

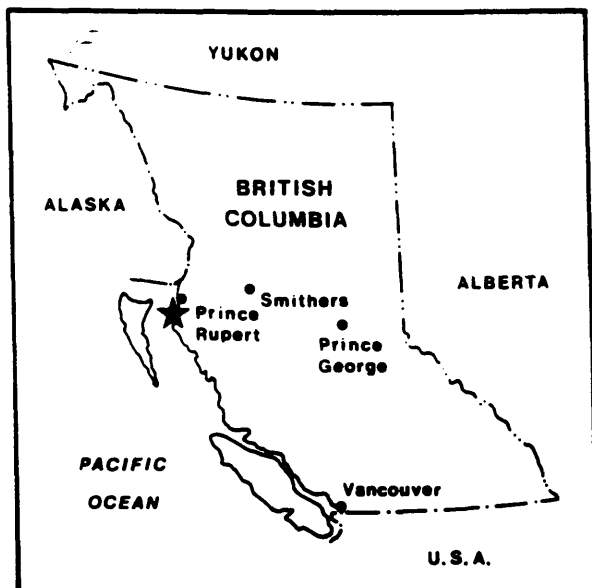
Cathedral

GOLD CORPORATION

103J 017-Surf Point
Mine

000473

PORCHER ISLAND



Commodity: Gold

Ownership: 100% Cathedral Gold Corporation

Operator: Cathedral Gold Corporation

Reserves: 1,523,000 tons @ 0.20 opt

Contained Ounces: 304,000 oz gold

Capital Cost: Estimated \$22,000,000

Mining Method: Underground blasthole and shrinkage stoping

Production: 500 tpd; 36,000 oz/year estimated

Project Status: production decision by end of 1989

Location: The property, located 40 kms southwest of Prince Rupert, British Columbia, consists of 1,500 hectares (3,700 acres) of mineral claims. Situated on tidewater, its moderate coastal climate allows for year round work.

Geology Gold mineralization occurs in sub-vertical quartz pyrite veins occupying shear and dilatant structures within a 4 km diameter sub-circular Cretaceous quartz diorite intrusion belonging to the Coast Range Batholith. Significant gold bearing veins with identical mineralogy have been located in four zones. The gold bearing structures appear to be the result of a simple shear system enhancing internal zones of weakness which permitted hydrothermal gold bearing solutions to invade the diorite.

Exploration Only the AT Zone has been drilled in enough detail to permit confident calculation of ore reserves (40,000 feet over 66 holes on 75 foot sections). In the AT Zone, a series of sub-vertical structures contain all of the mineable gold reserves. Two levels of accessible underground workings were developed at the site of the AT Zone where the former Surf Point Mine operated between 1932 and 1939. Three additional gold zones have been located by drilling and contain similar mineralization to the AT Zone. Cathedral has now completed 53,000 feet of surface diamond drilling over 91 holes since November, 1987.

Reserves Gold drill indicated reserves currently stand at 1,523,000 tons grading 0.20 gold, cut and diluted to 1.5 opt gold. Past metallurgical and milling tests show 95% recovery by simple flotation.

1989 Program The AT Zone has now reached the pre-feasibility stage with a production decision expected by the end of 1989. The property remains relatively unexplored and there are definite indications of additional tonnages both along strike and depth in the AT Zone and the nearby Edge, Alder and Slope Zones. The AT Zone will be tested underground, by raising, drifting and crosscutting between levels.

12g3-2(b) : 82-1980
TSE : CAT

MARCH, 1989

Cathedral
GOLD CORPORATION

104B 217 - Pelican
104B 1312 - Bronson East ?
104B 206 Wolverine ↗
Bronson
Creek

NEWS RELEASE

TRADING SYMBOL: CAT-T
FOR RELEASE : JULY 21, 1989
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EXPLORATION UNDERWAY AT BRONSON CREEK AND PELICAN PROPERTIES

Cathedral has commenced its 1989 exploration program at the Bronson Creek and Pelican properties located in the Iskut River gold camp. The Bronson Creek property covers 4,400 acres, borders the east side of Skyline's Johnny Mountain Gold Mine, and lies 5 miles southeast of the Delaware/Cominco Snip property. The Pelican property is located 6 miles southeast of Bronson Creek and covers 10,250 acres. Cathedral and two Imperial Metals Corporation Group Limited Partnerships, Geomex 2 and Geomex 10, have acquired from Western Canadian Mining the option to earn a 60% interest in the Bronson Creek and Pelican properties.

Cathedral's 1988 exploration program which included electromagnetic surveys, rock and soil sampling and trenching, culminated in the discovery of the T Zone, a massive pyrrhotite-pyrite-chalcopyrite-sphalerite showing with adjacent pyrite veins. Samples collected in the 100 feet of trenching showed assays of up to 0.51 opt gold.

Airborne electromagnetic and magnetic surveys carried out in April 1989 have indicated the presence of additional targets near the T Zone. Cathedral, the operator, plans to spend a total of \$350,000 this summer. The program will include 2,500 feet of diamond drilling and surface sampling to test the T Zone and its vicinity and extend geophysical and geochemical surveys to the northwest of the Bronson property in the general direction of the Snip Deposit. "Bronson Creek's geochemical signature and geological setup, similar to that of the Snip and Johnny Mountain deposits, are very encouraging", says Zarko Nikic, Vice President, Exploration.



Hugh C. Morris
Chairman