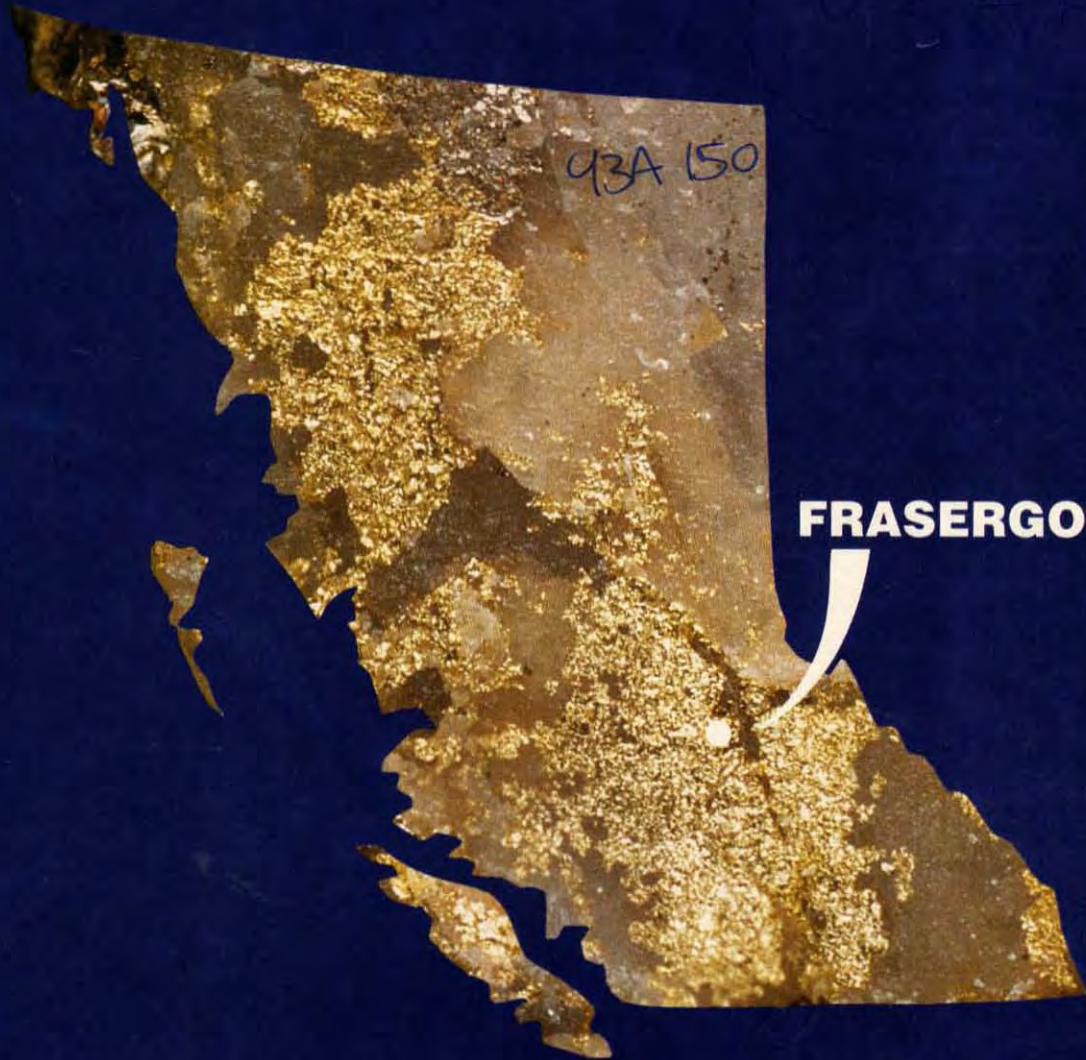


SOUTHLANDS MINING CORPORATION

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SOUTHLANDS MINING CORPORATION

PRODUCTION FEASIBILITY STUDY FOR LATE 1988

SOUTHLANDS MINING CORPORATION is moving steadily ahead with its plans to enter the ranks of junior Canadian producing companies.

The Frasergold property is near Williams Lake in British Columbia's famed Cariboo Gold Camp, and is shaping up to be a first class open pit prospect with potential reserves of better than 20 million tons of 0.08 ounces of gold per ton. Recovery tests on the ore have been in the high 90% range using the most conventional of cyanidation techniques, with projected mining costs of between \$180 and \$220 an ounce.

To date over \$3 million in exploration has been spent on the Frasergold with close to 40,000 feet of drilling completed on a 1.5 kilometre stretch of the over 10 kilometre strike length. An audit has been completed and more than 600 feet of drift has been run into the mineralized zone.

During the 1988 season a further \$500,000 has already been expended and 8,000 feet of reverse circulation drilling undertaken to prove up probable reserves and to establish the first mineral inventory. The next step towards a production decision is the completion of a bankable feasibility study. Vancouver-based Kilborn Engineering will likely be asked to undertake this task.

Although Southlands continues to press forward on the Frasergold, its market performance has been somewhat handicapped by litigation instigated by its 50% joint venture partner, Eureka Resources. It is Dynamic's understanding that this dispute should be resolved in the near future by binding arbitration. Southlands has agreed to share its interest with Sirius Resource Corporation, which was brought in to provide funding and technical expertise to maintain the tempo of the exploration program.



Camp at the Frasergold Project Site.

108 → 90%
→ .072
@ \$500 → \$36/t
\$16/ton

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The President examining drill core.

OTHER PROPERTIES

Even with the intensity of commitment being expended on the Frasergold, company management and consultants are actively developing plans for other properties with a view to making them future producing mines.



Gold bearing quartz veins.

POTENTIAL EARNINGS

A minimum net annual profit to Southlands of \$8 to \$10 million can be projected from an open pit operation of 5,000 tons per day. Assuming, at that time, capitalization of 5 million shares, earnings per share of \$2.00 could point to a per share price of \$20.00.

$$5000 \times .07 = 350 \text{ oz/day}$$

Advertisement Supplement to N. Miner 1988

SOUTHLANDS MINING CORPORATION

HOW TO SELECT A MINING STOCK

There are approximately 1600 companies listed on Canadian Exchanges whose primary business is exploring for, developing and mining precious metals deposits. The majority, some 1350 are in the exploration phase without an identifiable ore body, consequently stock prices are extremely volatile. The next category is Development Companies, that have a significant ore body and in some phase of pre-production activity. Only 15% of the exploration companies make this transition. From the Developer group only 20% proceed to the producer category, of which 25 are juniors, producing less than 100,000 ounces of gold a year, 14 intermediates, less than 500,000 ounces and four are majors producing greater than 500,000 ounces a year.

An investor's goals should be to define the category of the mining stock and whether it should be bought for trade or investment. Who are the company managers and what is their background and expertise, the quality of the asset (property) and the companies financial strength. External criteria must also be taken into consideration, precious metal prices, equity market forecasts and relative versus absolute pricing.

The foregoing has been excerpted from a paper delivered at the June 1988 New York Gold Show by Robert Sibthorpe, a mining and metals

analyst and director of Yorkton Securities. Yorkton maintains a team of metals and mining analysts based in Toronto and London, England, who produce a twice monthly Resource Letter. Yorkton's permission to use this excerpt is gratefully acknowledged.

DYNAMIC CONCLUSION

Southland has already joined the 15% of companies in the mine development stage. With litigation hopefully being resolved in the near future, Southlands has all the necessary ingredients to join that select 20% of development companies proceeding to production. Dynamic has followed Southlands' progress over the last year and has been consistently impressed by management's expertise and professionalism, never wavering in their goal to bring the Fraser-gold property into production.

CORPORATE INFORMATION

Trading Symbol: **(SSM) V.**

S.E.C. Exemption pursuant to Rule 12g3-2(b);
Registration Number: 82-1661.

Authorized Capital: 20,000,000 shares; Outstanding: 4,089,844 shares; Escrowed: 375,000 shares.

For further information call:

SOUTHLANDS MINING CORPORATION

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