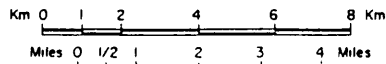


LORICA RESOURCES LTD.
(a private BC company)
1300-1100 Melville Street
Vancouver, BC V6E 4A6

Contact: Mr. Kim Phillips

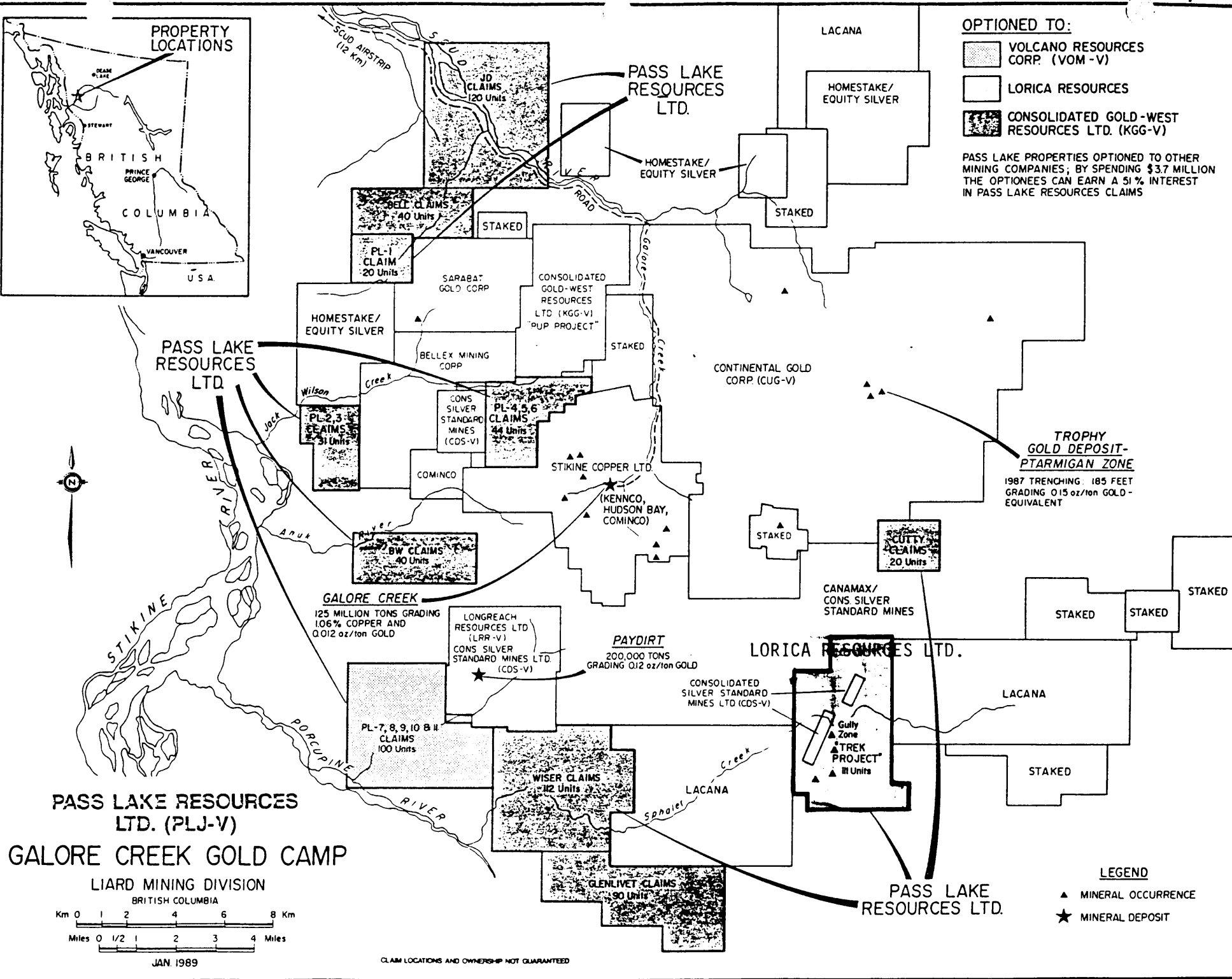


PASS LAKE RESOURCES LTD. (PLJ-V)
GALORE CREEK GOLD CAMP
 LIARD MINING DIVISION
 BRITISH COLUMBIA



JAN 1989

CLAIM LOCATIONS AND OWNERSHIP NOT GUARANTEED



OPTIONED TO:

- VOLCANO RESOURCES CORP. (VOM-V)
- LORICA RESOURCES
- CONSOLIDATED GOLD-WEST RESOURCES LTD. (KGG-V)

PASS LAKE PROPERTIES OPTIONED TO OTHER MINING COMPANIES; BY SPENDING \$3.7 MILLION THE OPTIONEES CAN EARN A 51% INTEREST IN PASS LAKE RESOURCES CLAIMS

LEGEND

- ▲ MINERAL OCCURRENCE
- ★ MINERAL DEPOSIT

o Pass Lake Shareholders and Interested Parties:

The Northern Miner clipping below is illustrative of the mining industry's recent recognition of the mineral potential of the Galore Creek, B.C. gold camp.

The Northern Miner January 30, 1989 A3

Galore Creek region very active

VANCOUVER — Sparked by a number of important gold discoveries in recent years, exploration activity in northern British Columbia has reached record levels — and it could get busier. The latest region to heat up is the Galore Creek camp where a score of juniors are active, not to mention a few well-heeled majors.

Located about 30 miles north of the Snip gold deposit (Cominco/Delaware), Galore Creek is an old porphyry copper-gold camp found in the 1950s by Kennco Explorations. Geologically, it's analogous to the Sulphurets and Iskut camps further to the south.

Hudson Bay Mining & Smelting (TSE), Cominco Ltd. (TSE), Homestake Mining (NYSE), Equity Silver (TSE), and Corona Corp. (TSE), are a few of the majors in the area. Individually, and through various joint venture agreements, they are examining a number of attractive properties. Among them, the Galore Creek porphyry copper-gold deposit which is being looked at again for higher grade zones by Hudson Bay; the company's objective is to define targets for a 1990 drill program.

Cominco is reported to be working several properties in the Mess Creek/More Creek areas in the eastern part of the camp and Home-

stake and Equity Silver have staked and will joint venture a number of claims in the area as well. Corona has picked up several large claim blocks and plans a grass roots program this year.

Among junior sector companies, Continental Gold (VSE) has been one of the more active participants in the region. In 1988, the company spent about \$1.3 million on its Trophy property with mixed results. About a dozen gold-silver occurrences were identified and additional work is planned this year.

Pass Lake Resources (VSE), whose timing was impeccable, acquired a major land position at Galore Creek late last year which it optioned to three companies: Consolidated Goldwest Resources (VSE), Volcano Resources (VSE) and Lorica Resources, a private Vancouver company.

Consolidated Goldwest, a Pezim Group company, will explore the bulk of Pass Lake's claims in the camp. A minimum of \$500,000 has been allocated for a work program that will include an airborne MAG/EM survey, prospecting, and sampling. Volcano has a minimum \$75,000 budget for preliminary exploration work adjacent to the Paydirt prospect where reserves are reported to be 200,000 tons grading

0.12 oz gold. Lorica apparently has a 1989 budget of \$100,000. Five gold occurrences have been found on the property one of which is a gold-copper massive sulphide deposit.

The Paydirt property is held under option by Longreach Resources (VSE) from Consolidated Silver Standard (VSE). This year's budget could be over \$350,000 and may include 600-700 ft of drifting plus underground drilling.

Pioneer Metals (TSE) has outlined a drill target just north of Hudson Bay Mining which it may test this year; and Harrisburg-Dayton Resource Corp. (VSE) has optioned the Jack claim where high grade gold values were discovered in vein material last year. Prospecting and sampling are planned this year.

Bellex Mining and Sarabat Gold, two private Vancouver companies, are planning work programs in the Jack Wilson Creek basin at Galore Creek. Detailed follow-up work is planned on several gold targets found last year. A minimum budget of \$100,000 is being considered by each of the two companies.

At this year's Cordilleran Round Up, the annual meeting of the mineral exploration industry in British Columbia and Yukon, the Galore Creek camp will have a special display in the Tweedsmuir Room, Hotel Vancouver, February 7-8, 1989. The companies in Galore Creek will spend well over \$3 million this year in precious metal exploration, including reconnaissance and advanced programs.

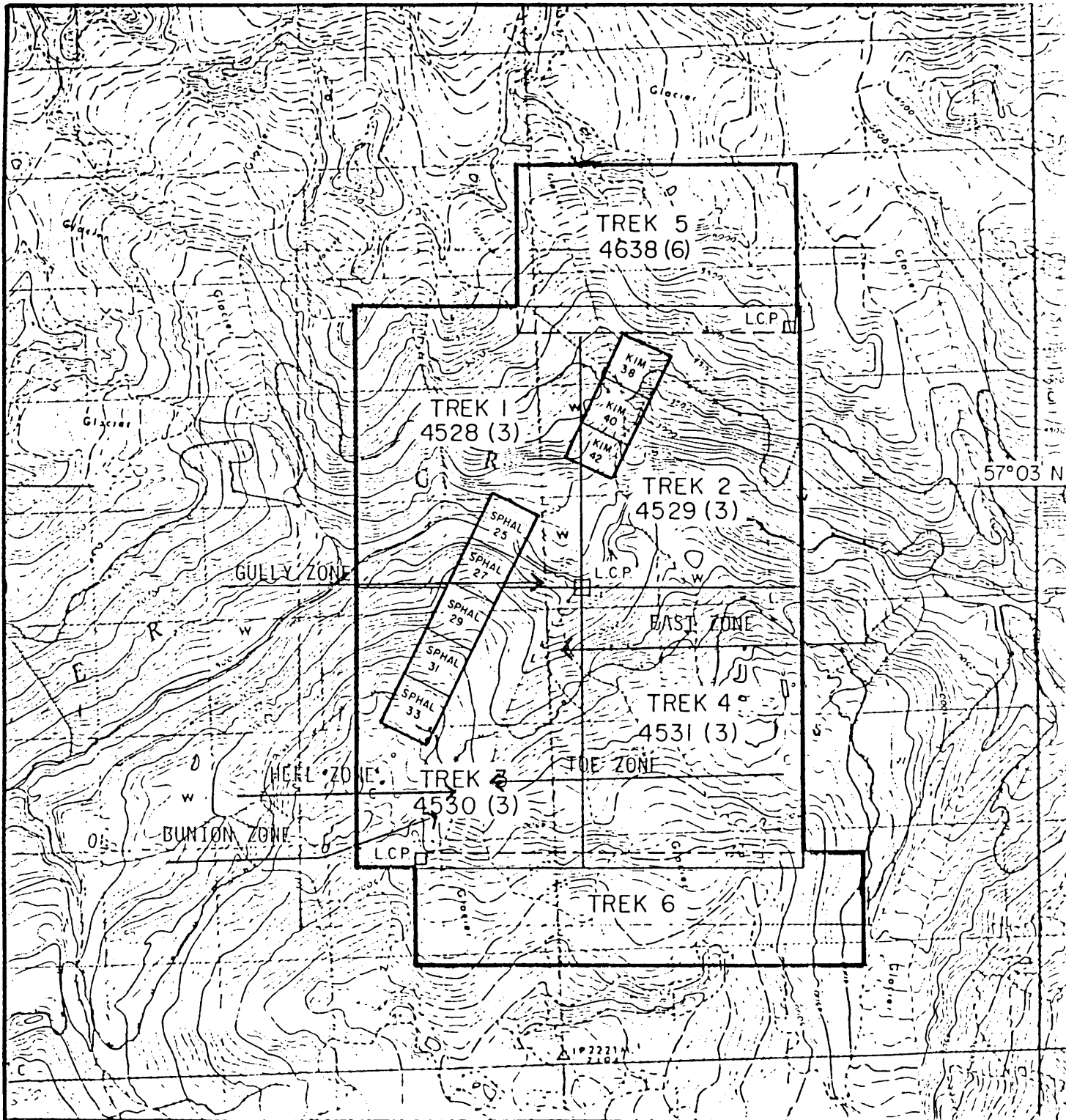
**1988 SUMMARY REPORT
ON THE
TREK 1-6 CLAIMS**

**Located in the Galore Creek area
Liard Mining Division
NTS 104G/3W
57° 03' North Latitude
131° 18' West Longitude**

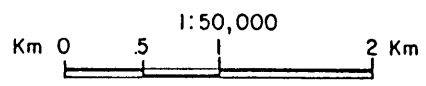
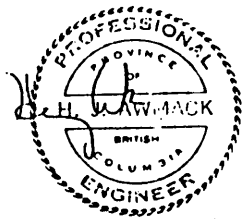
**-prepared for-
LORICA RESOURCES LTD.**

**-prepared by-
Henry J. Awmack, P.Eng.
Brian K. Yamamura, Geologist**

November, 1988



56 57 131° 20' 59 00 01 02 63 15' 64



LORICA RESOURCES LTD.			
TREK 1-6 CLAIMS			
CLAIM MAP			
LIARD MINING DIVISION, B.C.			
EQUITY ENGINEERING LTD.			
DRAWN. J.W.	PROJECT.	DATE. October, 1988	FIGURE 2

LORICA RESOURCES LTD.

SUMMARY OF 1988 WORK PROGRAM RESULTS

SOIL GEOCHEMICAL ANOMALY VALUES

ELEMENT	BACKGROUND	POSSIBLY ANOMALOUS	PROBABLY ANOMALOUS
Gold	9 ppb	29 ppb	95 ppb
Silver	0.3 ppm	0.8 ppm	2.2 ppm
Copper	35 ppm	125 ppm	450 ppm
Lead	9 ppm	19 ppm	40 ppm
Zinc	55 ppm	81 ppm	125 ppm

GULLY ZONE SAMPLING RESULTS

SAMPLE	TYPE	WIDTH	GOLD	SILVER	COPPER
245029/030	Grab	---	5.00g/t	9.6g/t	3.71%
358162	Chip	3.6m	8.77 g/t	14.4g/t	5.31%
358163	Chip	2.0m	3.36 g/t	12.3g/t	4.11%

GULLY ZONE GRID SAMPLING RESULTS

SAMPLE	WIDTH	GOLD	SILVER	COPPER	LEAD	ZINC
245025	5-10 cm	3.84 g/t	24.7 g/t	1000 ppm	1705 ppm	3.53%
245026	Float	11.24 g/t	18.0 g/t	348 ppm	856 ppm	1575 ppm
245028	50 cm	8.22 g/t	23.3 g/t	8.00 %	10 ppm	373 ppm
245031	10 cm	2.95 g/t	5.5 g/t	0.67 %	2 ppm	32 ppm
245555	30 cm	1250 ppb	2.4 ppm	8980 ppm	2 ppm	69 ppm
245556	25 cm	1530 ppb	2.6 ppm	9150 ppm	6 ppm	75 ppm

EAST ZONE SAMPLING RESULTS

SAMPLE	WIDTH	GOLD	SILVER	COPPER	LEAD	ZINC
245021	20-30 cm	2.94 g/t	89.1 g/t	0.80%	916 ppm	2320 ppm
245039	Float	0.89 g/t	216.2 g/t	47 ppm	6.71%	1620 ppm
245509	Chip	1450 ppb	95.2 g/t	664 ppm	2360 ppm	882 ppm
245510	50 cm	1.51 g/t	808.8 g/t	1.00%	9.15%	20.50%
245511	100 cm	0.89 g/t	184.1 g/t	0.15%	2.03%	0.44%
245512	50 cm	1.17 g/t	158.0 g/t	0.79%	0.23%	1.26%

TOE ZONE SAMPLING RESULTS

SAMPLE	WIDTH	GOLD	SILVER	COPPER	LEAD	ZINC
245010	2.0 m	1.23 g/t	267.6 g/t	5.22%	0.42%	1.06%
245046	--	0.69 g/t	103.2 g/t	0.86%	0.57%	1.46%
245601	10.0 cm	0.55 g/t	48.0 g/t	0.60%	145 ppm	0.05%
245602	10.0 cm	1650 ppb	42.0 ppm	6000 ppm	53 ppm	130 ppm
358157	30.0 cm	1.17 g/t	187.5 g/t	4.73%	2.25%	1.39%

HEEL ZONE SAMPLING RESULTS

SAMPLE	WIDTH	GOLD	SILVER	COPPER	LEAD	ZINC
149778	15 cm	2.60 g/t	71.6 g/t	1.32%	268 ppm	583 ppm
245609	Float	7.88 g/t	162.1 g/t	9.73%	2 ppm	146 ppm
245614	10 cm	14.66 g/t	121.7 g/t	1.76%	1 ppm	151 ppm
358158	10 cm	7.13 g/t	77.8 g/t	2.96%	296 ppm	0.16%
358159	Float	2.33 g/t	29.8 g/t	1.24%	26 ppm	300 ppm
358161	5 cm	7.61 g/t	117.2 g/t	1.12%	2 ppm	0.08%

8.0 DISCUSSION AND CONCLUSIONS

The Iskut River, Sulphurets and Stewart gold camps, to the south of the Galore Creek district, host economic gold-bearing mesothermal veins which are intimately associated with syenitic stocks intruding an Upper Triassic volcano-sedimentary sequence. The TREK property, which lies along the same regional trend, exemplifies this geological environment, with quartz monzonite bodies intruding a correlative Upper Triassic volcanic sequence. During the course of the 1988 reconnaissance exploration program,

several significant zones of precious metal mineralization were discovered on the TREK property.

The Gully Zone is exposed along fifty meters of strike length, with two chip samples averaging 0.177 oz/ton (6.07 grams per tonne) gold and 4.71% copper across 2.8 meters. Strong, coincident, multi-element soil geochemical anomalies and a well-defined, coincident VLF-EM conductor suggest that it may extend at least 200 meters north and 100 meters south of its discovery location. Its geophysical signature continues a further 400 meters to the south. The geochemical and geophysical anomalies remain open and untested to the north, where the Sphaler Creek canyon will make it impossible to extend the grid. Prospecting, hand-trenching and completion of the magnetometer survey over the remainder of the soil grid would further define the Gully Zone extensions. The Gully Zone represents an excellent target for further exploration.


Several other promising zones of gold-silver-base metal mineralization, including the Heel, Toe and East Zones, will require further investigation, in the form of prospecting, mapping, sampling, geophysical surveys and hand-trenching in order to evaluate their potential.

A multi-element stream sediment geochemical anomaly indicates the Northeast Zone, located at the northeastern extremity of the TREK fault zone, to be worthy of reconnaissance exploration for base and precious metal mineralization. The drainage upstream from stream sediment sample TRHS-9, which contained 195 parts per billion gold, has not yet been prospected nor mapped. Two major streams and several minor tributaries remain untested by stream sediment sampling.

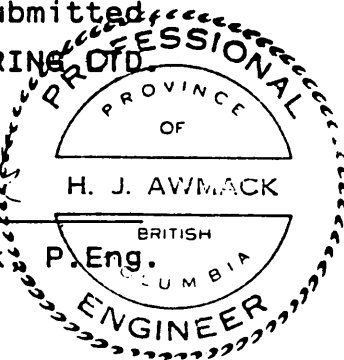
Soil sampling has proven effective in signalling the

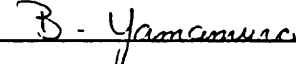
presence of significant mineralization in the Gully Zone. Strong geochemical anomalies in the vicinity of the Heel and Toe Zones and east of TREK Creek at approximately 900 meters elevation have not yet been adequately investigated. The soil grid could be conveniently extended to the south and crosslines should be run west from the baseline to the south of Silver Standard's Sphal 33 claim.

Respectfully submitted,
EQUITY ENGINEERING LTD.



Henry J. Awmack, P.Eng.





Brian K. Yamamura

Vancouver, British Columbia
November, 1988