (Fig. 6). These are all multi - element anomalies of weak to moderate strength and large aerial extent. Anomaly A, in the northeast corner of the grid, is a linear Ag - Pb -

Zn - Au feature with silver values up to 8.6 ppm. These occur on the edge of the grid and so are open in two directions. Spotty gold values up to 34 ppb are associated with this trend. Outcrop is sparse in this area, however intrusive float is present, some containing small amounts of quartz veining and sulphides.

Anomaly B occurs in the southwest corner of the grid and is centered on 2W/10S. A moderate strength coincident copper, lead, zinc anomaly forms the core of a 200 m by 200 m zone. The weaker gold - silver portion is offset to the north approximately 100 m.

The northwest corner of the grid shows an east - west trending multi - element anomaly. An overlapping copper, lead, zinc, silver zone occurs at the edge of the sampled area, with a gold and silver, copper zone to the east. This anomaly shows a weak correlation with a magnetic high.

Scattered point highs in gold, silver and arsenic are seemingly randomly distributed throughout the rest of the grid.

All of the main anomalies on the Gap grid are located at or near the boundaries of the grid and require expansion of the geochemical survey to determine their full extent and strength.

GEOPHYSICAL SURVEY

A magnetometer and VLF-EM survey were conducted over both grids with readings taken at 12.5 m station intervals. For the magnetic survey, a Scintrex Model MP-2 total field proton precession magnetometer was utilized. Diurnal

variations in the geomagnetic field were monitored and removed from the survey results. For the electromagnetic survey, a Geonics EM-16 receiver was tuned to the transmitter station at Seattle, Washington.

The electromagnetic survey outlined several weak conductors at the east end of the lower grid. These conductors showed no relationship to the geochemical anomalies and indicate that the target does not seem to be responsive to this type of survey. A greater number of conductors were defined on the Gap grid with some of moderate intensity, however these also showed no obvious relationship to geochemical or magnetic trends.

The magnetic survey indicates that the sediments have a fairly uniform response and that the intrusives do not deviate significantly from this level. An east - west trending matching high and low are evident in the northeast corner of the Gap grid, however, apart from spot highs and lows, the magnetic relief on both grids is very low.

CONCLUSIONS AND RECOMMENDATIONS

The claim group encompasses a section of Bowser Group argillites intruded by felsic dykes, some of which contain gold - sulphide bearing quartz veins.

Assays of chip samples across exposed veins and dyke rocks have returned gold values ranging from trace to 0.8 oz/ton (Sample #6202).

Soil and silt geochemical surveys have outlined a number of weak to moderate gold - silver - lead - zinc - copper anomalies. Three of these

anomalies occur at the edges of the Gap survey grid and are open in two directions. On the lower grid, two gold - silver anomalies contained greater than 400 ppb Au in areas of no outcrop.

Silt samples collected from a small drainage returned values of 445 ppb and 115 ppb gold from areas outside the present soil grids.

A magnetometer survey carried out over both grids showed a weak east - west trend on the Gap grid but no identifiable anomalies on the lower grid. The Gap anomaly crosscuts the trend of one of the geochemical anomalies and roughly parallels another. There were no identifiable surface indications as to the cause.

The VLF-EM survey outlined a number of short isolated conductors which were quite weak and may be ascribed to the graphitic nature of the rocks and/or the numerous swamps in the area.

Mapping has revealed a number of dykes on the property, though outcrop is mostly restricted to creekbeds and road cuts. In the area of most of the geochemical anomalies, there is little exposure.

A program of additional soil sampling and trenching is recommended for the quartz - silver property. This is required to determine the full extent and strength of the geochemical anomalies. Fill in lines at 50 m spacings should be utilized to further define these zones. As some of these anomalies are close to the claim boundaries it may be necessary to stake additional ground following

results of the geochemical survey.

The trenching program will be effective in exposing the source of the anomalies as overburden and is not excessively deep on this property.

Upon receipt of positive results from this stage, a drilling program would be initiated to further test the anomalies.

Costs for the Stage I and Stage II programs are estimated as follows.

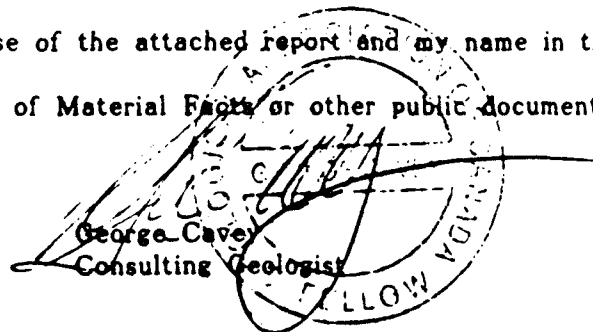
COST ESTIMATE

STAGE I	
Salaries - 30 days @ \$200/day	\$ 6,000
Analysis - 800 samples @ \$15/sample	12,000
Trenching	12,000
Report and Supervision	5,000
Room and Board - 30 days @ \$50/day	1,500
Truck Rental	1,500
Travel	1,000
Miscellaneous	<u>2,500</u>
SUB - TOTAL	\$ 41,500
Contingency @ 10%	<u>4,100</u>
TOTAL	<u>\$ 45,600</u>
STAGE II	
Drilling - 750 m @ \$120/m	\$ 90,000
Assays - 500 @ \$20/sample	10,000
Report and Supervision	5,000
Contingencies @ 10%	<u>10,000</u>
TOTAL	<u>\$115,000</u>

CERTIFICATE of QUALIFICATIONS

I, George Cave, of 6891 Wiltshire Street, Vancouver, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a BSc. degree in geology.
2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of 404-595 Howe Street, Vancouver, British Columbia.
3. I have been employed in my profession by various mining companies since graduation.
4. I am a Fellow of the Geological Association of Canada.
5. I am a member of the Canadian Institute of Mining and Metallurgy.
6. The information contained in this report was obtained by direct supervision of the work done on the property by OreQuest Consultants Ltd. in 1987 and a review of all data listed in the Bibliography.
7. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in the property nor in the securities of Mt. Allard Resources Ltd.
8. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document.



George Cave
Consulting Geologist

DATED at Vancouver, British Columbia, this 13th day of August, 1987.

CERTIFICATE of QUALIFICATIONS

I, Jim Chapman, of 580 West 17th Avenue, Vancouver, British Columbia hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a BSc. degree in geology.
2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of 404-595 Howe Street, Vancouver, British Columbia.
3. I have been employed in my profession by various mining companies since graduation.
4. I am a member of the Canadian Institute of Mining and Metallurgy.
5. The information contained in this report was obtained from onsite visit of the property during February, 1987, and a review of data listed in the bibliography.
6. Neither OreQuest Consultants Ltd. nor myself have or expect to receive direct or indirect interest in the property nor in the securities of Mt. Allard Resources Ltd. or any of its subsidiaries.
7. I consent to and authorize the use of the attached report and my name in the Company's Prospectus, Statement of Material Facts or other public document.


Jim Chapman
Consulting Geologist

DATED at Vancouver, British Columbia, this 13th day of August, 1987.

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