

ores in tabular, sheetlike lenses. Tonnage for each ore body is usually less than 100,000 tons, but gold grades of up to 4 oz./ton have been found on the island from these mantos.

Drill intersections from a 1984 exploration program near the Little Billie mine yielded 2% Cu, 0.23 oz./ton Au and 1.05 oz./ton Ag mineralization over a 3 m interval. Geologic information indicates a strong potential for 200,000 tons of ore grading 0.17-0.42 oz./ton Au, 0.7-3.5 oz./ton Ag and 1.5-3.5% Cu.

Modern geophysical and geochemical techniques used in conjunction with surface mapping and diamond drilling can be effectively used to discover additional ore deposits. The past production history identification of multiple exploration targets and a favorable infrastructure for mining activity makes the Vananda Gold property an exciting exploration venture.

### 1987-88 Program

During 1986 the data compilation was completed, bringing all the former information together to outline a comprehensive picture of the Vananda camp. A grid was established and some geological mapping and soil geochemistry was started. The geochemistry analysis showed several broad areas of high gold anomalies and a large soil geochemistry survey was completed in the late summer.

Geological mapping and trenching will continue at this time. Targets developed will be drilled during the winter of 1987 / 88. An ongoing program will include extensive drilling and rehabilitation of existing underground workings.

## Corporate Data

### HEAD OFFICE

Vananda Gold Ltd.  
417-837 West Hastings Street  
Vancouver, B.C. V6C 1B6  
(604) 688-0323

### TRANSFER AGENT

Canada Trust  
1055 Dunsmuir Street  
Vancouver, B.C. V7X 1P3

### AUDITORS

Coopers & Lybrand  
1111 West Hastings Street  
Vancouver, B.C. V6E 3R2

### SOLICITORS

Tupper, Jonsson & Schroff  
1177 West Hastings Street  
Vancouver, B.C. V6E 2L3

### CONSULTANTS

G.R. Peatfield, Ph.D., P.Eng.  
Mine Quest Exploration Associates Ltd.  
164 Water Street, Vancouver, B.C.

### CAPITALIZATION

10,000,000 authorized common shares  
Escrowed: 750,000  
Trading: 1,030,000

### DIRECTORS

Stan Beale, Vancouver - *President*  
Dave Watkins, Toronto - *Director*  
Hugh Billings, Vancouver - *Director*  
Reid Dobell, Vancouver - *Director*  
Mike Ryan, Victoria - *Director*

### BROKERAGE HOUSE / SECURITIES AGENTS

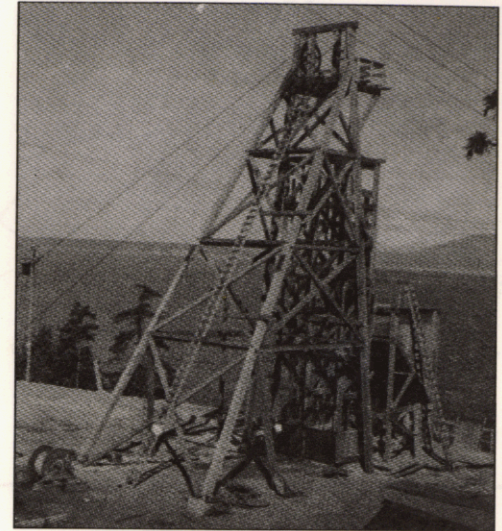
Yorkton Securities Inc.  
14th Floor - 609 Granville Street  
P.O. Box 10350  
Vancouver, B.C. V7Y 1G5  
(604) 669-7752

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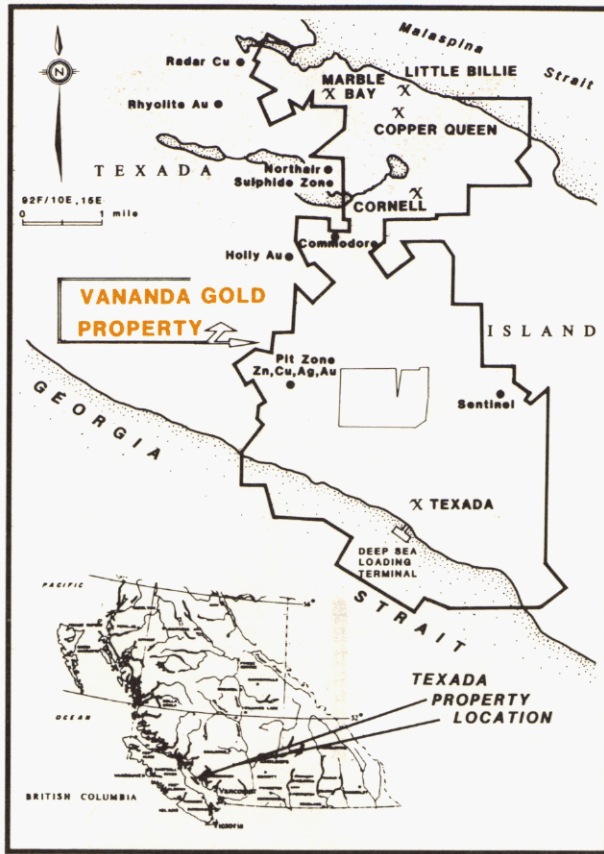


# Vananda Gold Ltd.



Little Billie Mine, 1948

Vananda Gold Ltd. is an active exploration and development company specializing in precious metal prospects. The company currently controls the claims of all the former major producing mines on Texada Island, British Columbia. Vananda Gold Ltd. trades on the Vancouver Stock Exchange as VAG.



## Area Of Exploration

The property controlled by Vananda Gold is on northern Texada Island, 80 kilometers northwest of Vancouver and is accessible by provincial highway, ferry and air. Numerous public and private roads provide easy access to the property.

Due to its location in the Georgia Strait area, Texada Island enjoys a mild climate enabling mining exploration and development work to proceed on a year round basis.

Vananda Gold controls 123 claims in a block approximately 3.5 x 8.5 km. Mineral rights are held by way of located claims, Crown-granted claims and Mining Leases.

## History

The northern part of Texada Island has been an important mining area since the late 1800's. Initially, between 1897 and 1929, the gold-copper-silver skarn deposits near the village of Vananda were the targets for production in excess of 250,000 tonnes of high-grade ore. Later, between 1948 and 1952, one of the mines known as the "Little Billie", produced another 58,000 tonnes of ore.

There are two distinct families of skarn deposits on the property, and between the years 1952 to 1976, the large magnetite skarn deposits from the southern section produced more than 20 million tons of iron concentrates with excellent byproduct copper, gold and silver.

By 1977, the current Vananda Gold property had been consolidated and serious ground work, consisting mostly of geophysics and diamond drilling, commenced and has continued with some interruptions to the present.

Vananda Gold has recently undertaken a systematic compilation of all previous results and this is the basis upon which future programs are being designed.

## Geology of the Deposits

The Vananda Gold property is underlain by Triassic sea floor basalts and marine limestones. These rocks are intruded by later quartz dioritic to gabbroic stocks and dikes resulting in skarn formation. This skarn is the host to gold-silver-copper mineralization. Both the limestones and basalts are replaced by skarn and economic mineralization occurs at volcanic-limestone intrusive contacts. Wollastonite, a calcium silicate skarn mineral found on the Vananda Gold property, has wide ranging uses in the plastics and ceramics industry and may occur in sufficient quantities to be mined as an economic by-product.

Associated with the skarns on Texada Island are two distinct exploration targets. The first target consists of gold-bearing copper

sulfide mineralization formed in calc-silicate skarn. This is the type of mineralization recovered in the Marble Bay, Copper Queen, Little Billie and Cornell mines. These ore bodies are typically pipe-like in shape with large vertical extent capable of yielding several hundred thousand tons of ore.

The second exploration target, is called a 'manto' or 'limestone replacement' deposit and occurs in limestone away from intrusive and volcanic contacts. It consists of gold and silver-bearing Pb-Zn-Cu

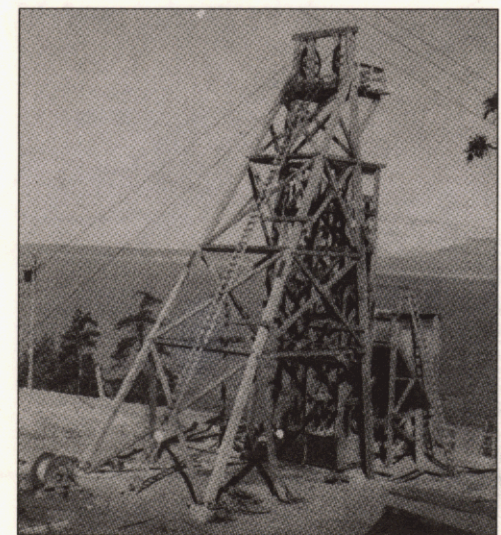
## PRODUCTION GRADES FOR TEXADA ISLAND MINES

Mine	Years	Tons	Au oz.	Ag oz.	Cu %
Copper Queen	1903-1907	3,666	.39	2.96	4.5
Copper Queen	1907-1917	826	.46	3.5	4.3
Cornell	1897-1919	44,850	.40	1.9	3.4
Little Billie	1896-1916	6,295	.3	1.36	2.4
Little Billie	1948-1952	63,933	.19	.56	1.2
Marble Bay	1899-1929	219,589	.27	2.23	3.4
Total Vananda		339,158	.27	1.87	3.0
Lake	1901-1921	1,042	.11	1.34	5.0
Prescott	1895-?	808	.13	1.53	5.3
Texada Iron	1957-1976	20,724,232	.02	.04	0.14

MS - Janet F.



## Vananda Gold Ltd.



Little Billie Mine, 1948

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**PROPERTY FILE**

Vananda Gold Ltd. is an active exploration and development company specializing in precious metal prospects. The company currently controls the claims of all the former major producing mines on Texada Island (in the Georgia Strait), British Columbia.

### Corporate Data

**HEAD OFFICE**  
Lawson Lundell Lawson & McIntosh  
650 West Georgia Street  
Vancouver, B.C. V6B 4R7

**TRANSFER AGENT**  
Canada Trust  
1055 Dunsmuir Street  
Vancouver, B.C. V7X 1P3

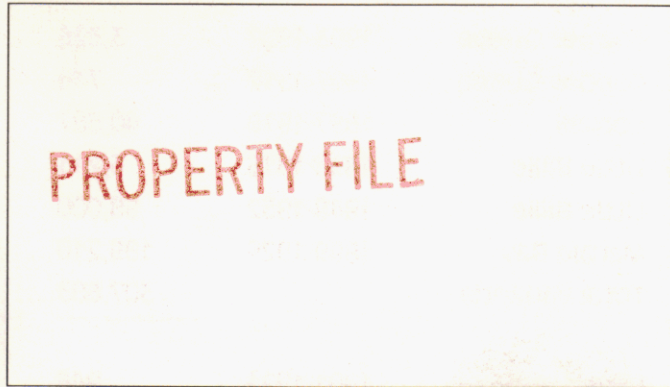
**AUDITORS**  
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**SOLICITORS**  
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**CONSULTANTS**  
G.R. Peatfield, Ph.D., P.Eng.  
Mine Quest Exploration Associates Ltd.  
311 Water Street, Vancouver, B.C.

**CAPITALIZATION**  
10,000,000 authorized common shares

**DIRECTORS**  
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Reid Dobell, Vancouver - *Director*  
Mike Ryan, Victoria - *Director*



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vertical extent. Such shoots were very difficult to find in the early days using sinking and drifting. Today, with modern geological, geophysical and geochemical techniques, there is little doubt that substantial additional bodies of gold-copper-silver ore remain to be discovered.

Drill intersections from a small program near the "Little Billie" in 1984 showed mineralization grading 2% Cu 6.52 g/tonne (.23 oz.) Au, and 29.8 g/tonne (1.05 oz.) Ag over 3 metres. And it is felt that there is geological potential for several deposits of 200,000 tonnes of material grading 5 to 12 g/tonne (.17 to .42 oz.) Au, 20 to 100 g/tonne (.7 to 3.5 oz.) Ag, and 1.5 to 3.5% Cu.

### Industrial Mineral Potential

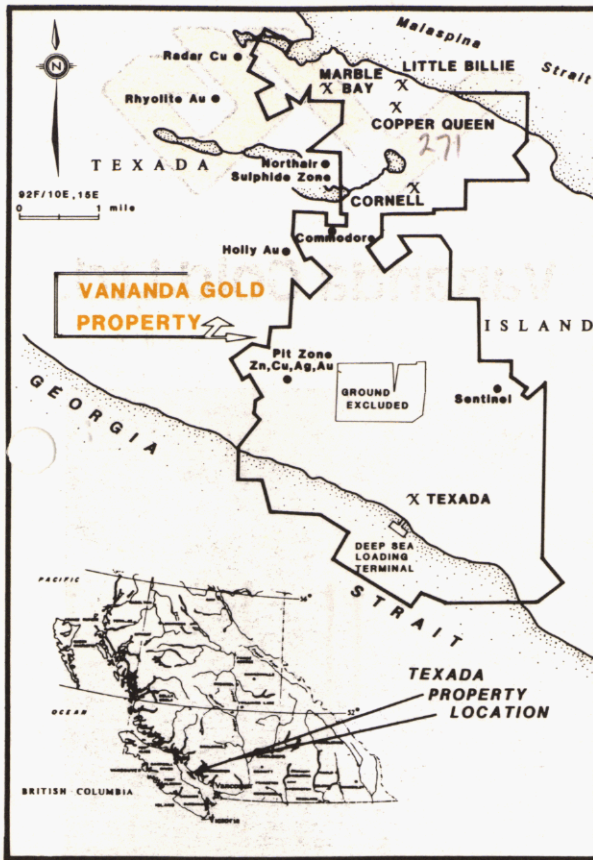
The copper-gold skarns of the Little Billie mine are mostly associated with the calcium silicate skarn (Wollastonite). This hard fibrous material is finding ever increasing use in the ceramic and plastic industries, as well as a substitute for asbestos. In fact, recent studies at U.B.C. indicate the Wollastonite may have more value than the associated ores.

### 1987 Program

During 1986 the data compilation was completed, bringing all the former information together to outline a comprehensive picture of the Vananda camp. A grid was established and some geological mapping and soil geochemistry was started. The geochemistry analysis showed several broad areas of high gold anomalies and a large soil geochemistry survey is now underway.

Geological mapping and geophysics is planned for early 1987. Trenching will begin at this time. Targets developed will be drilled during the summer of 1987. An ongoing program would include extensive drilling and rehabilitation of existing underground workings.

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## History

The northern part of Texada Island has been an important mining area since the late 1800's. Initially, between 1897 and 1929, the gold-copper-silver skarn deposits near the village of Vananda were the targets for production in excess of 250,000 tonnes of high-grade ore. Later, between 1948 and 1952, one of the mines known as the "Little Billie", produced another 58,000 tonnes of ore.

There are two distinct families of skarn deposits on the property, and between the years 1952 to 1976, the large magnetite skarn deposits from the southern section produced more than 10 million tonnes of iron concentrates with excellent byproduct copper, gold and silver.

By 1977, the current Vananda Gold property had been consolidated and serious ground work, consisting mostly of geophysics and diamond drilling, commenced and has continued with some interruptions to the present.

Vananda Gold has recently undertaken a systematic compilation of all previous results and this is the basis upon which future programs are being designed.

## Geology & Mineral Deposits

The Vananda Gold property is underlain by a succession of volcanic and sedimentary skarn. The limestone overlays the volcanic and both have been cut by intrusive rocks. In the area of the Texada iron mines the intrusive rock is principally composed of quartz diorite and granodiorite. Near Vananda, closely associated with the gold-copper mines, are smaller bodies of diorite, diorite porphyry and locally more basic intrusive rock.

Because of relatively high precious metal values, the Vananda deposits are the most attractive exploration targets at present. These gold-copper-silver deposits consist of narrow lenses or shoots of skarn mineralization with restricted cross-sectional area but very considerable (250 metres plus)

## PRODUCTION GRADES FOR TEXADA ISLAND MINES

Mine	Years	Tonnes	Au		Ag		Cu%
			g/t	oz.	g/t	oz.	
Copper Queen	1903-1907	3,326	11.2	.39	84.0	2.96	4.5
Copper Queen	1907-1917	749	13.2	.46	100.5	3.5	4.3
Cornell	1897-1919	40,687	11.6	.40	53.9	1.9	3.4
Little Billie	1896-1916	5,711	8.8	.3	38.6	1.36	2.4
Little Billie	1948-1952	58,000	5.4	1.9	16.9	.56	1.2
Marble Bay	1899-1929	199,210	7.8	.27	63.4	2.23	3.4
Total Vananda		307,683	7.9	.27	53.2	1.87	3.0
Lake	1901-1921	946	3.2	.11	38.0	1.34	5.0
Prescott	1895-?	733	3.8	.13	43.4	1.53	5.3
Texada Iron	1957-1976	18,800,900	.567	.02	1.25	.04	0.14

## Area Of Exploration

The property controlled by Vananda Gold is on northern Texada Island, 80 kilometers northwest of Vancouver and is accessible by provincial highway, ferry and air. Numerous public and private roads provide easy access to the property.

Due to its location in the Georgia Strait area, Texada Island enjoys a mild climate enabling mining exploration and development work to proceed on a year round basis.

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