

COMINCO LTD. (CLT-V,T,M,Amex)

GALICO RESOURCES INC. (GAK-V)

METLA PROPERTY OPTIONED - William Campbell, director,
reports Galico Resources Inc.

has agreed to acquire an undivided 60% interest in the Metla property from Cominco Ltd. by issuing an aggregate 150,000 shares and spending \$1,100,000 on exploration before 30Jun94, subject to regulatory approval. In addition to the schedule of expenditures, Cominco will receive options to purchase up to 150,000 shares of Galico at prices between \$3.00 and \$5.00 per share, prior to 30Jun94. Galico will be operator during its earn-in and during any subsequent joint venture stage.

The Metla property is located roughly midway between the Galore Creek and Tulsequah areas of northwestern B.C. The property lies 15 miles northwest of the Golden Bear Mine, a gold producer managed by the Golden Bear Operating Company, which is serviced by an all-weather road originating at Telegraph Creek.

The Metla property is comprised of the 20-unit METLA claim, owned 100% by Cominco with no underlying royalties. The claim is underlain by interbedded volcanic and sedimentary rocks of the Triassic Stuhini group. Numerous plugs and stocks of intrusive gabbro, diorite and proxenite outcrop within the zone. Hydrothermal breccia bodies, containing highly altered fragments of country rock in a fuchsite-carbonate matrix, cross-cut all major rock formations. The breccia bodies appear to host sulphide mineralization, and are notably most sulphide-rich along their margins. This style of mineralization has not been previously reported in the region. Exploration by Cominco on the METLA claim from 1988 to 1990 located a large zone of gold and base metal-bearing boulders, about 5,500 feet long and up to 900 feet wide, spanning 600 feet in elevation. Within this larger zone are six areas where mineralized boulders are concentrated. Detailed prospecting and trenching has located mineralization in outcrop at several of these locations. Horizontal loop EM (HLEM) and magnetometer surveys have detected four high priority conductors coincident with two of the six targets. None of these targets have been drilled.

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WESTERN CANADIAN MINING

The boulder areas have been extensively mapped and partially sampled. Fire assay results have been reported for those samples which were analysed by geochemical methods and exceeded 2,000 parts per billion gold. Target A is the highest priority, marked by the occurrence of abundant heavy sulphide boulders and a strong EM anomaly. Assay results for 20 samples report an average grade of 0.632 oz.gold/ton, ranging from 1.291 to 0.152 oz.gold/ton. Base metal assays as high as 7.40% zinc, 2.06% copper, and 1.81% lead are also reported. Target B is the next priority prospect, marked by heavy sulphides in both boulders and outcrop, plus a coincident EM anomaly. Assay results for 32 boulders averaged 0.271 oz.gold/ton, ranging from 0.863 to 0.094 oz/ton. Seven assays for zinc averaged 4.65%, with five lead assays averaging 2.06%. Target C is a limited area of mineralized boulders and outcrops with disseminated to massive sulphide mineralization. Assays for 11 boulders averaged 0.274 oz.gold/ton, ranging from 1.704 to 0.094 oz/ton. Base metal assays report up to 13.97% zinc, and 1.33% lead. Target D is the site of the original prospecting discovery, comprising an extensive area of sulphide-rich boulders and mineralization in outcrop. Average assay grade based on 41 samples is 0.194 oz.gold/ton. Seven zinc assays average 1.71%. Target E is 1,100-foot long accumulation of mineralized boulders and isolated outcrops. Forty-nine samples fire assayed for gold averaged 0.225 oz/ton, ranging from 0.920 to 0.050 oz/ton. The average zinc grade, based on 41 assays, is 5.04%. Zinc assays values are up to 15.85%, while lead assays are up to 11.87% and copper up to 2.85%. Target E is also of interest owing to its high reported silver values,

averaging 9.06 oz./ton from 29 samples. (SEE GCNL No.54, 18Mar91, P.1 FOR OTHER GALICO PROJECT INFORMATION)

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