

Feb. 13/89

KENNEDY RIVER GOLD CAMP
INTERNATIONAL COAST MINERALS CORPORATION
AND ASSOCIATE COMPANIES

EXECUTIVE SUMMARY

PROPERTY FILE

By: Jerzy Palka M.Sc
Vice-President Exploration & Development
International Coast Minerals Corporation

The Kennedy River Gold Camp property holdings total roughly 120 square kilometers. The property is situated on the southwestern part of Vancouver Island, B.C. with the Pacific Rim Highway No. 4 between Port Alberni and Ucluelet running through parts of the property. Further access is by logging roads to the central parts of the property where most of the exploration is taking place. A hydro-electric power line parallels the highway which will give easy access to all electricity required. Local topography is moderate, ranging from 20 to 600 meters above sea level which makes a fairly mild climate for the area with almost no snow at lower elevations, permitting year-round exploration work.

The property is within the tectonically active part of Vancouver Island. Triassic Karmutsen Formation volcanic rocks of the Vancouver Group and Jurassic Bonanza Group volcanic rocks have been intruded by Granitic rock. Known gold mineralization is predominantly associated with west-northwesterly trending splay faults or shear zones, active during Tertiary time.

Although gold occurrences were discovered at the turn of the century, systematic exploration work and development of gold reserves at Kennedy River started in early 1980's after acquisition of the property by Mr. Waldo Ejtel, founder and President of International Coast Minerals Corporation. Since that time, over one million dollars has been spent funding exploration work which consisted of geological mapping, air photo interpretation, soil geochemistry, ground geophysical surveys, trenching, sampling and diamond drilling.

The exploration work so far has been limited to the central part of the property over about two square kilometers. The target was to develop shallow gold/silver reserves in narrow, high grade gold bearing sulphide quartz veins which could be mined from the surface and underground, employing the Cookie Jar mining method developed by James Wade Engineering of Willowdale, Ontario.

A total of seventy-five drill holes have been drilled in the central part of the Project to an average depth of about 35 meters, with the deepest hole being 153.9 meters. The above work led to a discovery of five gold bearing sulphide quartz veins (Shack, Elite, TB, Bear and Black Veins) which form splays off the NE trending Mine Creek Fault.

NW

Executive Summary
Kennedy River Gold Camp
Page TWO

Total estimated tonnage amounts to approximately 160,000 tons of ore, the highest gold value reported is 8.18 oz/ton metric over 0.5 meters.

Ore reserve estimates of the Shack Vein based on diamond saw channel sampling of the veins along outcrops supported by diamond and rotary hammer drilling and bulk sampling outlined potential reserves (probable/possible) of 42,000 tons with an approximate grade of 0.701 ounces/ton (metric) which may contain some 30,000 ounces of fine gold. Gold to silver ratio is roughly 1:3.

The reserves in the probable category have been estimated to the depth of 54.9 meters down dip and those in the possible category to the depth of 184 meters down dip.

The Shack Vein remains open along strike to both the northeast and southwest and should continue at depth. Similar results have been obtained on the four veins.

So far, no work has been done on a skarn magnetite diopside zone with gold-silver-copper mineralization. Several grab samples assayed 0.068 oz/ton gold, 0.28 oz/ton silver and 2.78% copper.

The British Columbia Mineral Exploration Review 1988 by the B.C. Ministry of Energy, Mines and Petroleum points out significant results obtained by International Coast Minerals Corporation from its ongoing drill program and discovery of a broad area of gold-silver-copper bearing skarn, a type of mineralization not previously considered to be important in the Kennedy River Gold Camp.

Presently International Coast Minerals Corporation is in the process of purchasing and installing a 30 ton/day pilot plant which will test up to 10,000 tons of vein ore taken from the surface and from underground. Underground bulk sampling will also test the Cookie Jar mining method. Norecol Environmental Consultants Ltd. has been appointed to handle environmental and mine-related permits for operation of the pilot plant.

Part of the property, only some 8.25 square kilometers of the area known as United Tommy Claim Group, had been examined by Kerr Addison Mines Limited in 1987. Geological mapping, surface sampling and eight diamond drill holes tested a zone of sheeted gold bearing quartz veinlets which, in the central part of the property, have dimensions of 1400 x 400 metres. The area is underlined by upper Triassic chloritized marine andesites intruded by a Jurassic granodioritic intrusion and by Tertiary dacitic dikes. Locally the granodiorite is in contact with coarsely recrystallized limestone. Fault zone exposures typically show intense shearing with local sericitization, silicification and pyritization over widths of 1/2 to 2 metres. To the south, exposures of dacitic lapilli tuff have been recognized. Results obtained by Kerr Addison Mines Ltd. were disappointing with most samples returning gold values of less than 0.07 g/ton.

oz/ton?

.../3

Executive Summary
Kennedy River Gold Camp
Page Three

The above work was performed during the spring and summer of 1987 and a total of \$197,000 was spent funding it. However, earlier surface sampling of the sheared zone done in 1980 indicates gold in all ten samples, five of which assayed in excess of 1.1 oz./ton gold. In 1984 three wider sample intervals from the same area all returned gold values with the highest grading 0.22 oz./ton.

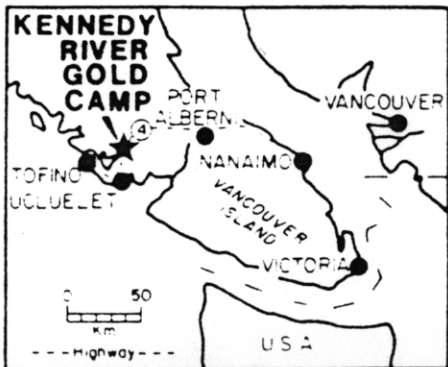
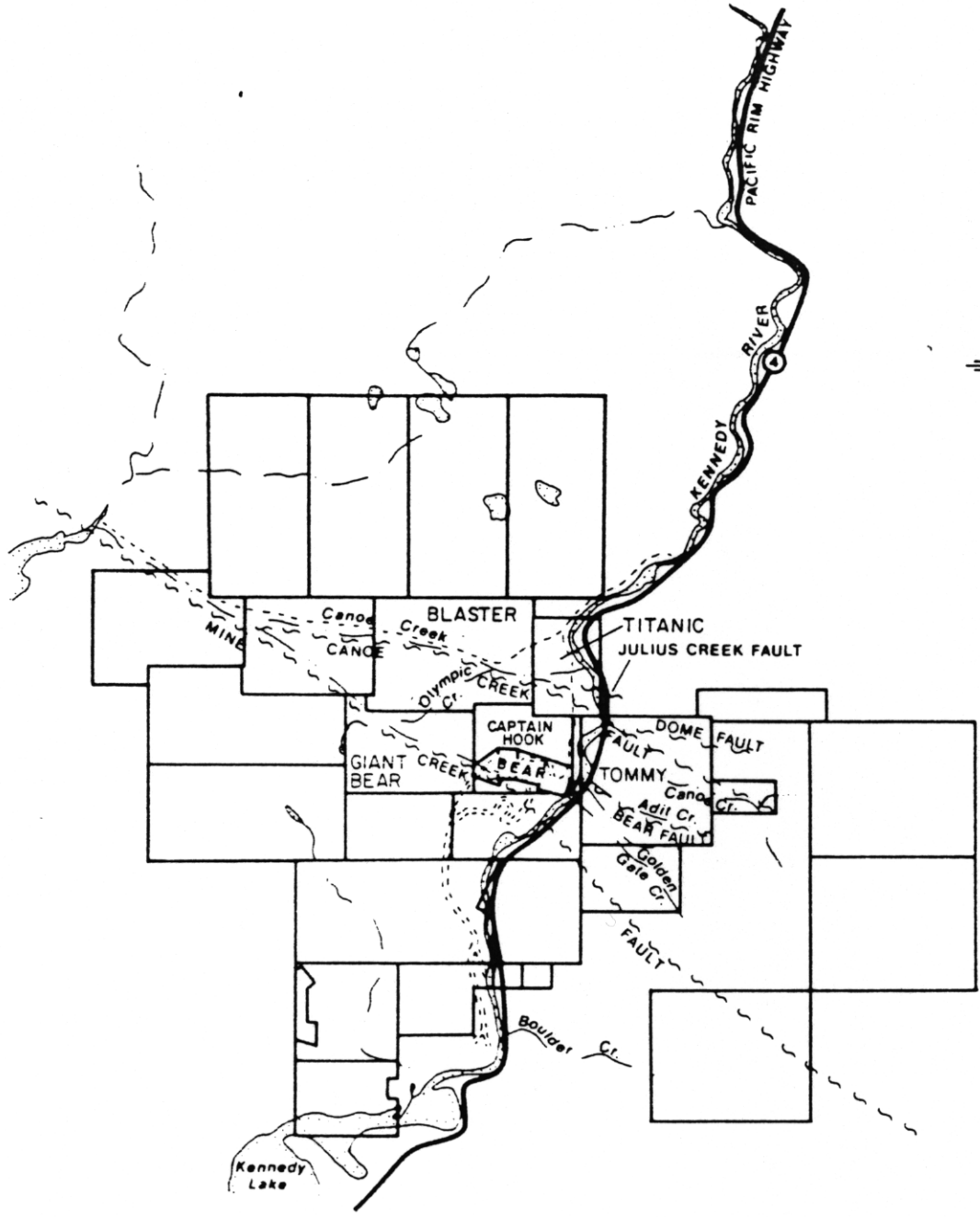
The gold distribution is erratic and the limited drilling program not necessarily reflects the true gold content. Bulk sampling seems to be the most efficient method of testing this type of mineralization at this stage of exploration.

The remaining 110 square kilometers of the Company's land holdings remain unexplored.

International Coast Minerals Corporation understands that the area has an excellent potential for a large tonnage gold deposit and warrants systematic exploration along the regional ^{NE}/_{NW} fault structures (Mine Creek and Canoe Creek Faults) and in zones of their convergence as well as in the sheared zone where gold bearing sulphide quartz veinlets exist.

Presently International Coast Minerals Corporation is considering business associations with a financial group to provide financial support for a systematic exploration program on the remaining parts of the Kennedy River Gold Camp property in search for a major gold- and silver-bearing ore deposit.

KENNEDY RIVER GOLD CAMP VANCOUVER ISLAND BRITISH COLUMBIA , CANADA



LEGEND

- FAULTS
 - ==== LOGGING ROADS
 - - - - LOGGING ROADS UNDER CONSTRUCTION
- Km 0 5 1 Km
Miles 0 2 Miles

**INTERNATIONAL COAST MINERALS CORP.
AND ASSOCIATE COMPANIES**

CLAIM MAP (Part of M92F/3W)

Date : January 1989
To accompany Executive Report

Uclulet - Tofino

56 MINFILE NUMBER: 092F 029/033/044/045/046/051/052 etc

NAME(S): ~~TOFINO-NICKEL~~ CAPTAIN HOOK, GIANT BEAR ✓

• Geology

STATUS: Showings

NTS MAP: 092F03W

UTM ZONE: 10

LATITUDE: 49 09

LONGITUDE: 125 24

ELEVATION: 0400 Metres

LOCATION ACCURACY: Within 500M

COMMENTS: Some 16 showings or prospects have been identified close to Hwy #4, all within a few square kilometers of each other. Centred about a point 15 km W of Sutton Pass (the watershed W of Sproat Lake), on the Uclulet/Tofino road.

COMMODITIES: Copper

MINERALS

SIGNIFICANT: Chalcopyrite

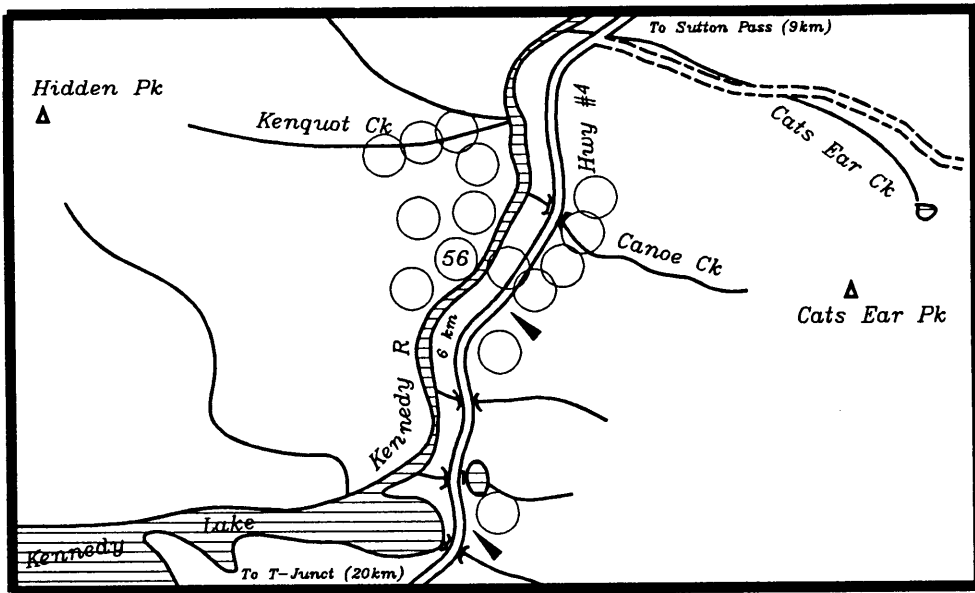
Bornite

ASSOCIATED: Quartz

Calcite

Copper mineralization occurs at many localities over a distance of about 2 km, near Hwy #4 and Kennedy River. Mineralization within the volcanics includes chalcopyrite, specularite, bornite, malachite and azurite.

Where Kennedy River flows into Kennedy Lake an area has been set aside for goldpanning and rockhounding on the gravel bars.



Map Site No.: 56

Kerr may spend close to \$2 million on B.C. gold bet

VANCOUVER — A joint venture agreement between Kerr Addison Mines and International Coast Minerals could see the former spend \$1.75 million on a gold property in the Kennedy Lake area on Vancouver Island. Coast Minerals, which expects to go public on the Vancouver Stock Exchange in the near future, says the property was originally staked by its president in 1980.

Teck Explorations optioned the ground in 1984 and conducted geological, geochemical, electromagnetic and magnetometer surveys

over portions of the claim group; but dropped it after completing the work. 92 F033 (3W)!

High grade gold values have been found there in narrow, northeasterly-trending, parallel quartz veins and veinlets. The mineralized zone is approximately 8,000 ft long and from 325-2,000 ft in width so the potential for a large, low grade bulk tonnage situation is excellent, the joint venture concludes.

Kerr Addison will be able to earn a 60% interest in the United Tommy group for \$1.75 million, which would include a first-phase explo-

ration program involving at least 6,000 ft of drilling by Dec 31, 1987.

Coast also holds some exclusive ground adjacent to the Tommy group where gold mineralization has been noted in quartz veins within a wide, persistent regional shear zone. That whole zone will be explored in detail, the company says. Both properties are close to Port Alberni, a major logging centre, and road access is available right to the property, as well as power.

\$\$\$ WIN
JAN 1987

* I.C.M. 92F033
CORPORATION 92F/3W

International Coast Minerals Corp. has recently completed a joint venture agreement with Kerr Addison Mines Ltd. to explore the United Tommy Group gold property located in the Kennedy Lake area of Vancouver Island, British Columbia.

The agreement calls for Kerr Addison to spend C\$1.75 million to earn a 60% partnership in the project with the first phase to include at least 6,000 feet of diamond drilling by October 31, 1987.

Waldo W. Ejtel, president, reports that the gold mineralization is approximately 8,200 feet in length and recently the width has been extended to over 2,624 feet along Canyon Creek. The potential for the creation of a very large, low-grade, open-pit gold mine is excellent, says Ejtel.

I.C.M. will retain a 40% interest in the project.

In addition, I.C.M. is also developing a second gold project adjacent to the United Tommy Group known as the United Bear Group that has surface showings of gold-bearing quartz veins. It has been described by independent geologists as one of the best known showings in Western Canada.

Paul Wilton, district geologist, Department of Mines and Petroleum, took a chip channel sample across 8.2 feet which graded 1.23 ounces of gold per ton. Another chip channel sample on the same vein across 1.64 feet graded 7.42 ounces of gold per ton.

The company plans an extensive diamond drilling program in the near future and it is expected to be confirmed that the potential

on these two projects will exceed C\$1 billion in gold.

Power is readily available at the properties and a logging road cuts through the main ore zone. Labor and materials are available from the nearby towns of Port Alberni, Tofino and Ucluelet.

The company is currently preparing a prospectus for a public offering in preparation to begin trading on the Vancouver Stock Exchange.

Contact:
I.C.M. Corporation
#1500 1176 West Georgia St.
Vancouver, B.C. Canada V6E 4A2
604-685-4335

western
Investment
News
\$\$\$ WIN
JAN 1987
I.C.M. 92F033
CORPORATION 92F/300

International Coast Minerals Corp. has recently completed a joint venture agreement with Kerr Addison Mines Ltd. to explore the United Tommy Group gold property located in the Kennedy Lake area of Vancouver Island, British Columbia.

The agreement calls for Kerr Addison to spend C\$1.75 million to earn a 60% partnership in the project with the first phase to include at least 6,000 feet of diamond drilling by October 31, 1987.

Waldo W. Ejtel, president, reports that the gold mineralization is approximately 8,200 feet in length and recently the width has been extended to over 2,624 feet along Canyon Creek. The potential for the creation of a very large, low-grade, open-pit gold mine is excellent, says Ejtel.

I.C.M. will retain a 40% interest in the project.

In addition, I.C.M. is also developing a second gold project adjacent to the United Tommy Group known as the United Bear Group that has surface showings of gold-bearing quartz veins. It has been described by independent geologists as one of the best known showings in Western Canada.

Paul Wilton, district geologist, Department of Mines and Petroleum, took a chip channel sample across 8.2 feet which graded 1.23 ounces of gold per ton. Another chip channel sample on the same vein across 1.64 feet graded 7.42 ounces of gold per ton.

The company plans an extensive diamond drilling program in the near future and it is expected to be confirmed that the potential

92F033
on these two projects will exceed C\$1 billion in gold.

Power is readily available at the properties and a logging road cuts through the main ore zone. Labor and materials are available from the nearby towns of Port Alberni, Tofino and Ucluelet.

The company is currently preparing a prospectus for a public offering in preparation to begin trading on the Vancouver Stock Exchange.

Contact:
I.C.M. Corporation
#1500 1176 West Georgia St.
Vancouver, B.C. Canada V6E 4A2
604-685-4335

GCNL #196 11 OCT 84 INTERNATIONAL PHOENIX ENERGY CORPORATION

AU 92F/3W

EARLY DRILL START AT - International Phoenix Energy Corporation president H.P. Capozzi announces that the initial KENNEDY LAKE EXPECTED program on the company's Kennedy Lake property in Alberni mining division on Vancouver Island by Teck Explorations Ltd. has been completed. The program consisted of soil and rock sampling,

geological mapping and magnetic and VLF-electromagnetic surveys. Teck have reported, " geological mapping and rock sampling indicated that a set of gold mineralized veins and veinlets occurs between Adit and Walkout creeks and could extend southwesterly for a total length of 2 km." Chip sampling provided values up to 0.123 oz.gold/t over 16.4 feet.

Mr. Capozzi says Teck have just completed additional blasting and sampling and the assay results of some 800 samples will be available within two weeks. This work will help finalize the targets for the diamond drill program which will start shortly.

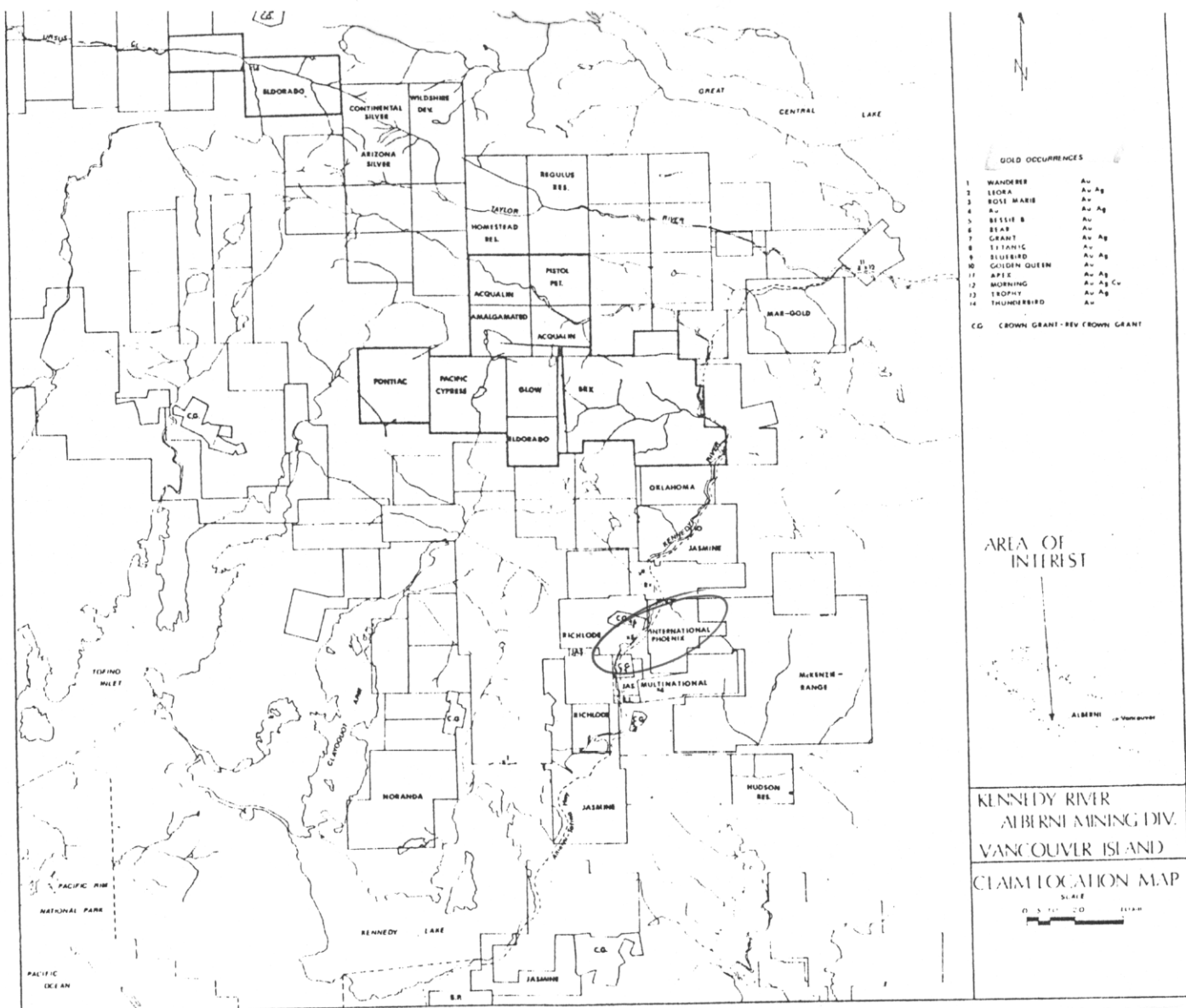
GCNL #127 2 JULY 1984

INTERNATIONAL PHOENIX ENERGY CORPORATION (IPY-V)

92F/3W

AU

TECK WILL START WORK - International Phoenix Energy Corporation chairman Murray Pezim announces the appointment of ON KENNEDY LAKE CLAIMS Teck Exploration Ltd. as operator to conduct exploration on Phoenix's Kennedy Lake property on Vancouver Island, B.C. An immediate start is planned on Phase I work recommended by the company's consulting engineer, being geochemical mapping, geophysical surveying, diamond drilling and assaying. The company has reserved funds for Phase II's additional diamond drilling if warranted by results of Phase I.



092F033 ?