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**SKYLINE EXPLORATIONS LTD. (SKK-V)**

**SEARCH FOR CHIEF OPERATING OFFICER REPORTED**

Skyline Explorations Ltd. have appointed Elizabeth Harrison, Q.C. as an additional director and secretary. Ronald Shon, chairman has been appointed chief executive officer. Reginald Davis remains as president. A committee of directors has organized to hire a chief operating officer who will be responsible for the day-to-day operations of Skyline's Johnny Mountain Gold mine 100 km north of Stewart, B.C. Ronald Davis, has resigned as vice president, finance but will remain as financial consultant to the company.

Mr. Shon has agreed to arrange interim bank financing for the company to meet its current working capital requirements. (SEE GCNL NO.182, Sept.21,1988 for property progress review.)

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**TENAJON RESOURCES CORP. (TJS-V)**

**SB PROPERTY DEVELOPMENT TO PROCEED - Donald A. McLeod, president of**

Tenajon Resources Corp. stated that the decision by Imperial Oil Limited to divest itself of Esso Minerals Canada will have no bearing on the development of the SB property, located 40 km north of Stewart, B.C. The SB property is a 50:50 joint venture development between Tenajon, the operator and Esso Minerals.

Mr. McLeod stated the underground development consisting of drifting and establishing drill stations for underground diamond drilling has been completed. An underground diamond drill is on the property and underground drilling has started. This underground drilling is being conducted along the main zone where a recent crosscut intersected the zone across 33 feet and channel samples across the entire 33 foot true width averaged 0.883 oz. gold/t, uncut. With the sample cut to 1.0 oz. gold/t the average grade is 0.74 oz. gold per ton.

Surface diamond drilling of the southern extension of the zone has been extended and is still underway. Assay results from surface drilling are expected within the next few days. (SEE GCNL NO.169, Sept.1,1988, for recent assay results).

**T.P. RESOURCES LTD. (TP-V)**

INTERVAL	DEPTH	COPPER	OZ. GOLD/T	RED DOG ASSAY
11-100 feet	89 ft.	0.55	0.016	' REPORTED BY TP
100-200	100	.54	.017	' T.P. Resources Ltd.
200-300	100	.40	.011	' reported results of
300-400	100	.39	.013	' the first hole of a
400-490	90	.32	.011	' four hole confirm-
	479	.44	.014	' ation program at

the recently acquired Red Dog copper-gold porphyry deposit at 1,500 feet elevation, 8 km northeast of Holberg on the north end of Vancouver Island, B.C. T.P. Resources holds a 100% interest, subject to a 3% net smelter return royalty. Hole number RD-88-1A encountered mineralized volcanic breccias from surface to 490 feet. Assays on 10 foot sections averaged 0.44% copper, 0.014 oz. gold/t; equivalent to 0.866% copper. Gerald D. Wright, president, said "The results of this hole confirm the similarity of the property to that of the nearby Island Copper Mine of BHP-Utah". The drilling program is expected to be completed in September.

**BRICAN RESOURCES LIMITED (BRI-V; BRIIF-Nasdaq)**

**TWO DRILLING PROGRAMS ANNOUNCED - Gary Logan, president reports that Brican**

Resources Limited reports that an exploration drilling program has started on the 100% owned Gold Star property on Whiteman Creek, adjoining the Huntington/Corona Brett claims, 30 miles west of Vernon, B.C. The program of 15 reverse circulation and 2 diamond drill holes will test the Brett Main zone where it crosses onto Brican's property, the Border and Central zones.

The Nevada Joint Venture, Brican 40% and Bow Valley Mining 60%, have started exploration drilling on the Lucky 13 prospect, the most advanced of several gold prospects being explored by the joint venture as part of the North Peak project in northern Nevada. Twenty-three drill pads have been cleared and several fences of inclined holes will be drilled across the strike of the zone. The program is being funded by a \$350,000 private placement at \$1 per share with Bow Valley. (See GCNL. No.161, p.3, 22Aug88 for more detail).

**MOUNT ALLARD RESOURCES LTD. (MTQ-V) rec'd. VSE approval for filing: a letter from Mount Allard dated 17Jun88 which notified VSE that Mount Allard had abandoned its interests in the Gun Creek claims near Goldbridge, B.C., & a release agreement between Mount Allard & Hi-Tec Resource Management Ltd. which was overseeing drilling and exploration activities conducted on the claims. Mount Allard rec'd. VSE approval for filing a pur-**

# George Cross News Letter

NO.191(1988)  
OCTOBER 4, 1988

92h

## CREW NATURAL RESOURCES LTD. (CWT-V) (FORMERLY T.P. RESOURCES LTD.)

INTERVAL	LENGTH	COPPER	OZ.GOLD/T	NAME CHANGE AND ASSAY
15- 24 ft	9 ft.	0.67 %	0.011	RESULTS REPORTED
24- 42	18	.06	.001	Crew Natural Res-
42- 60	18	.59	.020	ources Ltd. changed
60- 70	10	.55	.029	its name from T.P.
70- 80	10	1.06	.016	Resources Ltd. on
80-130	50	.55	.0178	Sept.28, 1988.
30-180	50	.68	.0168	The company also
80-230	50	.23	.008	reported assay results
30-280	50	.37	.0148	from the second drill
80-330	50	.44	.0062	hole of a four hole
30-350	20	.33	.0085	program on the 100%

35 ft. core length 0.43% 0.013 owned Red Dog property subject to a 3% net melter return. The Red Dog copper-gold porphyry deposit is located 8 km northeast of Holberg on the northern end of Vancouver Island, B.C. Assays performed on 10 foot sections for the upper 350 feet of the 763 foot deep hole averaged 0.43% copper, 0.013 oz.gold/ton; equivalent to 0.827% copper. Drill hole RD 88-2 was drilled vertically, 430 feet from RD 88-1A (See GCNL No.183, p.1, 22Sep88 for assay results) and 300 feet from P-Utah drillhole RC-143, which reported similar copper grades over 177 feet before entering a dyke.

## REA GOLD CORPORATION (REO-V,T;REOGF-Nasdaq)

### VERDSTONE GOLD CORPORATION (VGC-V)

NEGOTIATIONS STARTED - Rea Gold Corporation has started negotiations to acquire Verdstone Gold Corporation's interests in the "CK" lead, zinc, silver property, located near Clearwater, B.C. and the "oldy" gold property, located near Carmacks, Yukon. The proposed sale of these assets to Rea Gold is subject to independent evaluation and to approval by the regulatory authorities.

Due to the foregoing negotiations Verdstone will not be proceeding with the private placement financing announced on 21Sep88.

## SKYLINE EXPLORATIONS LTD. (SKX-T,V)

West Rib of Stope +13 ft. West:			PROGRESS REPORT
	SAMPLE WIDTH	OZ.GOLD/T	R.E. Davis, president of
Footwall	2.0 ft.	1.641	Skyline Explorations
	2.0	1.961	Ltd., reports that an
	2.0	8.176	exploration sub-drift
	2.0	1.046	has recently been
	2.0	2.431	driven west along the
	2.0	3.119	vein from the 11-29A
	1.6	5.900	Discovery Stope to
	1.6	.118	explore the previously
Hanging wall	2.3	1.342	reported high grade
Total True Width	= 17.5 ft.		swell encountered
Weighted Average Grade	= 2.826		during stoping.
West Rib of Stope +21' West:			The results in
	SAMPLE WIDTH	OZ.GOLD/T	the table are test
Footwall	2.0 ft.	0.654	hole and ship sample
	2.0	3.153	results across the
	2.0	7.760	true width of the vein
	2.0	2.632	taken from within
	2.0	1.565	the subdrift.
	2.3	.950	These test sites
	2.0	.588	are located 20 feet
	1.3	.220	and 28 feet
	2.0	.445	respectively west
Hanging wall	3.0	.631	of the previously
Total True Width	= 19.6 ft.		reported test site,
Weighted Average Grade	= 1.904		which contained 1.744
-----			oz.gold/t across 22.2
feet of true width. (See GCNL No.182, p.1, for previous drift assays and much detail on the Johnny Mountain Mine)			

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# George Cross News Letter

NO. 225(1988)  
NOVEMBER 23, 1988

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## MORAGA RESOURCES LTD. (MGR-V)

### DRILLING UNDERWAY DESIGNED TO DEFINE HIGHER GRADE CORE

Shares of Moraga Resources Ltd. started trading Nov. 21, 1988, on the Vancouver Stock Exchange following the sale of 850,000 shares at 40¢ each, including a greenshoe option on 150,000 shares, plus 300,000 flow-through shares at 50¢ each from an amended prospectus effective Oct. 20, 1988. Following this funding the company has 3,210,000 shares issued including 750,000 shares in escrow. Moraga holds an option from BP-Utah Mines Ltd. to acquire a 45% interest in the Expo property covering 526 claims, 42 square miles, on northern Vancouver Island, B.C., by spending \$2,700,000 on exploration over seven years. (SEE PROPERTY LOCATION MAP OVERLEAF). The Expo property is located a few miles west of the BHP-Utah Island Copper Mine, which produces 60,000 oz. gold and 60 tons of copper annually. The property is crossed by a number of logging roads that provide good exploration access. Since 1967, BHP-Utah has spent in excess of \$5,000,000 on the exploration of the Expo property and has developed several copper, molybdenum and gold deposits. One of these is the Hushamu deposit, which has a drill indicated mineable reserve of about 100,000,000 tons grading 0.32% copper, 0.008% Mo, and 0.012 oz. gold/ton. Drilling was done on 400 foot centres and closer spaced drilling now underway is anticipated to develop a lower tonnage but higher grade copper-gold deposit in the western end of the discovery. Utah's exploration identified the potential for epithermal hot spring gold deposits on the property. The geology of the area is also favourable as a host for skarn deposits. Crew Natural Resources is exploring a copper-gold property within the Expo property area, see separate story on page three of this News Letter.

Moraga also holds an option to acquire a 100% interest in the former gold producing House property, 45 miles northeast of Raleigh, North Carolina. In 1953, the House family began an open-pit mining operation on a 15 foot wide quartz vein within their 49 acre tract of land. The mine produced 1,800 ounces gold from 3,000 tons of ore grading 0.82 oz. gold/t, 0.75 oz. silver/ton. The trend of the vein has been traced by airborne reconnaissance for 1,000 feet and is to be further explored.

Management of Moraga is provided by Maurice Young, president, formerly exploration manager for Utah during the discovery of Island Copper and the development of Escondita, Chile. Other directors are: Ron H.D. Philp, D.W.R. Fraser, P.J. Furlong, Ruth Ditto. A recent addition to the management is Gordon Keevil, formerly president of Noramco Mining, who will assist in direction the exploration program.

## ASIA-PACIFIC RESOURCES LTD. (APQ-V)

### CANADIAN CREW ENERGY CORP. (KNC-V)

### CREW NATURAL RESOURCES LTD. (CWT-V)

PRIVATE PLACEMENTS AND A - Asia-Pacific Resources Ltd. CHANGE OF CONTROL REPORTED reports that its major shareholder, Alpine

Securities, has agreed to subscribe to a private placement of 5,000,000 units at 30¢ per unit for proceeds of \$1,500,000. Each unit is comprised of 1 share and 1 warrant exercisable for 12 months at 70¢ per share.

Asia-Pacific has arranged to make an \$860,000 private placement in Canadian Crew Energy Corp. of 400,000 units at \$2.15 per unit; each unit consisting of 1 share and 1 warrant exercisable at \$2.50 for 12 months.

Asia-Pacific has also agreed to the private placement purchase of 1,120,000 units of Crew Natural Resources Inc. at 75¢ each for a cost of \$840,000. Each unit comprises 1 share and 1 warrant exercisable for 12 months at 75¢ per share. The company has also arranged to purchase another 1,800,000 shares of Crew Natural Resources from the present controlling shareholders in exchange for 3,600,000 shares of Asia-Pacific, subject to shareholder and regulatory approval. Both transactions will result in Asia-Pacific holding 44.5% of the issued shares of Crew Natural Resources.

Asia-Pacific has also agreed to enter into a joint venture to earn a 50% interest in the Red Dog property, a porphyry copper-gold exploration project located at the northern end of Vancouver Island, B.C., by paying \$35,000 and spending \$4,000,000 in two stages. (SEE ALSO MAP OVERLEAF P.1) Crew Natural Resources owns 100% of the project, subject to a 3% net smelter royalty. The Red Dog project has preliminary drill indicated reserves of 70,000,000 tons of ore grading about 0.6% copper equivalent. A report on the 1988 drilling program is expected shortly.

# George Cross News Letter

NO.3(1989)

JANUARY 5, 1989

## CREW NATURAL RESOURCES LTD. (CWT-V) AISA PACIFIC RESOURCES LTD. (APQ-V)

HOLE	INTERVAL FEET	LENGTH FEET	COPPER RANGE		GOLD RANGE		COPPER EQUIVALENT
			%		OZ/TON		
88-1A	11-490	479	0.20 - 0.81		0.006 - 0.029		0.866 %
88-2	15-350	335	.03 - 1.06		.002 - .039		.827
88-3	15-160	145	.11 - .30		.004 - .010		.40
88-4	120-430	310	.08 - .81		.003 - .021		.47

1988 DRILL PROGRAM COMPLETED - Dr. Gerald D. Wright, president of Crew Natural Resources Ltd., reports the completion of the 1988 four hole drill program on the Red Dog copper-gold porphyry deposit 8 km NE of Holberg, northern Vancouver Island, B.C. (See GCNL No. 191 & 183 under T.P. Resources for assay sections of the first two holes).

An engineering report by J.B. Engineering concludes, "there is a reasonable expectation of an open pit mineable reserve in excess of 50,000,000 tons at a grade of the order 0.32% copper and 0.012 oz. gold/ton, for a of 0.70% copper equivalent, molybdenum and silver values enhance the value of the deposit". The report also notes that there are prospective areas on the property that remain to be tested.

The engineering report includes preliminary economic analyses that indicate the ore body identified to date could be economically mined at a copper price of US \$1 per lb. and US \$425 oz. gold, yielding a minimum return investment of 15%.

Since discovery in 1966, there have been 53 holes including 23,992 feet drilled by four previous operators with Natural Resources.

A \$3,200,000 budget has been approved for a staged program in 1989 planned to enable a full feasibility study to be prepared in 15 months.

Dr. G. Dorman has resigned as a director. B.G. Johnson and B. Howie, executive chairman and director international project, respectively of the Pennant group of companies, Australia, and directors of Asia Pacific Resources and Canadian Crew Energy have been appointed directors of Crew Natural Resources. AISA PACIFIC RESOURCES LTD. (APQ-V) recently signed an agreement to earn a 50% interest in the project by spending \$4,000,000 over 2 years. (SEE GCNL No.225, p.3, 23Nov88 for more detail). Crew Natural Resources now holds a 100% interest, subject to a 3% net smelter royalty.

## CATEAR RESOURCES LTD. (CAA.A-V)

FUNDING AND EXPLORATION REVIEWED - Catear Resources has completed a private placement of flow-through shares for a total of \$609,750, being 641,842 shares at 95¢ each. Euro-Credit & Commerce Inc. is to receive a finder fee of \$30,000. The funds are to be spent on the further development of the Goldwedge property 30 km north of Stewart, B.C.

The proposed private placements announced Dec.7, and Dec.19 of \$1,500,000 from P & M (1988) Petroleum - Mining and Company, Limited Partnership and \$500,000 from Tap VI Resource Ltd. Partnership will not proceed since neither were able to raise their minimum offering.

E.R. Kruchowski, president of Catear Resources reported additional funds are being sought through a debenture convertible to bullion or shares or a gold loan and that additional bulk sampling is to be undertaken to support such a financing. At the Goldwedge a crew of 4 men have returned to the property following the holiday break with the balance of the crew, to a total of 20, scheduled to be at the mine in the next few days. A 3 foot Symmons cone crusher, with a capacity of 40 tons an hour, has been installed and tested. The crusher is in closed circuit with a 1/4 inch screen to provide a smaller feed to the two ball mills. The third ball mill is being used as a regrind and is expected to provide a 120 tons of ore per day capacity. At present the jig and gravity table is estimated to be recovering approximately 60% of the gold. When the regrind circuit is in operation, scheduled for February, recoveries are expected to increase to between 80% and 90% of the contained gold. The flotation equipment is at the mine and, subject to additional testing, could be in operation in February. A substantial quantity of exploration data from last fall is now being evaluated with results to be reported as analysis is completed.

Catear has a number of other exploration projects where additional work is planned, with the programs to be reported in the next few weeks.

SHELLEX GOLD CORP. (SCE-V) 23,000 units at \$1.80 per unit. Each unit comprises 3 flow-thru shs., 1 non flow-thru sh. & 4 non-transferable warrants. Each warrant is exercisable for 1 year to buy 1 sh. for 75¢. \$31,050 will be spent on a UTEM geophysical survey on the 50-50 joint venture Summit Camp property, 30 kilometers northeast of Hope, B.C. No finder's fee will be paid. (See GCNL No.200, p.3, Oct.18/88 for recent property results).

## EXPLORATION ROUNDUP

**Crew Natural Resources Ltd.**, the Vancouver company that wholly owns the Red Dog copper-gold deposit on northern Vancouver Island, said results from its 1988 drilling program show the

**E&MJ** APRIL 1989

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mineralization does extend at depth. Directors have approved 1989 expenditures of C\$3.2 million for close-spaced drilling, bulk sampling, metallurgical testing, and an environmental impact study. The company believes results to date indicate a large-tonnage open-pit deposit amenable to low-cost mining and processing.

Reserves are currently estimated at 50 million st of ore grading 0.32% copper and 0.012 oz/st gold, with additional molybdenum and silver values.

1994

## PROPERTY FILE

NORTHWESTERN EXPO: BHP Minerals/Jordex Resources Ltd.:  
102I/9E: Flor Gatchalian (683-6921).

Jordex plans a 10 hole drill programme (maximum aggregate depth 5,000 metres) on the "Northwest Expo" site northwest of Red Dog sometime this year.

BHP Minerals plans for 7 definite and 3 possible diamond drill holes northwest of the Goodspeed River (northwest of Red Dog) between July 1994 and July 1995 (NOW)

See visit notes

Company drilled 7 holes for 822 metres below cliff comprised of highly altered volcanic rock ("transitional alteration" below a silica cap) to test a zone of copper geochemistry and IP and Mag geophysics. Good alteration plus abundant pyrite and local chalco and molybdenite (NOC). Note John Flemming says they found good gold values.

March 6, 1991

(c) South zone - contingent on South zone drilling in Stage II perimeter drilling to test outer limits of mineralized area defined in Stage II, say 6,350 feet at \$35/ft	222,250
	<u>222,250</u>
	\$ 449,750
Say	\$ 450,000
<b>Total Stages I, II &amp; III - estimated cost to fully assess Hushamu and its extensions, say</b>	<b>\$2,175,000</b>

**Notes:**

- (1) Above cost estimates include built-in 7%-10% contingencies.
- (2) Stage I, Stage II, Stage III(a) are not contingent but represent the amount of drilling to adequately define the Hushamu zone and its north (North zone) and south (South zone) extensions on a 400 foot grid drilling pattern plus fill-in holes. If funds are available, the above stages can be blended into one continuous on-going program.

\*The Issuer will be proceeding with the drill program recommended above for the Hushamu zone, at an estimated cost of \$500,000. Subject to the availability of working capital, the Issuer may thereafter undertake one or more of the other work programs recommended for the Expo property.

**B. RED DOG PROPERTY**

Pursuant to an agreement with Crew Natural Resources Ltd. ("Crew") dated May 31, 1990 (the "Option Agreement"), the Issuer was granted the right to earn a 50% working interest in the Red Dog Property.

Upon execution of the Option Agreement, the Issuer paid Crew the sum of \$50,000. The Issuer will be granted an option to earn a 45% working interest in the Red Dog Property by incurring exploration expenditures in the amount of \$450,000 before April 30, 1991. Under the option, the Issuer may incur a total of \$2,500,000 of expenditures on the Red Dog Property or make cash payments to Crew in lieu thereof as follows: \$750,000 by April 30, 1992, \$1,000,000 by April 30, 1993, and \$750,000 by November 30, 1993. Provided these payments have been made within the time required, the Issuer will then have earned a 45% working interest in the Property. These amounts include option payments to be made to the original owners of the property, W.G. Botel and H. Veerman, except that, after 1992, the payments due to Botel and Veerman in the year will be the greater of \$75,000 and 3% of the net smelter returns from the sale of ores and concentrates produced in the preceding year.

The Issuer may earn an additional 5% working interest in the Red Dog Property by incurring further expenditures in the amount of \$1,000,000 prior to July 30, 1994 or, at the option of the Issuer, by making a cash payment to Crew equal to the difference between \$1,000,000 and expenditures actually incurred by the Issuer or crediting Crew with such amount to be applied to future expenditures to be made by Crew under the Option Agreement.

If the Issuer earns a 50% working interest, Crew shall have the option to convert its 50% working interest in the Property to a 40% interest in the Property comprised of 20% working interest and 20% carried interest.

Upon the earlier of the Issuer earning a 50% working interest or giving notice that it does not intend to acquire the additional 5% working interest, the Property will be operated and managed as a joint venture in which the parties shall have the right to elect to participate by making contributions to expenditures in the ratio of their working interests from time to time.

#### **Engineering Report**

The company has an engineering report on this property prepared by Harold M. Jones, P.Eng., Consulting Engineer, dated August 24, 1990, and summary reports dated November 16, 1990 and January 24, 1991, both of which have been independently endorsed by A.D. Drummond, P. Eng. of DDH Geomanagement Ltd. The following description of the property is summarized from his report. An entire copy of the report may be examined during normal business hours at the registered office of Moraga Resources Ltd., 2800 - 666 Burrard Street, Vancouver, B.C. during the period of primary distribution of the securities being offered hereunder. Harold M. Jones indirectly owns 1,282 shares of the Issuer.

#### **Location and Access**

The Red Dog property is located in the Nanaimo Mining Division of northern Vancouver Island approximately 34 kilometres west of Port Hardy and 365 kilometres northwest of Vancouver. It is readily accessible by gravel roads from Port Hardy, which is serviced by regular scheduled airlines.

#### **Property and Title**

The property consists of twenty-five two-post claims and three two-post fractional claims owned by H. Veerman, 2234 Ottawa Street, West Vancouver, B.C. They are held under an option agreement by Crew Natural Resources Ltd. of Vancouver, B.C. Moraga Resources Ltd., Vancouver, B.C. entered into an option agreement with Crew Natural Resources Ltd. For the first year of the agreement exploration is being directed by



a management committee. After one year, the agreement enters into a joint venture, with Moraga Resources Ltd. being the operator.

### Property History

Northern Vancouver Island has been intermittently explored since the early 1800's. During this period deposits of coal, skarn-type copper and/or iron and porphyry-type copper deposits were found, some of which were developed into producing mines. Other than the coal mines, all of which failed due to poor quality of coal, the other types of mines operated successfully for a number of years.

In the mid 1960's porphyry copper mineralization was located on Rupert Inlet, west of Port Hardy. Exploration in this area by Utah Mines Ltd. led to the discovery and development of the Island Copper Mine's large open pit mining operation. During this period, Utah explored the Expo claims, located to the northwest of the mine and discovered and drill tested the Hushamu zone, estimated to contain 57,500,000 tons averaging 0.32% Cu, 0.008% Mo and 0.012 oz/ton Au. This ground is currently under option by Moraga Resources Ltd.

Utah's exploration led to considerable interest being generated in the Port Hardy area, resulting in the staking of the Red Dog claims in 1966 by West Coast Mining and Exploration. From 1966 to the present, the property was explored by West Coast Mining and Exploration, Cities Services Ltd., Utah Mines Ltd., Crew Natural Resources Ltd. and now Moraga Resources Ltd. During this period geological, geochemical, geophysical and drilling programs were conducted. The latter included: by West Coast Mining in 1966-70, twenty-four holes totalling 2,175 metres; by Cities Services Ltd. in 1972-74, six holes totalling 1,516 metres; by Utah Mines Ltd. in 1982-88, seventeen holes totalling 1,838 metres; by Crew Natural Resources Ltd. in 1988, four holes totalling 1,042 metres; and by Moraga Resources Ltd. in 1990, eleven holes totalling 1,851 metres. The results indicate that two significant mineralized zones are present.

There is no underground plant or equipment located on the Red Dog Property.

### Geology and Mineralization

The Red Dog property is underlain by andesitic flows, tuffs and tuffaceous sediments of the Lower Jurassic-aged Bonanza Volcanics. These rocks are intruded by a Jurassic quartz feldspar porphyry stock and associated dykes and by trachyte dykes. A broad band of altered Bonanza pyroclastics lies immediately south of the stock. To the south of the alteration zone is a complex porphyritic assemblage, followed by a

steeply dipping broad zone of advanced argillic-sericite and pyrophyllite and quartz-altered Bonanza pyroclastics.

Two mineralized zones present. The Red Dog Hill zone is located in the first mentioned alteration zone just south of the porphyry stock contact. It is hosted in a quartz-magnetite breccia zone formed by silica flooding, brecciation and cementing by silica and magnetite of the pyroclastics, then mineralized with pyrite, magnetite and chalcopyrite and lesser bornite and covellite. These minerals occur as disseminations along healed fractures and as veinlets. Drilling intersected numerous sections which average greater than 0.20% copper, accompanied by low values in gold, over core lengths ranging from 10 metres to 146 metres. The zone is approximately 500 metres long, up to 250 metres in width and up to 200 metres in depth. Daiwan Engineering (1990) estimate that the Red Dog Hill zone contains an inferred mineral resource in the order of 15 to 20 million tons grading 0.35 - 0.40% copper and 0.015 - 0.020 oz/ton gold. This is based on the existing holes which are at approximately 100 metre centres. Additional drilling is required to better define the size, shape and grade of the zone.

The Slide Creek zone is located in the same altered volcanics approximately 1,300 feet east of the Red Dog Hill zone. It is underlain by similar Bonanza pyroclastics but these are, in part, hornfelsic, bleached, sericitized and silicified. A strong retrograde sericite alteration overprinted the earliest alteration assemblages. Numerous discontinuous trachyte and dioritic dykes trend east to northeast through the alteration zone. The trachyte dykes and altered volcanics are mineralized with pyrite and chalcopyrite occurring as disseminations and as distinct platy grains on healed fractures. Molybdenite is also present along joints and fractures. Drilling intersected a number of sections 10 metres to 75 metres long with average grades similar to those of the Red Dog Hill zone.

Geology is very complex in the Slide Creek zone due to the intense alteration, dyking, fracturing and probable faulting. As a result, interpretation of the geology and mineral trends from the drill hole data is difficult and inconclusive. What is known is that significant mineralization occurs both within trachyte dykes and in the altered volcanics between them. From the drilling to date there is the suggestion that the porphyry stock underlies the zone at a shallow dip, limiting the potential size of the deposit. However, other data - surface geology, geophysics-combined with a few mineralized drill intersections indicate that mineralization may continue to a greater depth within mineralized trachyte dykes and the altered volcanics between them. There is insufficient data available on this zone to infer a mineral reserve. A conservative estimate is that it has an inferred mineral

resource of 3 to 5 million tons grading similar to that of the Red Dog Hill zone.

**Conclusions and Recommendations**

It is concluded that the Red Dog property hosts two significant zones containing a combined inferred mineral resource in the order of 20,000,000 tons grading 0.35 - 0.40% Cu and 0.015 - 0.020 oz/ton Au. It is also concluded that additional diamond drilling is warranted.

It is recommended that additional diamond drilling be conducted on the Red Dog Hill property.

**Cost Estimates**

<b>Stage II - Additional diamond drilling</b>	
Red Dog Hill zone - 2000 feet at \$35/ft all inclusive	\$ 70,000
Slide Creek zone - 2500 feet at \$35/ft all inclusive	<u>\$ 87,500</u>
	\$ 157,500
Say	\$ 160,000
<b>Stage III - Contingent on Stage II</b>	
Additional detailed diamond drilling, allow	\$ 300,000
Note: costs include contingencies of 7% - 10%	

**GROUP III**

**A. HOUSE/LYNCH PROPERTY**

Under an agreement dated May 14, 1987, the Issuer subleased certain mineral rights from North American Exploration Inc. ("NAE"). The Issuer has made a total of \$55,962 in payments, of which \$9,316 were made in 1990, to maintain its interest in the House/Lynch Property. The Issuer does not propose to expend any of the proceeds of this Offering on the House/Lynch Property.

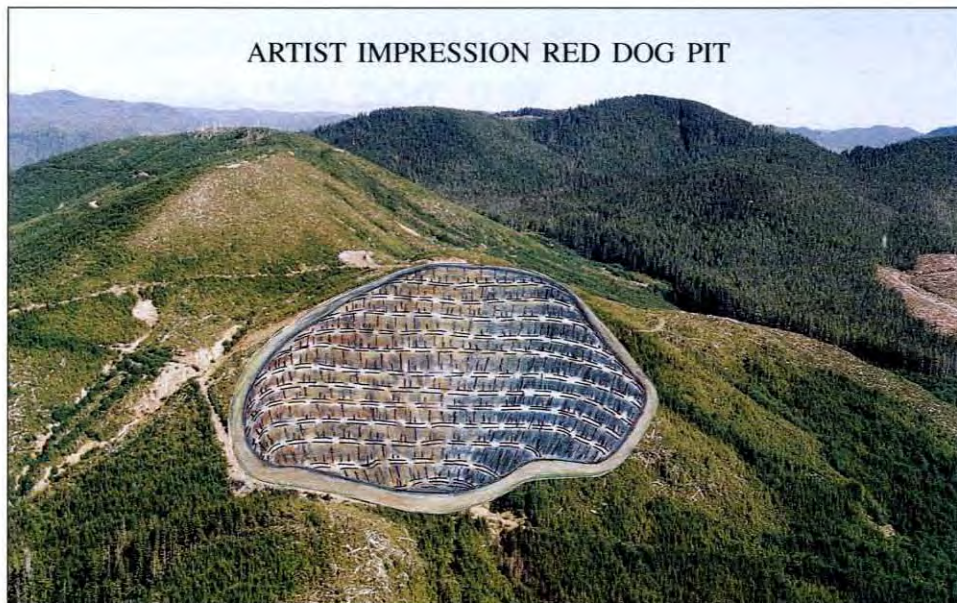
**B. WAN '90 PROPERTY**

Pursuant to an option agreement dated for reference May 5, 1990 between Acheron Resources Ltd. ("Acheron") and the Issuer (the "Acheron Agreement"), the Issuer was granted an option to acquire an undivided 55% interest in the Wan '90 Property and in and to an option Agreement dated for reference May 19, 1990 between Western Pocasset Resources Ltd. and Acheron under which agreement Acheron acquired its interest in the Property.



# Crew Natural Resources Ltd.

ARTIST IMPRESSION RED DOG PIT



"The Company's current market capitalization does little justice to either the Company's assets or potential"

## SHARE STRUCTURE

Authorized	: 50,000,000 shares
Issued	: 9,838,815 shares
Warrants	: 2,075,000
Directors/Employees Options	: 305,000
Fully Diluted Position	: 12,218,115
Present Market Capitalization	: \$4 million
Major Shareholders	: Crew Group & Assoc. (4,000,000 approx.)
Aprrox. Public Float	: 3,000,000

## MANAGEMENT

The Board of Directors comprises:

Gerald D. Wright	- President and Director
John M. Darch	- Secretary and Director
Wayne Fallis	- Director
Robert B. Anderson	- Director

**Mr. Darch** and **Dr. Wright** are Senior Partners of the Crew Group, having backgrounds in commercial financing and professional engineering, respectively, and holding directorships in Asia Pacific Resources Ltd. and Canadian Crew Energy Corp. **Mr. Fallis** has a long and distinguished business career in international shipping and trading and is President and Chief Executive Officer of

of his own shipping company which is active in both Europe and the Pacific Rim. **Mr. Anderson** is currently employed as Manager of Explorations by the Crew Group of Companies. **Mr. Anderson's** background includes 20 years experience as an exploration geologist in various Pacific Rim countries involved in developing base metals, precious metals and coal projects.

David Williamson  
October, 1990



# Crew Natural Resources Ltd.

Developing Copper-Gold Projects In British Columbia  
(VSE - CWT)

## THE RED DOG PROJECT Vancouver Island

## PROPERTY FILE

"Crew Natural Resources Limited is in the enviable position of having at least three highly prospective properties . . ."



- ◆ Estimated geologic reserve exceeding 100 MT in three prospective zones, including Red Dog Hill
- ◆ Proven reserves for Red Dog Hill zone calculated at over 45 MT containing 233 M lb. Cu; 453,000 oz Au, 5.43 M lb. Mo
- ◆ Estimated stripping ratio 0.36 : 1
- ◆ 100% working interest in Project. To date, over 70 diamond drill holes completed on the property
- ◆ Located near Island Copper Mine; close to tide water, main road and high voltage electrical power

David Williamson  
October, 1990



View west from Island Copper Mine to the Red Dog project area.



# Crew Natural Resources Ltd.



"Crew's major project is the "Red Dog" copper/gold deposit on Vancouver Island which is in close proximity to BHP-Utah's major Island Copper mine. Island Copper has a short mine life and, in the immediate future, may suffer a downturn in production as the pit wall is stripped back to expose additional reserves. Crew is presented with a range of choices for the development of Red Dog. The property can either be drilled

out fully and, dependent upon its ultimate size, could be developed on a stand-alone basis. On the other hand, it could be operated as a quarry supplying crushed ore to Island Copper on a toll basis."

*Excerpted from a report on Crew Natural Resources dated October, 1990 by David Williamson Associates Limited, noted mining analysts and publishers of International Mining Review.*

"Main asset is

the Red Dog

copper/gold

deposit. Total

mineral

resources 47.7m

tonnes at 0.3%

Cu. 0.45g/t Au.

Potential for

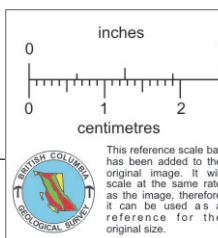
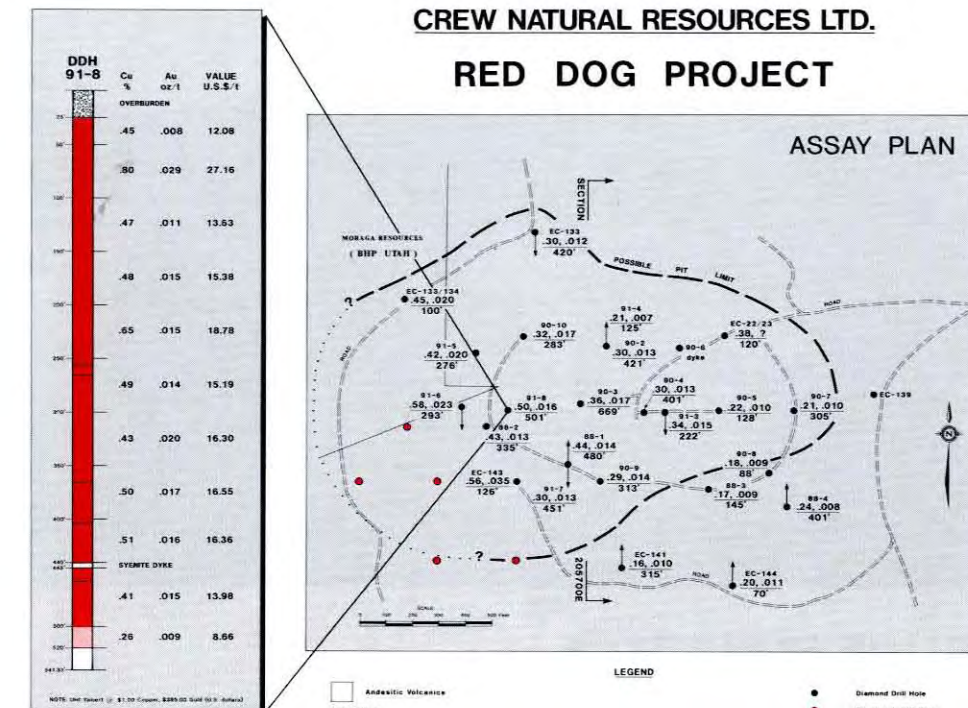
100m + tonnes

deposit.

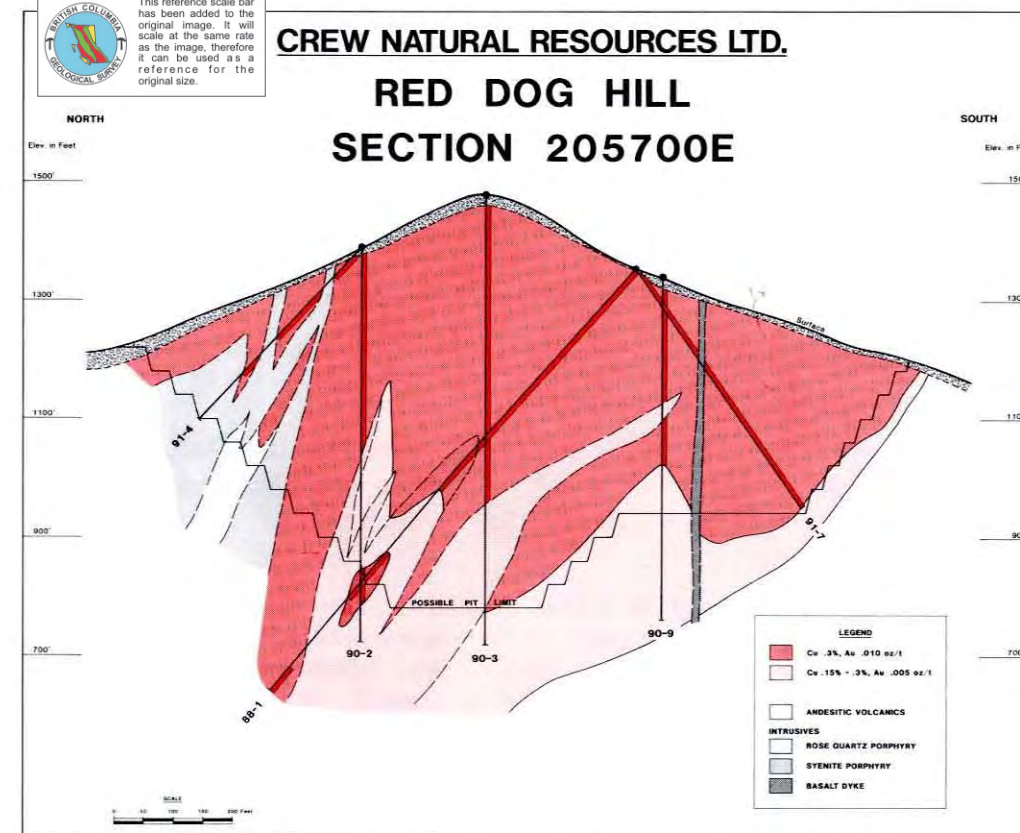
David Williamson  
October, 1990

Red Dog Hill Zone : Significant Drilling Results				
Hole No.	Interval ft	Length ft	Copper %	Gold oz/t
77-023	2-122	120	0.38	no assay
77-024	12-180	168	0.20	no assay
EC-133	90-510	420	0.30	0.012
EC-134/135	4-104	100	0.45	0.020
EC-141	71-386	315	0.16	0.010
EC-142	240-310	70	0.20	0.011
EC-143	20-146	126	0.56	0.035
88-1A	10-490	480	0.44	0.014
88-2	15-350	335	0.43	0.013
88-3	15-160	145	0.17	0.009
88-4	12-322	310	0.24	0.008
90-2	12-433	421	0.18	0.006
90-3	10-679	669	0.36	0.017
90-4	12-413	401	0.31	0.013
90-5	39-167	128	0.23	0.010
90-6	20-58	31	0.32	0.010
90-7	39-344	305	0.21	0.010
90-8	138-226	88	0.18	0.007
90-9	12-325	313	0.29	0.013
90-10	18-301	283	0.32	0.017
91-2	10-276	266	-	0.013
91-3	4-226	222	0.34	0.015
91-4	60-183	123	0.21	0.007
91-5	6-282	276	0.42	0.020
91-6	22-315	293	0.58	0.023
91-7	36-487	451	0.30	0.013
91-8	24-525	501	0.50	0.016

Note: i) Hole 90-6 entered a post-mineral dyke at 58 ft.  
ii) Hole 91-2 angled sub-parallel to topo – copper leached  
iii) Drill hole spacing 300 ft. and less.



PLAN VIEW



CROSS-SECTION