

018131

MISTY- 103I 213

EFFECTIVE DATE: MAY 27, 1988

This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

No securities commission or similar authority in Canada has in any way been asked upon the merits of the securities offered hereunder and no representation to the contrary is an offence.

P R O S P E C T U S

GOLDWAYS RESOURCES INC.
930 - 470 Granville Street
Vancouver, British Columbia
V6E 1V5

PUBLIC OFFERING
NEW ISSUE
350,000 COMMON SHARES

0.2.
PROPERTY FILE - 05
Misty - 103I 213

	Price to Public	Commission	Net Proceeds To Be Received By The Issuer*
Per Share	\$1.00	\$0.10	\$0.90
Total if 250,000 shares sold	\$250,000	\$25,000	\$225,000
Total if 350,000 shares sold	\$350,000	\$35,000	\$315,000

*Before deduction of the costs of the issue estimated to be \$20,000.

There is no market through which these securities may be sold. The price of the securities offered has been determined by negotiations with the Agent.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED AS SPECULATION. THE PROPERTY IN WHICH THE ISSUER HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY AND 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 PROPERTY IS SITUATE, ITS EXISTENCE AND AREA COULD BE IN DOUBT. SEE ALSO PARAGRAPH "RISK FACTORS" HEREIN.

SOME OF THE DIRECTORS ARE INVOLVED IN THE MINING INDUSTRY EITHER THROUGH THEIR DIRECT PARTICIPATION IN COMPANIES OR INDIRECTLY AS CONSULTANTS WHICH MAY GIVE RISE TO CONFLICTS OF INTEREST. AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST, SEE PARAGRAPH "RISK FACTORS" HEREIN.

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 23, 1988, 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 the Issuer.

Upon completion of the sale of 350,000 shares under this offering this issue will represent 15.2% of the shares then outstanding as compared to 47.5% that will then be owned by the controlling persons, promoters, Directors and senior officers of the Issuer and associates of the agents. Upon completion of the sale of 250,000 shares under this offering this issue will represent 11.4% of the shares then outstanding as compared to 49.7% that will then be owned by the controlling persons, promoters, Directors and senior officers of the Issuer and associates of the Agents. Refer to the heading "Principal Holders of Securities" herein for details of shares held by Directors, promoters and controlling persons and associates of the Agents.

On the basis of the Issuer's April 30, 1988 financial statements, if all of the shares are sold under this offering, the subscribers will incur an immediate dilution in the value of their shares amounting to 78.5¢ per share, being 78.5%.

This offer is subject to minimum subscriptions of 250,000 shares being received on the offering day. The maximum subscriptions available will be 350,000 shares. The offering day must occur within 180 days of the date upon which the shares of the Issuer are conditionally listed on the Vancouver Stock Exchange. Further particulars of the minimum subscription are described under the item "Plan of Distribution" herein.

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 1 of this Prospectus.

A G E N T

C. M. OLIVER & COMPANY LIMITED
2nd Floor, 750 West Pender Street
Vancouver, British Columbia,
V6C 1B5

DATED: May 16, 1988.

ORCAN MINERAL ASSOCIATES LTD.
CONSULTING ENGINEERS

SUITE 1417 - 409 GRANVILLE STREET
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Goldway Resources Ltd.

Report
on the
MISTY PROPERTY
Terrace Area, British Columbia

16 November, 1987

C.R. Saunders, P.Eng.

Vancouver, Canada

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SUMMARY

The Misty property, comprising approximately 1,850 hectares in 79 units, is located some 30 kilometres northwest of the city of Terrace, within the Coastal Mountains of British Columbia. Exploration for gold was initiated in 1979; further work, consisting of geological mapping, soil sampling, magnetic and VLF-EM surveys, and hand trenching, was done on portions of the property in 1981, 1982, 1986 and 1987.

The property is situated within the eastern contact area of Coast Crystalline rocks and older sedimentary, metasedimentary and volcanic rocks to the east. It is underlain by Bowser Lake Group predominantly sedimentary units in the south and east, and by granodiorite and related rock types to the north.

Exploration to date has revealed numerous gold geochemical anomalies in soils, many of which are highly anomalous. In addition, rock geochemical samples and a few trench samples contain anomalous to highly anomalous gold values, which in all cases are associated with quartz veining or (more rarely) silicification.

Two large quartz veins have been located. Limited sampling indicates that both contain anomalous amounts of gold (up to 0.10 oz. per ton). Dimensions are approximately one metre wide and 100 metres long (poorly exposed), and 1 - 2.5 metres wide and 160 metres long.

Considering the widespread indications and occurrences of gold mineralization on the Misty property, and the nature of the gold occurrences, it is concluded that the property merits further, more extensive exploration. The exploration target models are (1) large quartz veins and (2) quartz stockwork zones. A two-stage exploration program is recommended, the estimated costs being:

Stage 1	\$ 125,000
Stage 2	<u>155,000</u>
Total cost	<u>\$ 280,000</u>

INTRODUCTION

This report is based on an examination of the Misty property, and on all available government and industry reports, maps and data. The property examination took place on 19 October, 1987 in the company of Mr. Mark Tindall, geologist with Mascot Gold Mines Ltd., who conducted and supervised the 1987 exploration on the property.

Location

The Misty property is located in the Skeena Mining Division in west-central British Columbia (Figure 1). It is centred at $54^{\circ}45'$ North latitude, $128^{\circ}54'$ West longitude on NTS map sheets 103I/10,15. The property is some 30 kilometres northwest of the city of Terrace. Access for exploration purposes has been by helicopter, although rough dirt roads that connect with better roads to Terrace lie to the immediate east and south of the property.

Physiography

The property lies within the Kitimat Range of the Coast Mountains. The region is characterized by deeply incised valleys, steep slopes and rugged peaks. Maximum relief on the claim is 4,700 feet (1,430 m), the mean elevation being about 3,200 feet (975 m), (Figures 1, 2).

Greater than half the property lies below the treeline. Vegetation is typical of Pacific coastal rain forest and consists predominantly of mature stands of Douglas fir and hemlock. Slide zones and creek beds are choked with slide alder, willow, devil's club and stinging nettle. Vegetation above the treeline is mainly blueberry, huckleberry and heather.

The weather in the area is typical of the coast, with generally wet summers and heavy winter snowfalls. Higher elevations are snow covered until early July and north slopes retain a partial snow cover year round. Dense fog is common during the warmer months and frequently hampers helicopter access to the property.

Property

The Misty property consists of five located mineral claims totalling 79 units and covering an area of approximately 1,850 hectares (Figure 2).

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Date of Record</u>
Misty	1684 (6)	15	June 27, 1979
Misty I	3235 (9)	20	September 22, 1981
Misty II	3562 (10)	15	October 13, 1982
Misty 3	6344 (9)	14	September 2, 1987
Misty 4	6345 (9)	15	September 2, 1987

History

The Misty claim was staked by C.C.H. Resources Ltd. in 1979 to protect a stream sediment geochemical anomaly detected by a B.C. Department of Mines regional geochemical program. Preliminary prospecting and detailed stream sediment sampling were completed in 1979. Geological mapping and reconnaissance soil sampling were undertaken in 1981. The soil geochemistry indicated widespread anomalous gold and arsenic values on the ground to the east of the Misty claim.

The Misty I claim was staked in 1981 to cover the soil anomalies, and detailed soil sampling and geological mapping were carried out. The soil geochemistry indicated a large area containing highly anomalous gold values.

The Misty II claim was staked in 1982 to protect the ground on trend to the northeast from the 1981 gold soil anomaly. Prospecting, hand trenching and rock geochemistry located a system of auriferous quartz stringers and veinlets in a fracture zone within the soil anomaly on the Misty I claim. Assays from the quartz stringers were strongly anomalous for gold, with values to 77.30 gms per tonne (2.25 oz/ton). Five NQ size diamond drill holes, from three set-ups, were drilled to test the zone at depth, but poor core recoveries gave inconclusive but interesting results. The drill hole intersections are as follows:

<u>Hole No.</u>	<u>Az.</u>	<u>Dip</u>	<u>Length (m)</u>	<u>Inter-section Width (m)</u>	<u>Gold (gm/t)</u>	<u>Recovery %</u>
M82-1	220	-46	66.75	2.47	0.60	25
M82-2	190	-60	48.31	1.00	3.81	5
M82-3	040	-60	72.85	0.77	4.70	65
M82-4	040	-46	38.10	0.91	0.23	38
M82-5	210	-60	44.20	1.37	0.07	70

In 1984, the Misty group of claims was sold to Mascot Gold Mines Limited. Mascot completed prospecting, magnetometer and VLF-EM surveys and additional soil geochemistry in 1986. The geophysics was unsuccessful in detecting the known mineralization. Soil sampling extended the existing gold anomalies to the northeast and indicated other areas of possible anomalies. Prospecting located auriferous quartz float on the northern part of the Misty claim.

Recent Exploration (1987)

Exploration by Mascot Gold Mines Ltd. in 1987 consisted of prospecting, grid extension, soil sampling, rock sampling and channel sampling of a large quartz vein. Two additional claims, the Misty 3 and Misty 4 were also staked.

Grid establishment consisted of 2.5 kilometres of baselines and 34.65 kilometres of cross-lines; 1,253 soil samples were collected.

References

1. Duffell, S. and J.G. Souther; Geology of Terrace Map-Area, British Columbia; G.S.C. Memoir 329, 1964.
2. Hutchison, W.W.; Geology of the Prince Rupert - Skeena Map Area, British Columbia; G.S.C. Memoir 394, 1982.
3. Jorgensen, N.B.; Geological and Geochemical Report on the Misty I Claim; Report for C.C.H. Minerals Ltd., October 1981.

4. McNaughton, K.; Geochemical and Geophysical Report on the Misty, Misty I and Misty II Mineral Claims; Report for Mascot Gold Mines Limited, January 1987.
5. Wilson, N.J.; Report on Prospecting Misty Claim Skeena Mining Division; Report for C.C.H. Resources Ltd., November, 1979.
6. Wilson, R.G. and G.M. Ford; Aiyansh Project Misty Group, Report on Exploration Progress, 1982 Trenching and Drilling; Report for Campbell Resources Inc. November, 1981.
7. Wilson, R.G.; Report on Geology and Soil Geochemistry on the Misty Claim; Report for C.C.H. Resources Ltd., 1981.

GEOLOGICAL SETTING

Regional Geology

The Misty property is located within the eastern contact area of Coast Crystalline rocks to the southwest and Mesozoic and earlier sedimentary, metasedimentary and volcanic rocks to the northeast. In the Terrace area, the contact is very irregular with remnants of older rocks to the west, and apophyses and stocks of intrusive rocks extending eastward into the older sedimentary/volcanic units (Figure 3).

The oldest units are Triassic age coarse sedimentary rocks lying to the northeast of the city of Terrace.

Hazelton Group volcanic units of Lower-Middle Jurassic age are present only as small bodies along the Kitsumkalum valley, although they occur in much greater extent a few kilometres to the east. The main rock types are andesite, basalt and rhyolite; minor metasediments are also present.

Rocks of the upper Jurassic Bowser Lake Group are of particular interest because they underlie a good portion of the Misty property. In general, they consist of marine and freshwater shales, greywackes, conglomerates and argillites that, for the most part, are gently warped and tilted. Where in contact with intrusive rocks, they commonly are more disrupted, tightly folded and faulted.

The youngest rocks in the area are Cretaceous and younger intrusives of the Coast Plutonic Complex. They occur in bodies ranging in size from small stocks to huge batholiths. Compositionally they consist of granodiorite, diorite, quartz monzonite and related acidic to intermediate types.

Virtually no major faults have been mapped in the area around the Misty property.

Property Geology

The Misty property has not been geologically mapped in detail. Traverses along grid lines have provided some information, but a paucity of rock exposures in the gridded areas (the grids were established where soil samples could be collected) has hindered production of a detailed geological map.

Rocks of both the Bowser Lake Group and Coast Intrusions occur on the property (Figure 4). Bowser Lake rocks comprise conglomerates, siltstone, mudstone, greywacke, argillite and andesitic to dacitic tuff. With the exception of the conglomerates, all Bowser Lake Group rocks are extremely fine grained and are difficult to differentiate. Intrusive rocks consist of medium grained granodiorite, quartz diorite and hornblende diorite. A few small felsic and quartz pegmatite dykes have been noted as well.

Sedimentary and metasedimentary units predominate at lower elevations and on the eastern half of the property. Relatively small areas of metasediments are located on the peaks and ridge crests in the northwestern part of the claim group. These may represent roof pendants although they lack signs of thermal metamorphism. Where exposed, the contact between the Bowser Lake units and the intrusive rocks displays little thermal or hydrothermal alteration. Shearing along contacts has not been observed.

There are no clearly defined extensive faults on the property, although there may be some of limited extent as evidenced by quartz veins, a VLF-EM conductor and topographic lineaments. Faulting may be of some importance if quartz vein mineralization proves to be the prime exploration target on the property. However, more detailed mapping, photo interpretation and VLF-EM coverage will be required in order to define such structures.

MINERAL OCCURRENCES

Observed metallic mineralization on the Misty property is restricted to quartz veins in shear structures, and quartz stringer zones in areas of fractured rock. Indications of mineralization from soil geochemical surveys are quite extensive but follow-up work, comprising detailed prospecting, trenching and diamond drilling in one small area (1981/1982 Grid) and reconnaissance prospecting elsewhere, has not located significant related mineralization.

Gold mineralization, usually accompanied by silver, has been located in several rather widespread areas on the property (see 'Bedrock' and 'Float' samples on Figure 4). For the most part, these occurrences are unrelated to soil geochemical gold anomalies. A common characteristic of the occurrences, regardless of host rock (some are in sediments and others in intrusives), is the presence of vein quartz or, less commonly, intense silicification. The gold-bearing quartz veins include tiny stringers, narrow veins of a few centimetres in width and a few metres in length, and two large veins, the 'Creek' and the 'Moss' that are a metre or more in width and a hundred metres or so in length. Quartz stringer zones were exposed in trenches within the 1981/82 Grid area, but were of limited extent although they did return assays up to 77.3 gms Au per tonne (2.25 oz/ton) from selected grab samples. Drilling below two of the trenches returned low values in gold (although core recovery was poor); correlation is somewhat conjectural.

Soil Geochemistry

Soil geochemistry has produced anomalous values for gold, silver, arsenic, copper, lead and zinc (Figures 4, 5, 6). Except for gold, values for these metals are not particularly high. Gold in soils is widely distributed but, except for some values obtained in trenches and drill holes in 1981/82, there is little correlation with results from vein sampling or rock geochemical samples. This may be due in part to a paucity of bedrock sampling which, in turn, results from sparse bedrock exposures. However, where rock samples do contain significant values in gold, there commonly is no associated soil geochemical response.

The geochemical response for gold in the 1981/82 Grid area (Figure 7) is difficult to explain. The gold values are widespread and many are very high - several are more than 1,000 ppb. The trenching and drilling results located only a few small gold-bearing quartz stringers of apparently only local extent; rock exposures and rock float are not mineralized. The area is steep and difficult to explore; possibly the values are transported. It may be that a few highly auriferous quartz stringers such as those located by the trenching and drilling have resulted in the noticeably high gold-in-soil values. The area requires some resampling to check the validity of the earlier sampling and assaying, before any more definitive and, in this particular area of the property, quite costly exploration is undertaken.

The other metals, although locally exhibiting some correlation with one another, appear to be of little use as indicators of gold mineralization. Perhaps as more work is done on the property, some indicators or trends may evolve.

Rock Geochemistry

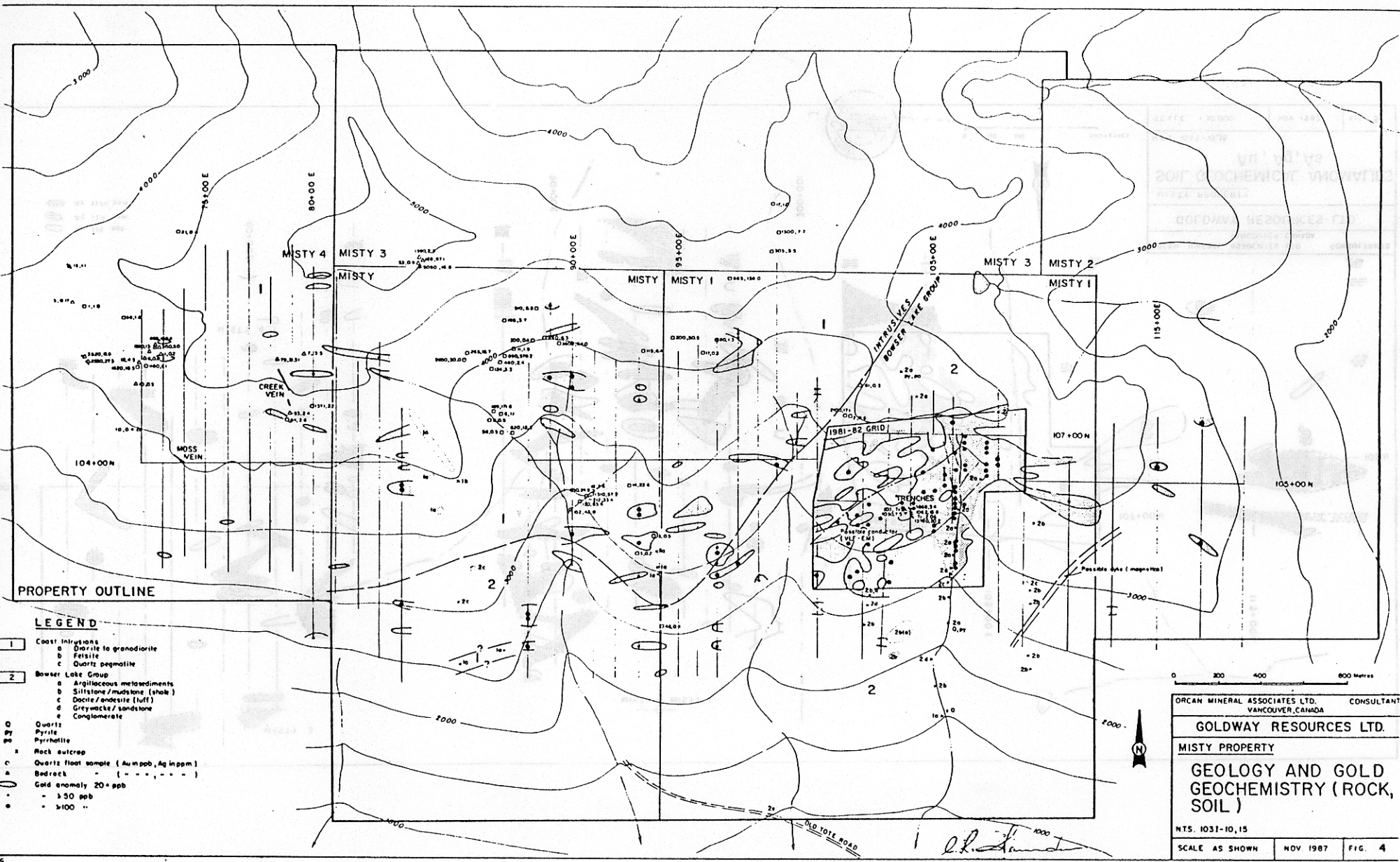
Rock sample locations are not well-distributed over the property. They tend to be grouped in areas where rock exposures or rock float are concentrated. However, they are remarkable in that a large number contain anomalous to highly anomalous gold values. Many values are in the order of several hundred ppb and some are in the 1,000 -5,000 ppb range. If samples from the trenches and drilling in the 1981/82 Grid area are included, there are rock samples containing significant values in gold over much of the east-west extent of the property. Thus it is apparent that gold mineralization is widespread on the Misty claims.

Large Quartz Veins

Two large quartz veins, the 'Creek' and the 'Moss' near the west end of the property have returned gold assays ranging up to 0.10 oz per ton (Figures 8, 9).

The Moss vein is poorly exposed. It appears to be at least a metre in width, strikes west-northwest and dips moderately to the northeast. Sporadic exposures along a topographic low indicate a length of about 100 metres. Eight of ten chip and grab samples are anomalous in gold.

The Creek vein is well exposed in a creek. It strikes north-northwest, dips steeply to the northeast, and varies in width from 1.0 - 2.5 metres where exposed. Strike length is about 160 metres; it disappears beneath overburden to the north and rock rubble to the south. It appears to occupy a shear zone, although there is little evidence of shearing in the wall rock. Certainly the regular strike of the vein suggests that the controlling structure is a shear rather than a tension fault. Four of eight channel samples returned gold assays ranging from 0.27 gms per tonne to 3.22 gms per tonne.



PROPERTY OUTLINE

LEGEND

- 1 Coast Intrusions
 - a Diorite to granodiorite
 - b Felsite
 - c Quartz pegmatite
- 2 Bowser Lake Group
 - a Argillaceous metasediments
 - b Siltstone/mudstone (shale)
 - c Dacite/andesite (tuff)
 - d Greywacke/sandstone
 - e Conglomerate
- Quartz
- py Pyrite
- pp Pyrrhotite
- z Rock outcrop
- Quartz float sample (Au in ppb, Ag in ppm)
- c Bedrock - (---)
- Gold anomaly 20+ ppb
 - 150 ppb
 - 100 "

0 200 400 600 Metres

ORCAN MINERAL ASSOCIATES LTD. CONSULTANT
VANCOUVER, CANADA

GOLDWAY RESOURCES LTD.

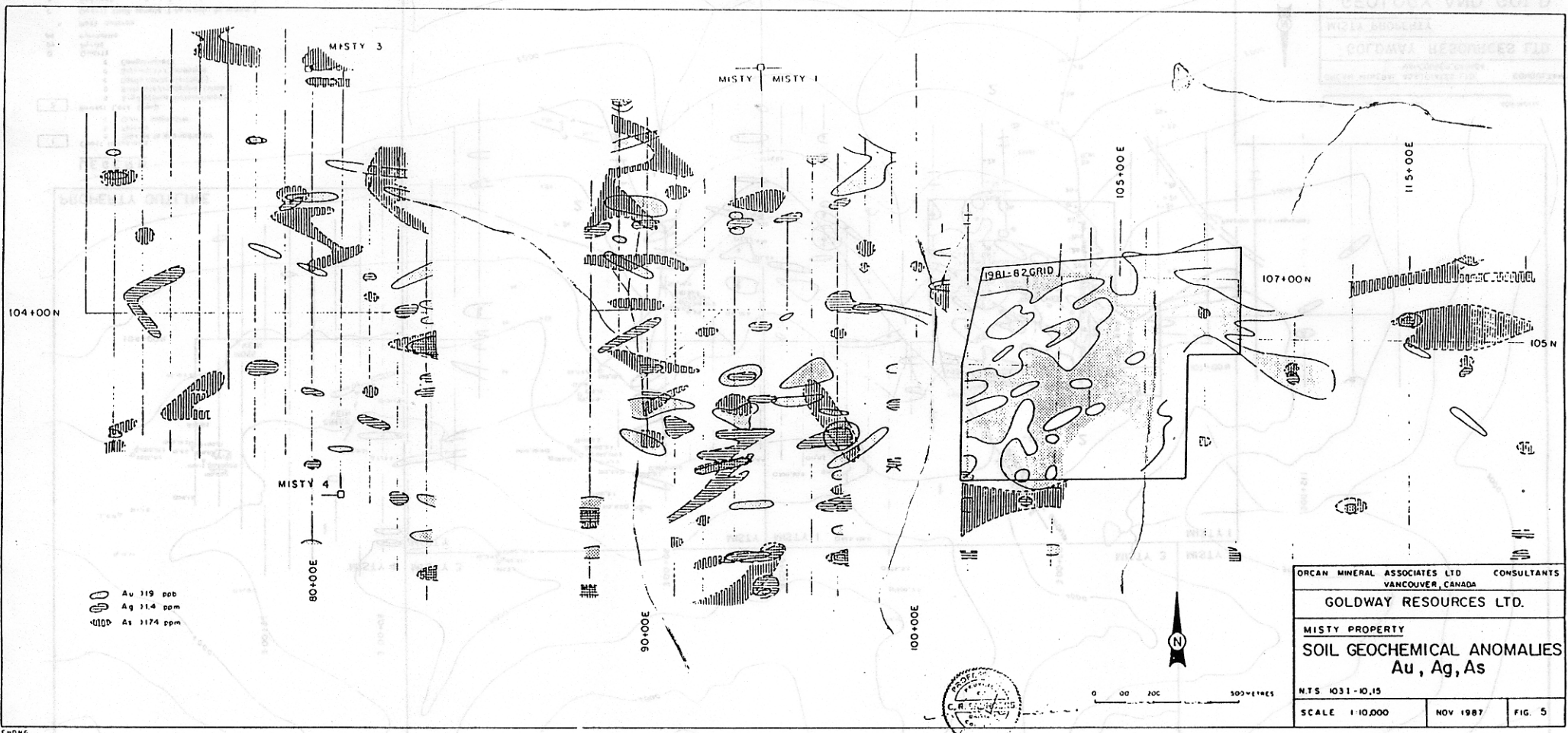
MISTY PROPERTY

**GEOLOGY AND GOLD
GEOCHEMISTRY (ROCK,
SOIL)**

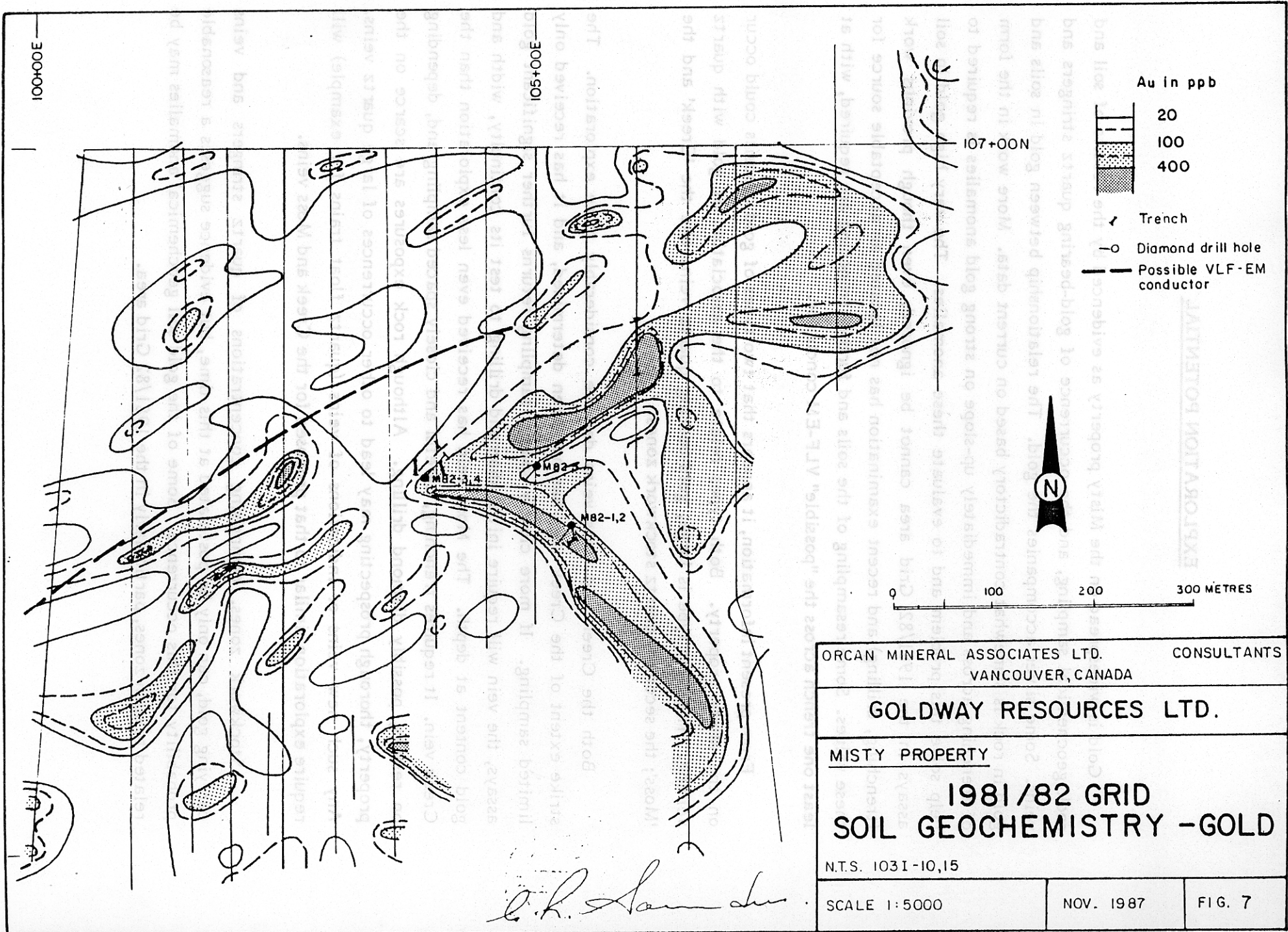
NTS. 1031-10, 15

SCALE AS SHOWN	NOV 1987	FIG. 4
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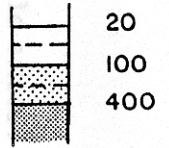
2017
 GEOCHEMISTRY (ROCK)
 GEOLOGY AND SOIL
 MISTY PROPERTY
 GOLDWAY RESOURCES LTD.



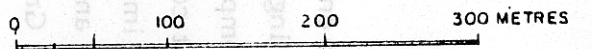
ORCAN MINERAL ASSOCIATES LTD CONSULTANTS	
VANCOUVER, CANADA	
GOLDWAY RESOURCES LTD.	
MISTY PROPERTY	
SOIL GEOCHEMICAL ANOMALIES	
Au, Ag, As	
N.T.S 1031-10,15	
SCALE 1:10,000	NOV 1987
	FIG. 5



Au in ppb



- ↘ Trench
- Diamond drill hole
- Possible VLF-EM conductor



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VANCOUVER, CANADA

GOLDWAY RESOURCES LTD.

MISTY PROPERTY

**1981/82 GRID
SOIL GEOCHEMISTRY - GOLD**

N.T.S. 1031-10,15

SCALE 1:5000

NOV. 1987

FIG. 7

EXPLORATION POTENTIAL

Gold is widespread on the Misty property as evidenced by the results of soil and rock geochemical sampling, and the occurrence of gold-bearing quartz stringers and veins. Some silver accompanies the gold. The relationship between gold in soils and gold in rock is somewhat contradictory based on current data. More work in the form of trenching across and immediately up-slope on strong gold anomalies is required to help solve this problem and to evaluate these anomalies. The very high gold in soil assays in the 1981/82 Grid area cannot be ignored, even though previous work (trenching, drilling) and recent examination has not located an acceptable source for these values. Some resampling of the soils and further trenching are required, with at least one trench across the "possible" VLF-EM conductor.

From present information, it appears that two types of gold deposits could occur on the Misty property. Both types relate to the association of gold with quartz veining. The first type is large, gold-bearing quartz veins like the 'Creek' and the 'Moss'; the second is quartz stockwork zones.

Both the Creek and Moss veins deserve considerably more exploration. The strike extent of the Creek vein has not been determined, and it has received only limited sampling. If more closely spaced sampling returns further significant gold assays, the vein will require initial diamond drilling to test its continuity, width and gold content at depth. The Moss vein has received even less exploration than the Creek vein. It requires trenching, careful and closely spaced sampling and, depending on results, possibly diamond drilling. Although rock exposures are scarce on the property, thorough prospecting may lead to other occurrences of large quartz veins. Any such new veins or indications of veins (quartz float trains for example) will require exploration similar to that proposed for the Creek and Moss veins.

Stockwork zones, comprising concentrations of quartz stringers and veins carrying gold, can only be postulated at this time, but evidence suggests a reasonable probability for this occurrence. Some of the gold soil geochemical anomalies may be related to such zones, particularly in the 1981/82 Grid area.

CONCLUSIONS

The Misty property contains widespread indications and occurrences of gold mineralization in concentrations, both in soils and rocks, that are considered to be highly anomalous. The gold is associated with quartz in at least two geological settings: large quartz veins, and quartz stringer/vein zones that suggest possibilities for stockwork deposits. Thus, it is concluded that the Misty property merits further, more extensive exploration.

Recommended Exploration

A two-stage exploration program is recommended, the first stage to comprise surface work and the second stage, diamond drilling.

Stage I

Complete control grids over all accessible parts of the property, establishing lines at 200 metre spacing initially, with intermediate lines put in as determined by exploration results obtained.

Geologically map the entire property at a scale of 1:5,000; map local areas of interest, such as around the Creek and Moss veins, at appropriate larger scales (e.g. 1:1,000, 1:500).

Thoroughly and carefully prospect the property.

Continue geochemical soil sampling in unsampled areas; do closer spaced sampling in anomalous areas. Take some check samples in the highly anomalous area of the 1981/82 Grid.

Conduct magnetic and VLF-EM surveys where they have not been previously done. With the lack of rock exposure, the results may be helpful for geological mapping, and possibly in locating structures containing quartz veins.

Trench the Moss vein and extensions of the Creek veins, as well as any new large veins that may be located. Trench selected gold geochemical anomalies.

Stage II

Diamond drill the Creek and Moss veins; select hole locations and intersection depths on the basis of trenching and sampling results. Reserve four or five holes for testing elsewhere.

Estimated Costs

Stage I

Supervision	\$ 8,000
Grid Establishment	2,000
Geochemical Soil Sampling	5,000
Magnetic and VLF-EM Surveys	2,000
Prospecting	6,000
Geological Mapping	5,000
Trenching - Backhoe (small)	8,000
- Hand	15,000
Assaying	20,000
Helicopter Support	20,000
Camp and Maintenance	15,000
Travel, Communications, Freight, Sundries	2,000
Equipment Rentals	2,000
Reports, Draughting, Etc.	4,000
Contingency	<u>11,000</u>
Total Stage I	125,000

Stage II

Supervision	6,000
Diamond Drilling (1,000 m @ \$100/m)	100,000
Helicopter Support	20,000
Assaying	2,000
Reports, Miscellaneous	10,000
Contingency	<u>17,000</u>
Total Stage II	<u>155,000</u>
TOTAL COST STAGES I and II	<u>\$ 280,000</u>

Respectfully submitted,

ORCAN MINERAL ASSOCIATES LTD.



C. Raymond Saunders, P.Eng.



CERTIFICATE

I, C. Raymond Saunders of 666 St. Ives Crescent, North Vancouver, Canada, do hereby certify that:

1. I am a graduate of the University of British Columbia, (B.A.Sc. in Geological Engineering, 1956).
2. I am a registered Professional Engineer of the Province of British Columbia (registration number 6498).
3. From 1956 until 1967, I was engaged in mining and mining exploration in Canada for a number of companies; positions included mine geologist, mine engineer and and chief geologist for underground and open pit operations. Since 1967 I have been practicing as a consulting geological engineer in minerals exploration, property development and deposit evaluation in Canada and other countries.
4. This report is based on the results of a personal examination of the Misty property made by the writer on 19 October, 1987, and the use of all available government and industry reports, maps and records.
5. I have not received, nor do I expect to receive, any interest, directly or indirectly, in the properties or securities of Goldway Resources Ltd., or any associate or affiliate of Goldway Resources Ltd..
6. I do not have a direct or indirect interest in, nor do I beneficially own, directly or indirectly, any securities of Goldway Resources Ltd. or any associate or affiliate of Goldway Resources Ltd..

Respectfully submitted,



Vancouver, Canada

C. Raymond Saunders, B.A.Sc., P. Eng.