



Bethlehem
Resources
Corporation

009026 Received

FEB 23 1990

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February 22, 1990

Mr. Larry Jones
B.C. Energy, Mines &
Petroleum Resources
Geological Survey Branch
Room 247
541 Superior Street
Victoria, B.C. V8V 1X4

Dear Larry:

Re: Giant Copper Property

Further to our telephone conversation today, attached please find a copy of the letter to Mr. Ralph McGinn dated March 20, 1989 regarding uranium values at the Giant Copper Property.

We hope the above is satisfactory and if you require any further information, please do not hesitate to contact me.

Yours very truly,

BETHLEHEM RESOURCES CORPORATION

Patrick M. McAndless
Vice-President, Explorations

:maj

Att:

Suite 860-808 West Hastings Street
Vancouver, B.C. V6C 2X4
Telephone: (604) 687-7444
Facsimile: (604) 687-0560

March 20, 1989

Mr. Ralph McGinn,
Ministry of Energy, Mines and Petroleum Resources,
Room 105, 525 Superior Street,
Victoria, B.C.
V8V 1X4

Dear Sir:

RE: GIANT COPPER PROJECT
- Uranium Values

This letter has been prepared to bring the Ministry up to date on the results of Bethlehem's 1988 Exploration Program on the AM Breccia portion of the Giant Copper Property, with regard to Uranium values. The Giant Copper Property lies approximately 35 km south east of Hope. Two plans have been included; one showing location of the property on a map of B.C., and a second showing the location of the AM Breccia on the claims.

Bethlehem Resources Corporation conducted an exploration program in 1988, consisting of re-assaying previously drilled core, geochemistry, geophysics, surface drilling and underground drilling on the portion of the Giant Copper Property located outside the Skagit Valley Recreation Area. This work was focused on the largest known mineralized zone

Cont/...

on the property, the A.M. Breccia Zone. This zone had been previously explored for a vertical depth of approximately 500 metres, with 4760 metres of drifting, 657 metres of raising, and 11,980 metres of drilling. A reserve of approximately 2,700,000 tons grading 1.35% Copper, 0.015 oz/ton Gold and 0.64 oz/ton Silver was delineated. The re-assaying of the old core stored at the site was completed to confirm the

Gold, Silver and Copper values obtained previously, and to check the reported Uranium values in the zone.

The Report of the Minister of Mines, 1949, on pages A212 and A213 reported Uranium values for forty seven channel samples collected in the upper adits of the AM Breccia. Using a Geiger counter, twenty two values in excess of 0.01 percent U_3O_8 (100 ppm U_3O_8) were obtained, with these values ranging from 0.011 and 0.040 per cent U_3O_8 . The Report of the Minister of Mines, 1954, also reports similar U_3O_8 grades in a more extensive underground sampling program.

Cont/...

In 1976, Giant Mascot Mines checked the breccia for Uranium values, using a scintrex gamma ray spectrophotometer. They were unable to detect any levels over background, except in the case of one small pile of rock on the six level dump. A copy of a memorandum regarding this investigation is attached.

In order to confirm the Uranium content of the deposit, all of the samples of split core sent in for analysis in 1988 were analyzed for Uranium using ICP methods. A total of 2715 samples, from section of 154 diamond drill holes, representing 6907 metres of drilling in the A.M. Breccia were analyzed for Uranium. Uranium values were less than 1.0 ppm, the detection limit, in 99.3 percent of the values. Only 18 of the samples had detectable Uranium, and of these values only four values were greater than 100.0 ppm, these four values were 176, 169, 136, and 132 ppm Uranium. A copy of a statistical analysis of the Uranium values obtained in the re-assaying of core is attached. The analysis shows that

Cont/ ...

- 4 -

the mean value of all the samples is 1.02 ppm Uranium.

Uranium at this level would be typical of many igneous rocks which have a natural abundance of about 1 ppm, and would be approximately 100 times lower than the limit imposed on non-Uranium mines when Uranium moratorium regulation was in place.

Yours truly,

BETHLEHEM RESOURCES CORPORATION

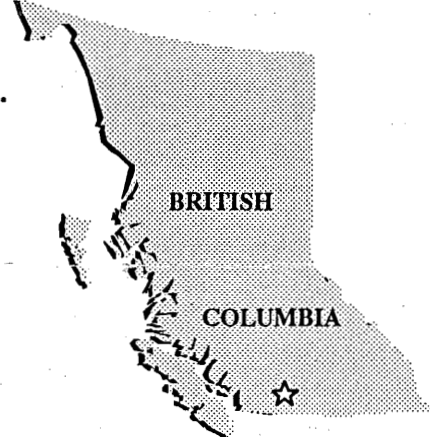
Brian Kynoch
Vice-President, Engineering

Encl:

- location plan
- claim plan
- Giant Mascot memo
- statistical analysis

GIANT COPPER PROPERTY

LOCATION 43 km. SE of Hope, B.C.
 LAND 166 claims covering 3386 hectares
 INTEREST 100 %
 OPERATOR Bethlehem Resources
 COMMODITY Copper - Gold - Silver



RESERVES

Geological (underground) AM Breccia, North Zone <i>High Grade Rim Only</i> 3.8 million tons	Open Pit - Option 1 AM Breccia 6.6 mill/tons grading: 1.00 % Cu equivalent 0.64 % Cu 0.009 oz/ton Au 0.32 oz/ton Ag Stripping Ratio: 1.5 to 1	Open Pit - Option 2 AM Breccia 22.9 mill/tons grading: 1.21 % Cu equivalent 0.75 % Cu 0.012 oz/ton Au 0.36 oz/ton Ag Stripping Ratio: 4.5 to 1
1.87 % Cu equivalent 1.20 % Cu 0.016 oz/ton Au 0.64 oz/ton Ag		

SUMMARY GEOLOGY

The AM Breccia is a vertical dipping, elongate, pipe-like breccia body which cuts through metasedimentary and metavolcanic rocks of the Upper Jurassic Dewdney Creek Group. The known vertical extent of the breccia is approximately 1560 feet and it still remains open to depth. Horizontal dimensions of the breccia are approximately 1000 ft. x 750 ft.

A "high-grade" rim of sulphide mineralization roughly follows the circumference of the northwest portion of the breccia. The central portion contains lower grade mineralization. Results of drilling to date in this average approximately 0.5 % Cu equivalent. A number of post mineral NE trending faults cross the AM Breccia and a larger structure, the Giant Fault, possibly offsets the southeastern portion of the AM Breccia approximately 1000 ft. to the NE. A new breccia, known as the No. 1 Breccia, was recently discovered in the vicinity of the proposed dislocated breccia. Drilling and trenching have returned long intersections (100+ ft.) in excess of 0.3 % Cu equivalent, containing several higher grade sections.

Mineralization within the AM Breccia consists of chalcopryite, pyrrhotite, pyrite and arsenopyrite in a gangue of chlorite, quartz, calcite, feldspar and tourmaline.

2H5W001

Giant Copper

Property File

2 copies

The deposit consists of several closely stacked stratabound lenses in altered and mineralized "black-rock" schists and breccias. The lenses strike approximately 110 degrees and dip northwards from 25 to 45 degrees. The deposit is only partially linedated, but currently is continuous along a minimum 900 metre strike length, and 300 to 500 metres in width. Individual mineralized lenses vary in thickness from 10 to 65 metres, and are variably enriched in Au, Bi, Co, Cu and W. The current indicated global resource will be announced in a press release from the Company January 20, 1997.

4 core boxes show representative examples of gold-rich, cobalt-bismuth-rich and copper-rich ores from the Bowl Zone deposit.

3. Giant Copper, BC - Imperial Metals

Imperial Metal's 100% owned Giant Copper property is located in southwestern British Columbia, approximately 200 kilometres east of Vancouver. Access is most easily gained by travelling 43 kilometers east of Hope on the #3 Provincial Highway and then by 11 kilometers of roads and trails on the property.

Three main zones of mineralization are known to exist on the Giant Copper property with several smaller mineral showings. The property has a long history of activity, with small scale production dating back to 1916, and sporadic production activity through to 1947. Underground exploration development occurred from the 1930's through to the 70's.

To date, the main interest has been in the AM Zone, which has published open pit reserves of 29.5 million tons grading 0.65% Copper, 0.011 oz/ton Gold, 0.360 oz/ton Silver and 0.007% Molybdenum, with a stripping ratio of 4.25 to 1. A higher grade resource of underground mineable mineralization is calculated at 3.69 million tons grading 1.17% Copper, 0.016 oz/ton Gold, and 0.386 oz/ton Silver, in the "North Nose Zone" within the AM Zone. Approximately 65% of the North Nose Zone is included in the open pit resource, with the remainder extending vertically below the pit design. The size of the AM Zone is relatively well defined by surface and underground diamond drilling, but remains open to depth.

The 1996 exploration program tested the Invermay Zone, where high grade lead, silver veins were mined in the 1930's and 40's. The potential for bulk mineable, disseminated mineralization in the surrounding brecciated diorite, was recognized several decades later but was never adequately tested. A preliminary geologic resource has been calculated at 16.9 M tons grading 0.21% Copper, 0.011 oz/ton Gold, and 0.255 oz/ton Silver.

Resolution of the land use policy for the area of the Invermay Zone in late 1995, provided the incentive for further exploration. Through two phases of drilling in 1996, 13 diamond drill holes, totalling 8062 feet were completed on the zone. Mineralization is open to the west, north, east, and to depth.

The 1996 exploration program also included a more aggressive approach to exploration of the relatively unworked regions of the property. An airborne geophysical survey totalling 658.8 line kilometers was flown, and extensive moss mat sampling and prospecting was completed on all major drainages on the property.

Future work on the property will be focused on continued delineation of the Invermay Zone, in an attempt to establish a second open pit resource.

4. Niblack Project, Southeast Alaska - Abacus Minerals Corporation

The Niblack property is a volcanogenic massive sulphide (VMS) prospect. The property is located approximately 30 miles southwest of Ketchikan, Alaska on the southern terminus of Prince of Wales Island. The property is owned 100% by Abacus Minerals Corporation, a Vancouver based exploration company. Massive sulphide mineralization on the Niblack property is located by a polyolithic felsic volcanoclastic sequence known locally as the Lookout Rhyolite.

Abacus Minerals Corporation completed approximately 35,000 feet of diamond drilling on the property in 1996, the bulk of which concentrated on the Lookout Zone. Historically the Lookout Zone had returned sulphide intercepts with exceptionally high grade but little continuity had been developed between intercepts. The 1996 drilling helped define continuity and greatly simplified the geological model at Lookout. Drilling traced gold rich massive and semi-massive sulphide mineralization over a strike length of 1,100 feet.

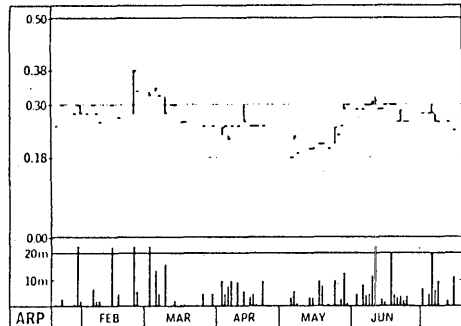
The recent drilling has just begun to define the extents of the mineralizing system. The last hole drilled at Lookout in 1996 (LO-117) was drilled to test the western strike extent of the zone and intersected three zones of massive and semi-massive sulphide mineralization. The zone is wide open along strike to the west and down dip, and the possibility of significantly expanding the mineralization in these directions is considered extremely high. Two previously drilled holes indicate that the sulphide system extends for at least an additional 1000 feet.

Results from the 1996 drilling also indicate that the gold grades associated with the massive sulphide mineralization are substantially higher than originally estimated. Most of the mineralized zones contain grades better than 0.10 oz/t Au with many in excess of 0.30 oz/t Au. A preliminary resource calculation is currently in progress and should be completed late in January.

Surface prospecting in the area of the Mammoth showing, approximately 2000 feet north of the Lookout Zone, has identified a large area of alteration and base metal mineralization over a 250 x 600 foot area. Rocks within this area are very similar to the rocks that host the mineralization at Lookout. A structural interpretation of the area suggests that the Mammoth zone and the Lookout zone are on opposite limbs of a syncline and represent the same stratigraphic interval. This interpretation opens a huge area for exploration and represents a high priority target for 1997.

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Arctic Red Resources Corp ARP
Shares issued: 110,507,182 Jul 18 close: \$0.24



News Release . . . Construction of pipeline completed

Mr Daniel P. Neelon reports:

The company announced that its wholly owned subsidiary, Chuska Energy Company, has completed the construction of a pipeline from El Paso Natural Gas Company's main gathering line to Chuska's Black Rock No. 2 well. The well has been flowing approximately 3,500 MCF of natural gas per day and is expected to net revenues of up to \$40,000 per month.

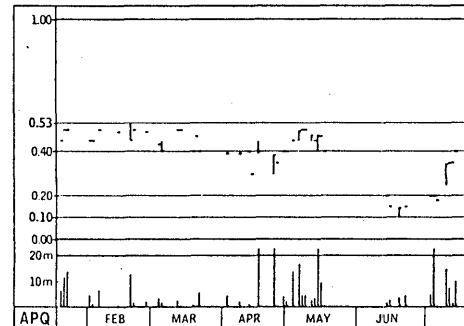
The company also announced that it is in the process of drilling its Verde South well.

Arnica Resources Ltd ACA
Shares issued: 1,951,001 Jul 19 close: \$0.40
News Release . . . Director resigns

Mr Donald Pavlovich reports:

Mr Sam Sorch has resigned as a director of the company effective July 11 1989.

Asia-Pacific Resources Ltd APQ
Shares issued: 14,947,777 Jul 17 close: \$0.40



News Release . . . Major shareholder sells off 4.2 million shares

Mr Gerald D. Wright reports:

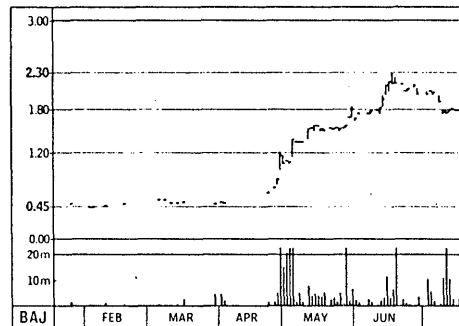
The company has been advised by Alpine Securities, the controlling shareholder of Asia-Pacific, that Alpine has sold, by way of a private placement, 4,235,980 shares of Asia-Pacific in consideration of US\$1,782,077.

Following completion of the sale, Alpine owns 10,764,020 shares of Asia-Pacific, being 53.9% of the outstanding shares.

Audre Recognition Systems Inc ADY
Shares issued: 13,097,968 Jul 19 close: \$0.49
Options Granted

Directors and employees have been granted options on 580,000 shares at \$0.40 expiring June 29 1994.

Bay Resources Ltd BAJ
Shares issued: 1,846,000 Jul 19 close: \$1.80



News Release . . . \$1m joint venture with Frecom to market FAX96

Mr Gary Zak reports:

The company and Fremont Communications have negotiated a joint venture marketing agreement with a newly formed partnership, Cypress Marketing Limited Partnership, that will provide \$1,000,000 for the marketing of Frecom's low cost PC fax board, designated FAX96.

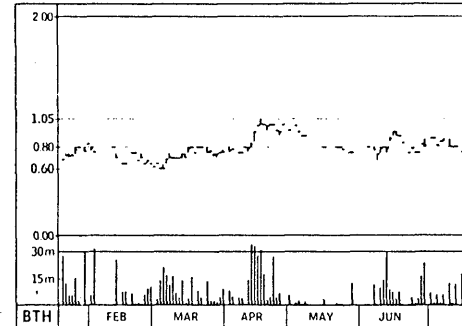
Cypress Marketing has been organized by its general partner Costar Marketing. Costar officers include William N. Grant and Gordon D. Skene. Mr Grant has 25 years of experience in marketing and general management and is CEO of Consolidated First Fund Capital. Mr Skene, also an officer of First Fund, has 16 years experience in public financing, international banking, and investment analysis and along with Grant is an officer of Fraserfund Venture Capital.

The company believes the marketing skills of the general partners and the funding by the partnership, will assist the company in reaching the targeted home office computer market. This market has an installed base of 5 million PC's that has a low Fax machine and Fax board market penetration. Frecom is introducing the simple to operate, low price FAX96 board into this market in August 1989.

Beau Pre Explorations Ltd BPD
Shares issued: 4,332,058 Jun 16 close: \$0.50
Intent to Sell

The VSE has been advised that Robert Beaupre has filed notice on July 18 1989 of intention to distribute up to 80,000 shares of the company through a private transaction from its holdings of a control person commencing July 26 1989.

Bethlehem Resources Corp BTH
Shares issued: 14,415,071 Jul 19 close: \$0.80



Company Review . . . 9mo earnings \$10,948

Mr Henry Ewanchuk reviews the company:

GOLDSTREAM, PROPERTY, REVELSTOKE (BC)

82M 141

During the period the company, in conjunction with Goldnev Resources, made an offer to acquire Noranda Minerals' interest in the Goldstream property and related facilities, located 65 miles north of Revelstoke, BC. The acquisition is expected to close shortly. The Goldstream deposit is a former copper/zinc producer which has been shut down for the past several years. In May 1983, mineral inventory was estimated at 4,343,700 tons grading 3.69% Cu, 2.63% Zn and 0.51 opt Ag. In 1984 the mine was placed on a care and maintenance basis and a year later it was shut down due to declining copper prices.

During the past two months the company has conducted a detailed examination of the project. The mine workings and mill are all in good condition and the property could be re-activated in 3-4 months after acquisition. The financing requirements to place the deposit into production are estimated at \$11 million.

GIANT COPPER PROPERTY, HOPE (BC)

Virtually all of the design and cost estimation work, required to finalize the updated feasibility study, has been completed, on the property. Preliminary computer studies of the previous data and the data from the 1988 drilling and re-assay programs have been completed. Reserves are similar to the 2.8 million ton reserve at 1.35% Cu, 0.017 opt Au, 0.72 opt Ag calculated by the previous operators, but the gold values are significantly higher. The feasibility with the revised ore reserves is expected shortly.

HORN SILVER PROPERTY, SW UTAH

The first phase of exploration, including geological mapping, sampling EM and IP surveying and trenching in areas underlain by known gold-lead-zinc-silver-copper mineralization is in progress; the purpose of the program is to define targets for a second stage of reverse circulation rotary drilling.

BANNACK PROPERTY, BUTTE, MONTANA

A second phase of approximately 5,000 feet of drilling consisting of 9 reverse circulation rotary holes ranging from 300 to 1,000 feet in depth has been completed. Analytical results were generally negative; all underground workings have been mapped and sampled.

Giant Copper

PROPERTY FILE

Location

- 40km east of Hope, B.C.

Access

- all-weather gravel roads

Land

- 171 claims (195 units) including 8 crown-grants covering 2,880 ha

Ownership

- 100% owned by Imperial Metals

History

- 1930:
 - discovery
- 1933 to 1980:
 - extensive underground development, diamond drilling, and geochemical and geophysical surveys
 - **production:**
 - 96.8 tons grading 113.65 oz/ton Ag, 10.9% Pb, 11.8% Zn between 1933 and 1941
- 1988 to 1996:
 - reverse-circulation and diamond drilling, geochemical and geophysical surveys

Geology

- Cu-Au-Ag mineralization in breccia (AM Zone)
- Cu-Au-Ag mineralization in quartz-tourmaline veins and fractures cutting intrusive rocks (Invermay Zone)

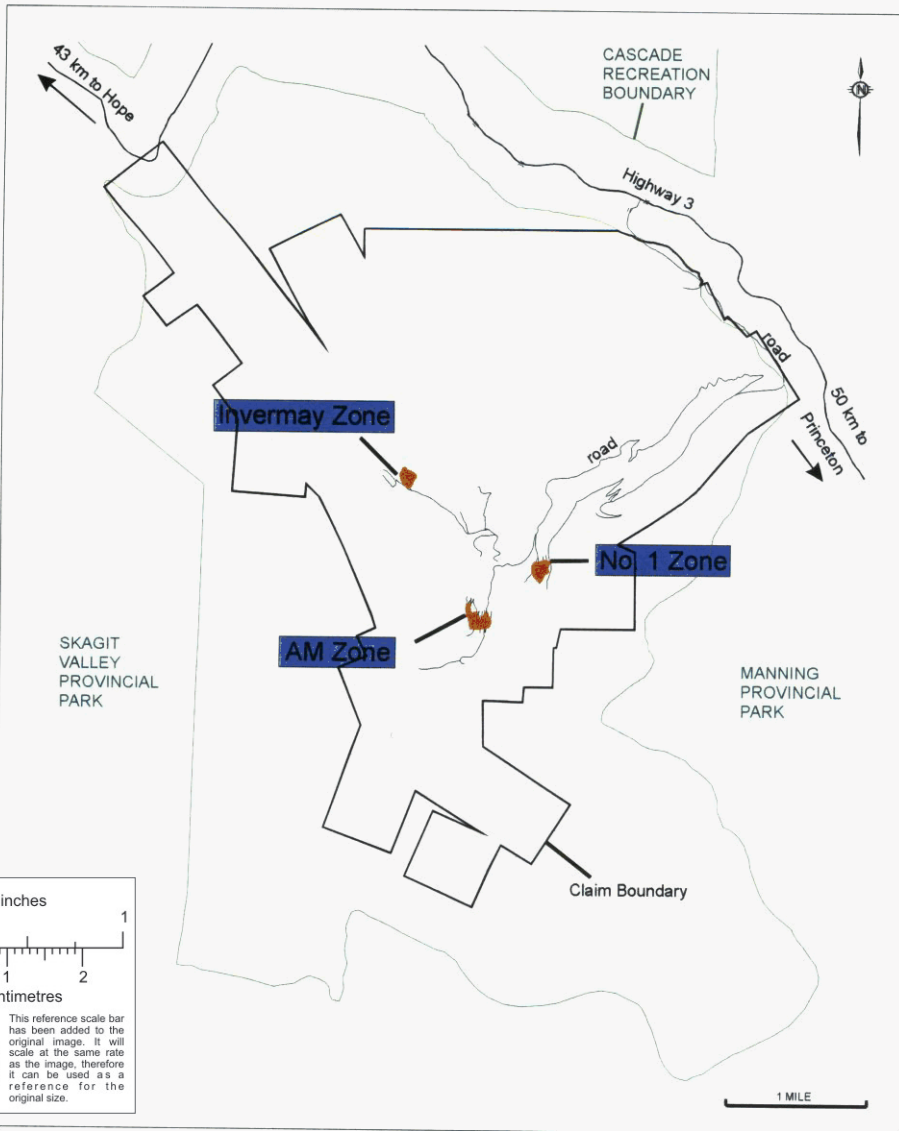
Deposit Type

- subvolcanic Cu-Ag-Au porphyry
- **examples:** Recsk (Hungary) - 1,000M tonnes @0.8% Cu
Equity Silver (B.C.) - 32M tonnes @0.34% Cu, 1.1g/t Au, 101g/t Ag

Reserves

- **AM Zone:**
 - open pit resource - 29.5M tons @0.65% Cu, 0.011 oz/ton Au, 0.360 oz/ton Ag, 0.007% Mo, (stripping ratio: 4.25 : 1)
- **Invermay Zone:**
 - geological resource - 16.9M tons @0.21% Cu, 0.011 oz/ton Au, 0.255 oz/t Ag

Giant Copper



Highlights

• AM Zone

- open pittable resource:
 - 29.5M tons @
 - 0.65% Cu
 - 0.011 oz/ton Au
 - 0.360 oz/ton Ag
 - 0.079 % Mo

• Invermay Zone

- geological resource:
 - 16.9M tons @
 - 0.21% Cu
 - 0.011 oz/ton Au
 - 0.255 oz/ton Ag
- drill-hole GCS96-3:
 - 154.86 ft @
 - 0.35%Cu
 - 0.012 oz/ton Au
 - 1.569 oz/ton Ag

• No.1 Zone

- drill-hole GCR 89-5:
 - 20.01 ft @
 - 1.46% Cu,
 - 10.71% Pb
 - 4.84% Zn
 - 27.668 oz/ton Ag

1996 Exploration

• objectives

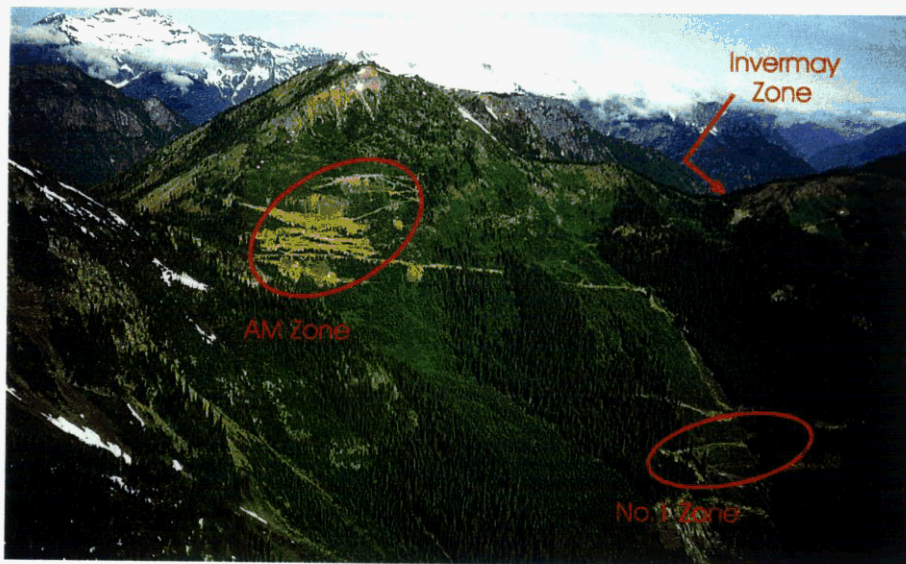
- enhance known reserves
- develop new targets

• work

- airborne geophysics
- geochemistry
- prospecting
- ground geophysics
- diamond drilling

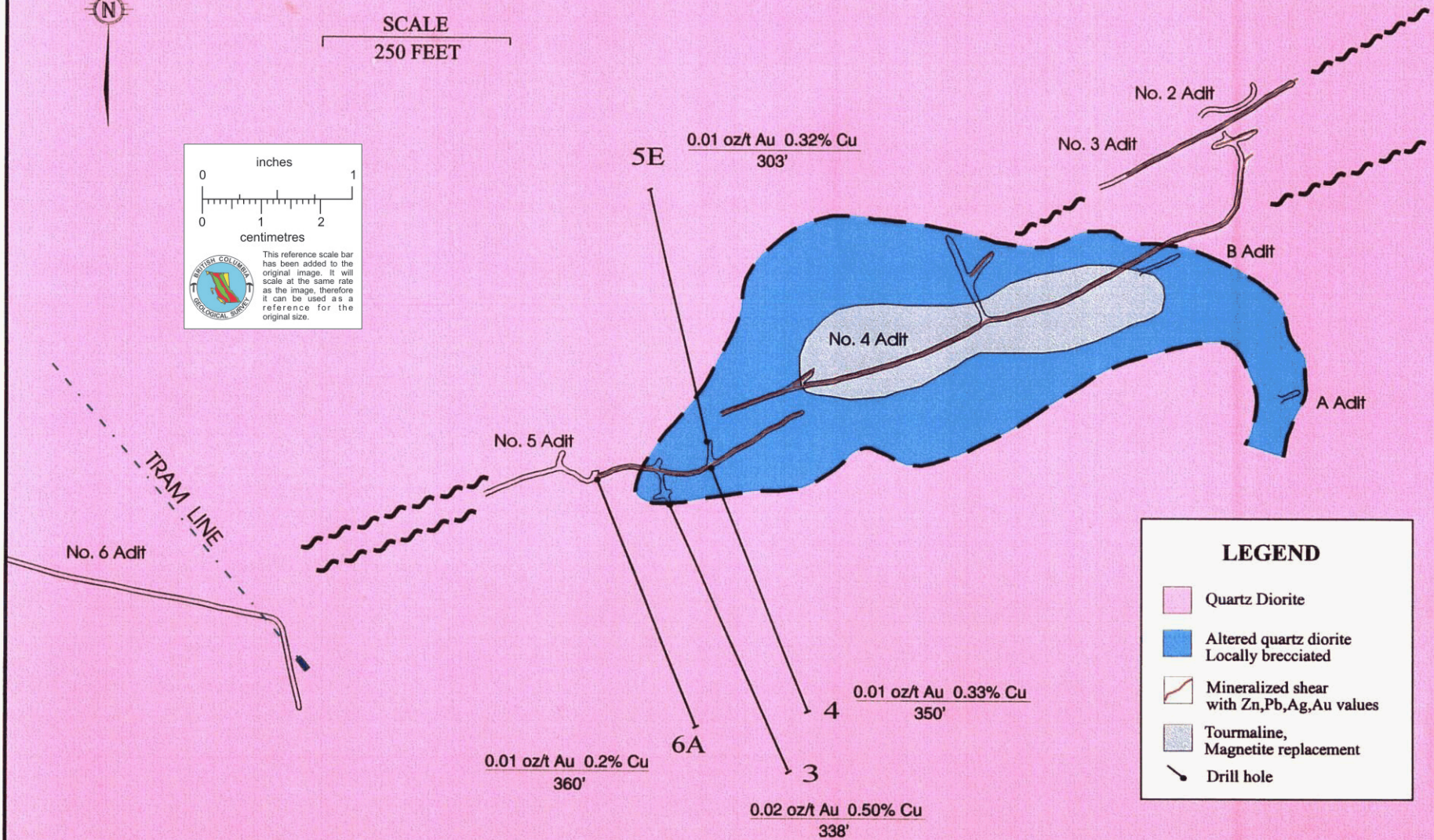
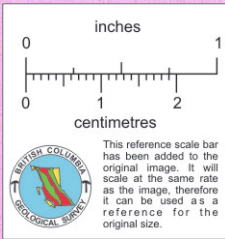
• budget

- \$700,000





SCALE
250 FEET



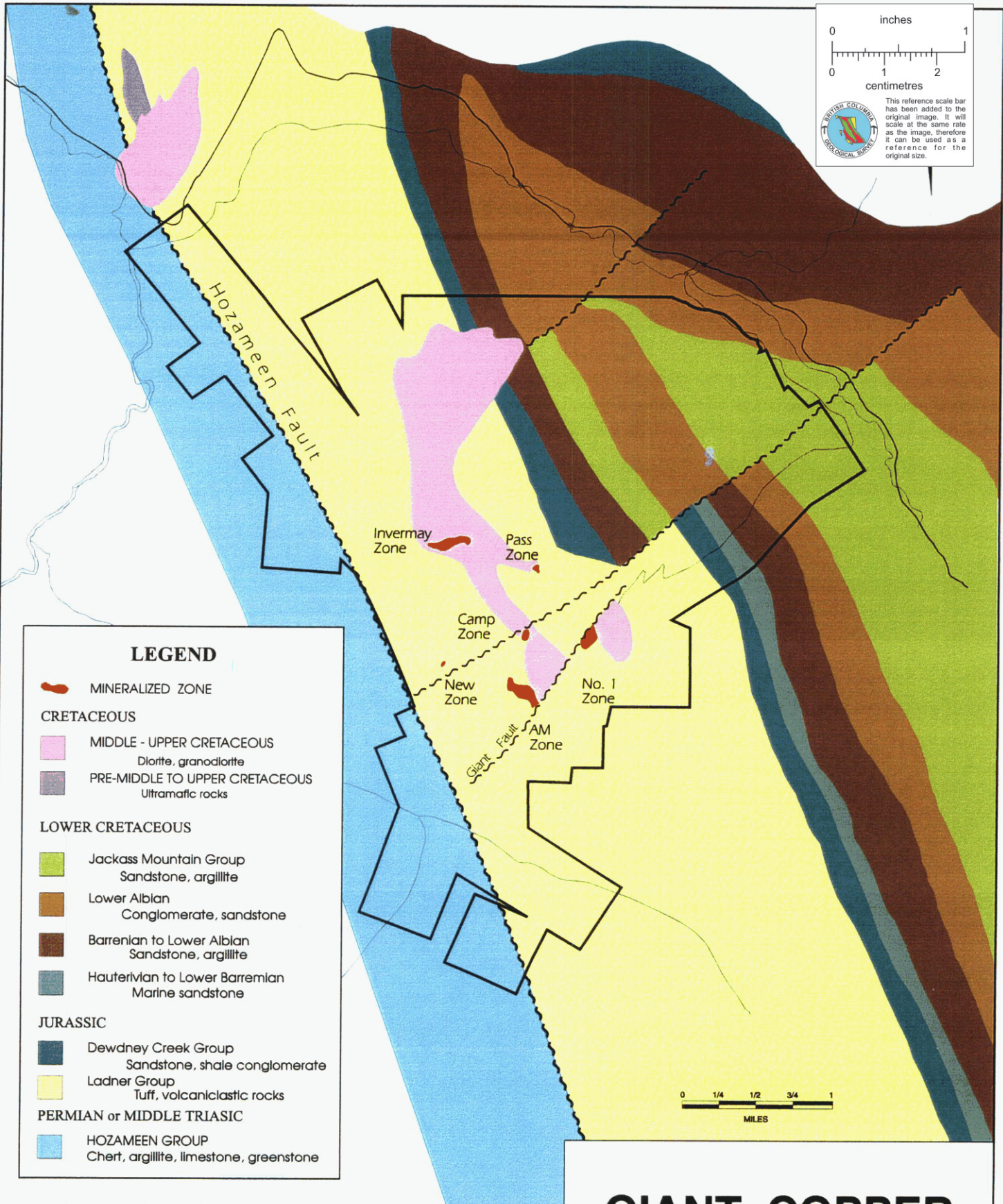
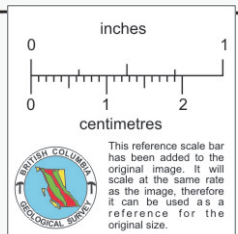
Imperial Metals Corporation

**GIANT COPPER
Invermay Zone Geology**



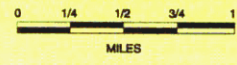
Imperial Metals Corporation

**GIANT COPPER
Invermay Zone**



LEGEND

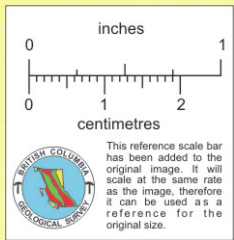
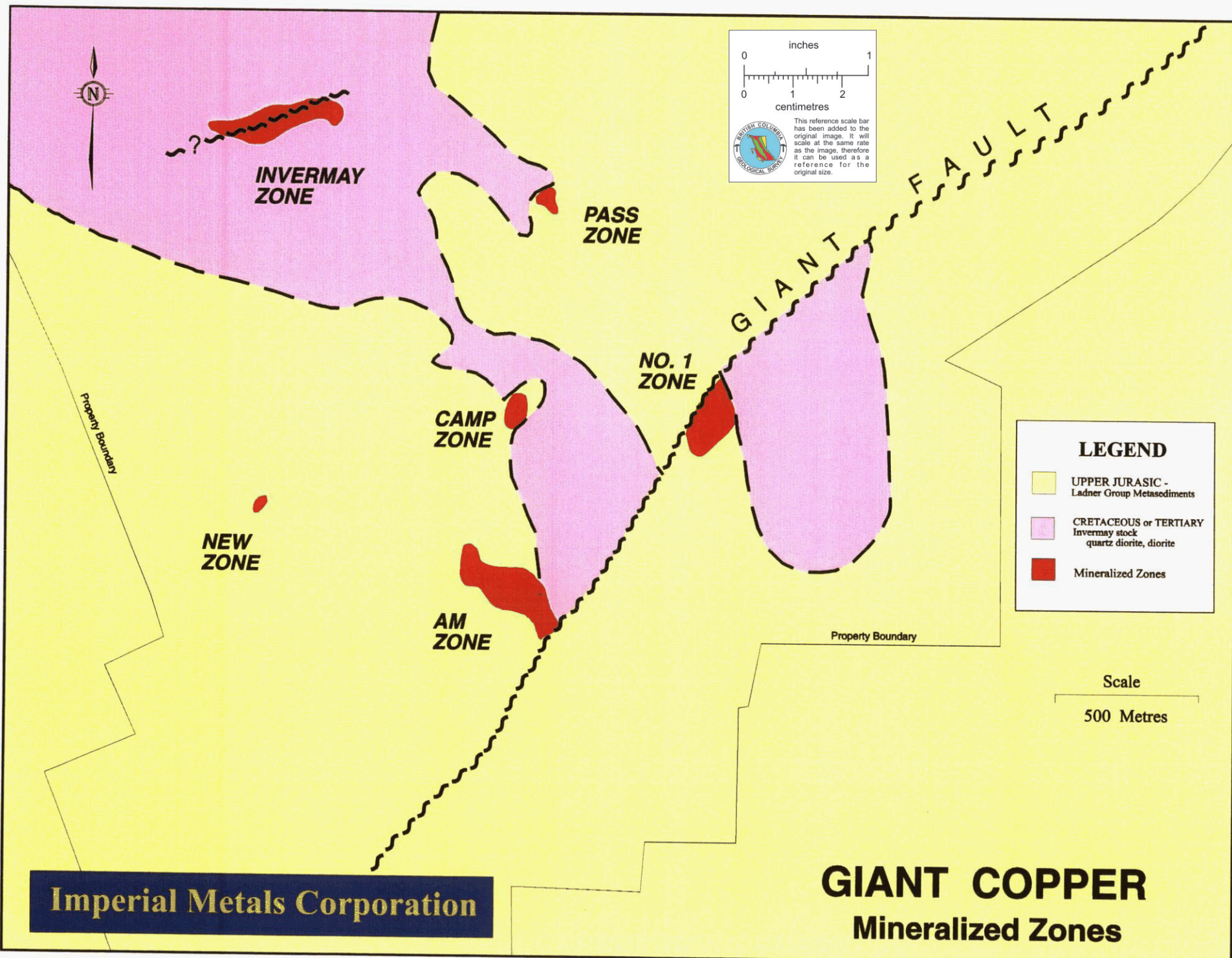
- MINERALIZED ZONE
- CRETACEOUS**
 - MIDDLE - UPPER CRETACEOUS
Diorite, granodiorite
 - PRE-MIDDLE TO UPPER CRETACEOUS
Ultramafic rocks
- LOWER CRETACEOUS**
 - Jackass Mountain Group
Sandstone, argillite
 - Lower Albian
Conglomerate, sandstone
 - Barrenian to Lower Albian
Sandstone, argillite
 - Hauterivian to Lower Barremian
Marine sandstone
- JURASSIC**
 - Dewdney Creek Group
Sandstone, shale conglomerate
 - Ladner Group
Tuff, volcanoclastic rocks
- PERMIAN or MIDDLE TRIASIC**
 - HOZAMEEN GROUP
Chert, argillite, limestone, greenstone



Imperial Metals Corporation

**GIANT COPPER
Property Geology**





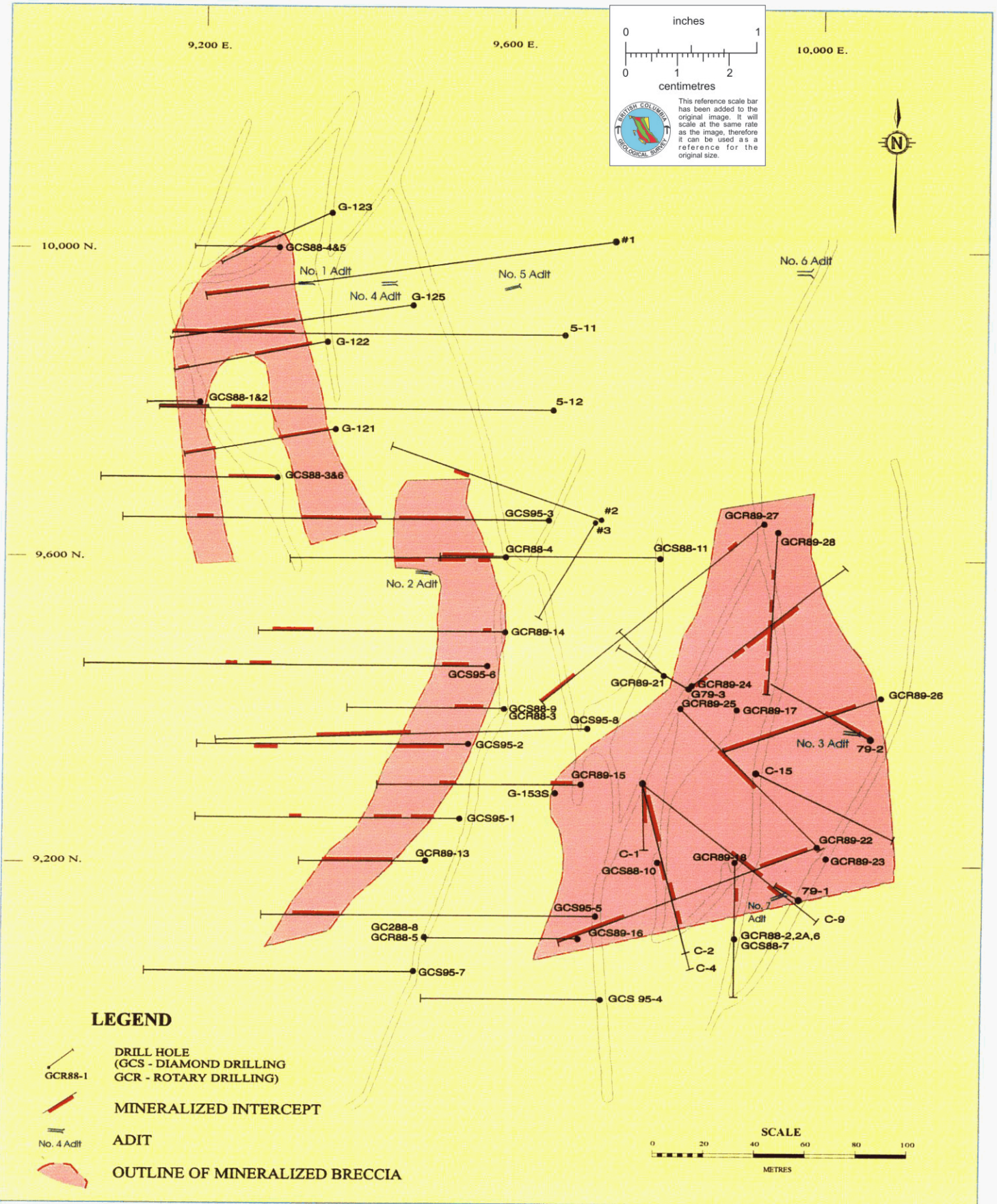
LEGEND

- UPPER JURASIC - Ladner Group Metasediments
- CRETACEOUS or TERTIARY Invermay stock quartz diorite, diorite
- Mineralized Zones

Scale
500 Metres

Imperial Metals Corporation

**GIANT COPPER
Mineralized Zones**



Imperial Metals Corporation

**GIANT COPPER
AM Zone
Drill Hole Intercepts**