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NEW ISSUE

PROSPECTUS

MORAGA RESOURCES LTD.

(hereinafter called the "Issuer")

1030 - 609 Granville Street
Vancouver, B.C., V7Y 1G5

DATED: JULY 26, 1988

884180

EXPO

P.V.

SHARE OFFERING - 800,000 SHARES

	Price to Public	Agents' Commission	Net Proceeds to be received by the Issuer *
.....	\$0.75	\$0.10	\$0.65
.....	\$600,000	\$80,000	\$520,000*

FLOW-THROUGH OFFERING - 200,000 SHARES **

	Price to Public	Agents' Commission	Net Proceeds to be received by the Issuer *
.....	\$0.75	\$0.00 ***	\$0.75
.....	\$150,000	\$0.00 ***	\$150,000*

926240
Expo

on of the balance of costs of the issue, estimated to be \$23,000.

rough Share will be designated and qualified under the Income Tax Act (Canada) as a Flow-Through Share. CEE equal to the price of the Flow-Through Shares will be renounced in favour of the initial subscribers for the Flow-Through Shares.

l pay from working capital a fee equal to \$0.10 per Flow-Through Share sold.

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AGENTS

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Vancouver, British Columbia V6C 3A6

EFFECTIVE DATE: AUGUST 9, 1988

The following is a summary of the Expo Report, prepared by its author, Harold M. Jones, P. Eng.:

The Expo property consists of a very large block of contiguous claims located in the Nanaimo Mining Division on northern Vancouver Island. The claims lie immediately north of Holberg Inlet and are centred approximately 15 miles west of Port Hardy.

Northern Vancouver Island has been actively explored since the mid-1800's, during which time coal and skarn-type copper-iron deposits were located, some of which were mined.

In the mid-1960's, a prospector located porphyry-type copper mineralization in the Rupert Inlet area west of Port Hardy and staked a number of claims. Utah Construction and Mining Company, now Utah, acquired the property and commenced a long and detailed exploration program in the area, staking considerably more claims as work progressed. This work resulted in the discovery and development of the multi-million ton Island Copper Mine.

The Expo group, lying to the west of the Island Copper Mine, is a part of a larger area explored by Utah almost continuously between 1967-75 and intermittently since then to the present. It is underlain mostly by volcanic sediments, pyroclastics and flows of the Lower Jurassic-aged Bonanza Volcanics, which are intruded by a belt of Jurassic and Tertiary granitic stocks, dykes and sills. Associated with the intrusive belt are a number of silicified breccia zones, some with pyrophyllite, which are very pyritic and marked by strong gossans. These alteration zones are located at or in proximity to volcanic vents in the Bonanza Volcanics.

The Hushamu copper-gold deposit underlies one of these alteration zones on the Expo group. It contains a drill indicated mineral deposit of 57,505,300 tons averaging 0.32% copper, 0.008% molybdenum and 0.012 oz./ton gold. At present metal prices this deposit is not ore but could be a valuable mineral resource in the future.

Other significant mineralized zones explored by Utah, but not within the Expo group include: Red Dog - copper-gold porphyry deposit which contains a drill indicated reserve of 20,000,000 tons + grading approximately 0.40% copper and 0.02 oz./t gold; Hep zone - copper-molybdenum mineralization located at the intersection of two shear zones, is estimated to contain approximately 50,000 tons grading 0.80% Cu.

During 1981, Utah changed their exploration focus from copper to gold. The silica-argillic-pyrophyllite-pyritic volcanic breccia alteration zones on the Expo property have similarities with those capping Pueblo Viejo-type bulk tonnage gold deposits. For this reason several were selected for rock geochemical sampling and diamond drilling to test their gold potential.

A prominent siliceous alteration zone on McIntosh Mountain returned significantly anomalous geochemical assays in gold, arsenic and molybdenum in one area, and an arsenic anomaly in the second area. Two holes were diamond drilled to test the Au-As-Mo anomaly. One hole returned anomalous gold values (0.10 to 0.30 ppm gold) over the length of the hole, the second returned anomalous gold values (0.20 to 0.30 ppm gold) from the bottom part of the hole.

Four holes were drilled in the South McIntosh area, testing similar alteration zones. These failed to intersect significant mineralization.

Two holes were drilled in the West Pemberton Hills area testing similar alteration zones. While both holes returned very low assays, they did show an increase in metal content at their bottoms. One showed a significant increase in copper (to 1,471 ppm) and arsenic (150 ppm) and a slight increase in molybdenum and antimony. The second showed that metal content was increasing, but this trend was disrupted by oxidation on several faults.

One hole was drilled in West Pemberton Hills to test for massive sulphide mineralization, which was indicated from surface mapping of road cuts, quarries and exposures in one creek. Three sections of bedded sulphide formation, totalling 57 feet, were intersected. These beds contained from 50% to 70% pyrite.

A reconnaissance pulse electromagnetic survey was conducted for Moraga Resources Ltd. in late 1987, on surface in the vicinity of the above mentioned West Pemberton Hills drill hole. Results indicate a horizontal conductive sheet underlying the survey area. A down-hole survey was also made which confirmed the bedded massive sulphides.

It is concluded that the property has geology favourable for hosting porphyry-type copper-gold mineralization; bulk tonnage, low-grade or small tonnage, higher-grade structurally controlled gold mineralization, and massive sulphides. It is also concluded that the gold-arsenic-molybdenum geochemical anomaly on McIntosh Mountain warrants detailed exploration for gold as does the massive sulphides on Pemberton Hills for base and/or precious metals.

A Stage I program, estimated to cost \$150,000, is proposed to conduct geochemical and geophysical surveys, and limited diamond drilling on the McIntosh Mountain anomalous zones, as well as geophysical surveys and diamond drilling in the West Pemberton Hills area.

Stage II, estimated to cost \$333,500, includes detailed geophysical surveys and diamond drilling of all areas of interest found in Stage I. If results at the end of Stage II are encouraging, a large drilling budget will be required.

The Expo Group, located in similar geology to and 10 miles west of Island Copper Mine, was extensively explored between 1967-75 by Utah Mines Ltd. for porphyry copper mineralization. In 1981 their emphasis shifted to gold exploration on the Expo Group and this search continued to 1985.

In late 1987, Moraga Resources Ltd. contracted a reconnaissance pulse electromagnetic (PEM) survey over an area of possible massive sulphide mineralization. A PEM survey was also run down one drill hole. Results indicate a flat-lying conductive zone, possibly reflecting a sulphide zone, and several parallel vertical conductors, some which may represent mineralized fault zones.

Geology and Mineralization

The Expo group is underlain mostly by volcanic sediments, pyroclastics and flows of the Lower Jurassic-aged Bonanza Volcanics, which are intruded by a belt of Jurassic and Tertiary granitic stocks, dykes and sills. Associated with the intrusive belt are a number of silicified breccia zones, some with pyrophyllite, which are very pyritic and marked by strong gossans. These alteration zones are located at or in proximity to volcanic vents in the Bonanza Volcanics.

The Hushamu copper-gold deposit, located during the copper exploration program, underlies one of these alteration zones. It contains a drill indicated mineable reserve of 57,500,000 tons averaging 0.32% copper, 0.008% Mo and 0.012 oz./ton gold.

The silica-argillic-pyrophyllitic-pyritic volcanic breccia alteration zones on the Expo property have similarities with those capping Pueblo Viejo-type bulk tonnage gold deposits. Utah Mines Ltd. explored several of these for their gold content. On MacIntosh mountain, rock geochemical assays were significantly anomalous in gold, arsenic and molybdenum; those from a second area were anomalous in arsenic. Two drill holes which tested the Au-As-Mo anomaly also returned anomalous values in gold. The holes drilled to test the arsenic anomaly failed to intersect any significant mineralization.

One hole was drilled in West Pemberton Hills to test for massive sulphide mineralization, which was indicated from surface mapping of road cuts, quarries and exposures in one creek. Three sections of bedded sulphide formation, totalling 57 feet, were intersected. These beds contained from 50% to 70% pyrite.

Conclusions and Recommendations

Mr. Jones' report concludes that the property has the potential for hosting:

- (a) porphyry-type copper-gold mineralization;
- (b) bulk tonnage, low grade gold mineralization;
- (c) small tonnage, higher grade structurally controlled gold mineralization;
- (d) massive sulfide mineralization.

A two-stage exploration program recommended in Mr. Jones' report is as follows:

230,000 E

EXPO PROPERTY

Nahwilli Lake

Red Dog

250,000 N

McIntosh Mtn.





Holberg

Pemberton

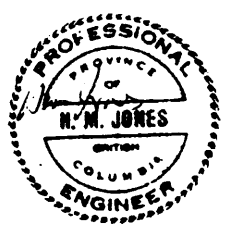
To Island Copper Mine approx. 15km

Holberg Inlet

LEGEND

-  BONANZA VOLCANICS - andesitic lavas and pyroclastics
-  ISLAND INTRUSIVE
-  FAULT
-  VOLCANIC CENTRE

Geology simplified after Utah Mines Ltd., 1985



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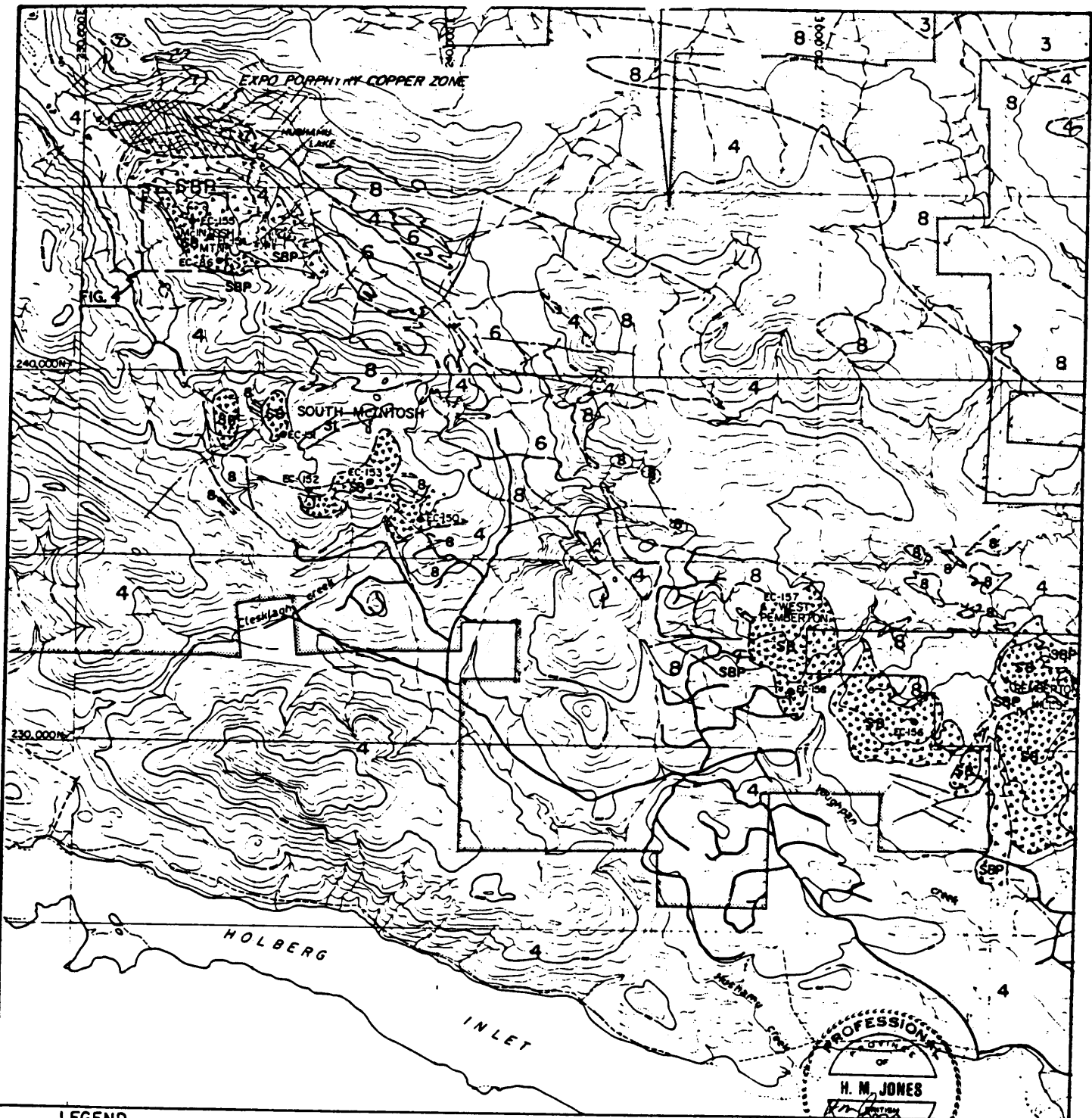
H.M. JONES & ASSOCIATES INC. VANCOUVER, B.C.

EXPO PROPERTY CLAIM MAP WITH GENERAL GEOLOGY

PORT HARDY AREA, VANCOUVER ISLAND
N.T.S. 92 L-12 NANAIMO M.D., B.C.



SCALE 1:120,000	MAY 1987	FIG. 2
H. M. JONES		



LEGEND

INTRUSIVE ROCKS

- 8 GRANITE, GRANODIORITE, MONZONITE, DIORITE COMPLEX
- 7 SYENITE
- 6 Q.F.P. (MONZONITIC COMPOSITION)

VOLCANIC & SEDIMENTARY ROCKS

- 5 CRETACEOUS SEDIMENTS
- 4 BONANZA VOLCANICS: RHYOLITES, ANDESITE TUFFS, FLOWS, FLOW BRECCIAS AND LAPILLIS, AGGLOMERATES
- 3 PARSONS BAY VOLCANIC SEDIMENTS: MAINLY LAMINATED TUFFS AND LIMEST. SEDIMENTS
- 2 QUATZITE LIMESTONE
- 1 KARNUTSEN VOLCANICS: MAINLY BASALTIC ANDYDALONAL AND MASSIVE FLOWS

BRECCIAS

- SHLIFIED BRECCIA (SB)
- SHLIFIED BRECCIA CONTAINS PYROPHYLITE (SBP)

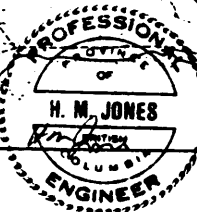
HYDROTHERMAL ALTERATION

- S1 SILICIFICATION
- Se SERICITIZATION

SYMBOLS

- CONTACTS
- MAJOR FAULTS
- TOPOGRAPHIC
- CREEKS
- SWAMPS
- ROAD
- DRILL HOLE

AFTER UTAH MINES LTD. (1985)

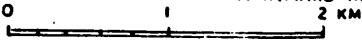


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**EXPO PROPERTY
GEOLOGICAL MAP
MOUNTOSH MTN. - PEMBERTON HILLS**

PORT HARDY AREA, VANCOUVER ISL.
N.T.S. 92L-12 NANAIMO M.D., B.C.

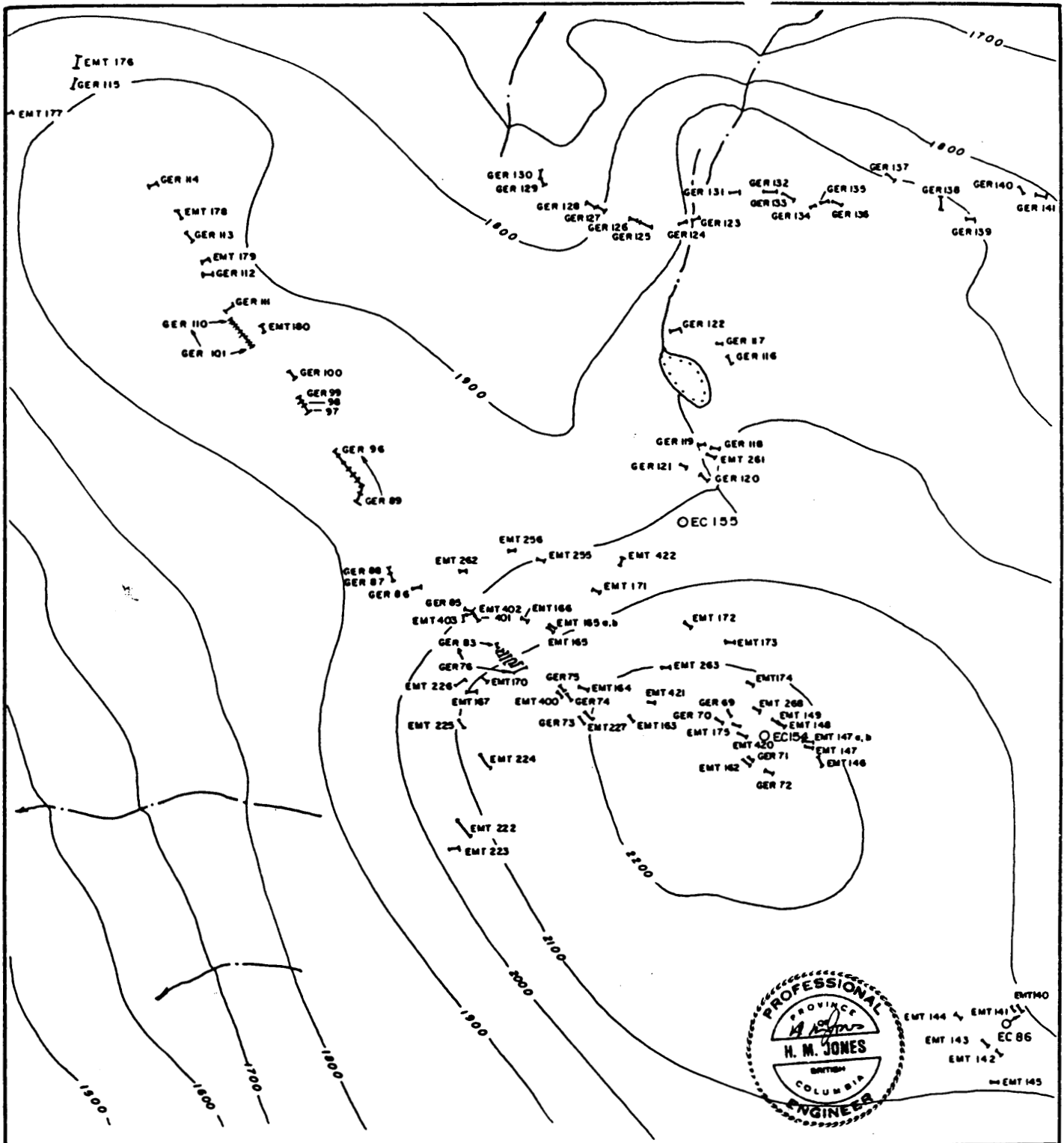


SCALE 1: 48,000

MAY 1987

FIG. 3

H. M. JONES



LEGEND

- EMT 222 Sample location & N^o.
 - 1500 — Topo. contour at 100' interval
- For assay results see Table I



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H.M. JONES & ASSOCIATES INC.		VANCOUVER, B.C.
EXPO PROPERTY GEOCHEMICAL MAP MCINTOSH MOUNTAIN PORT HARDY AREA, VANCOUVER ISLAND N.T.S. 92L-12 NANAIMO MD., B.C.		
SCALE 1:4000	MAY 1987	FIG 4
H.M. JONES		