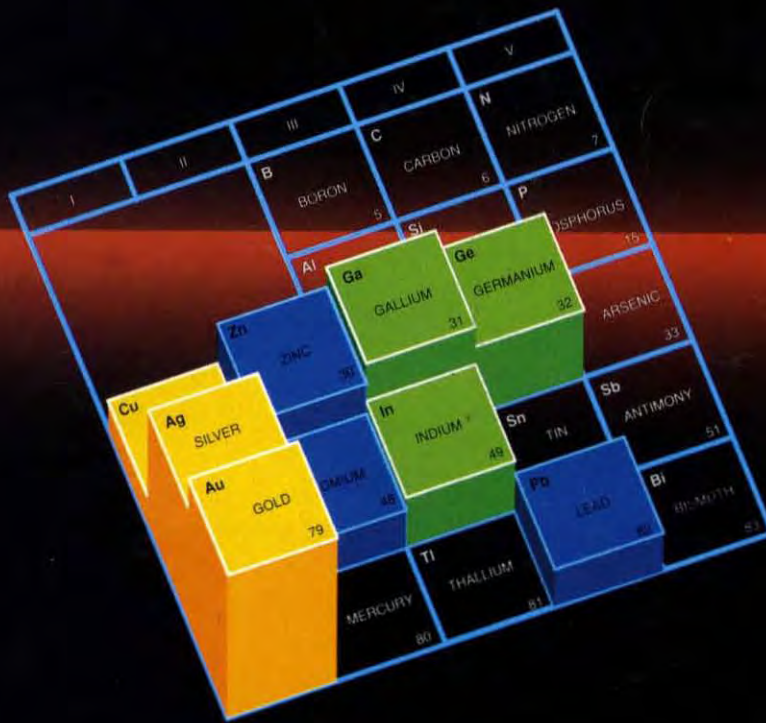


Houston Metals Corporation

exploring and developing
a polymetallic mine
in central British Columbia



PROPERTY FILE

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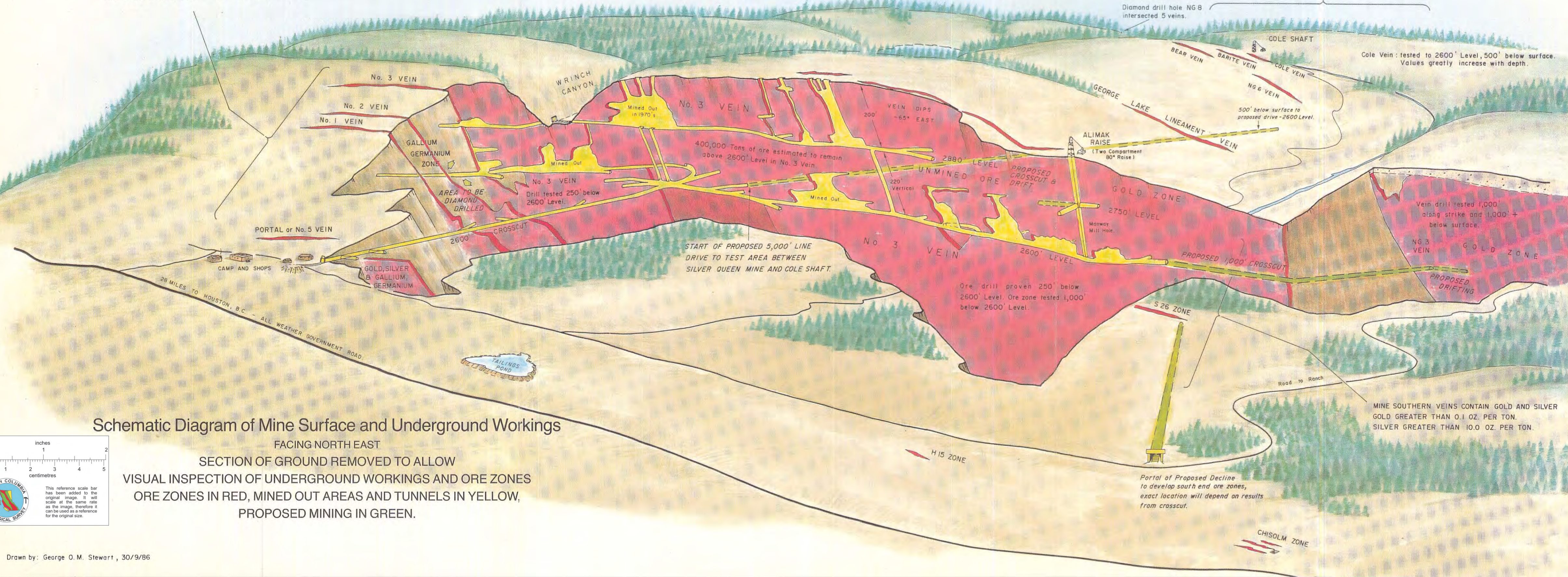
The Old and the New

Central part of the periodic table listing the ancient precious metals, group I, and the new, group III and V elements that combine to form semi-conducting binary, ternary, quaternary compounds, materials for the Information Age.

HOUSTON METALS CORPORATION
SILVER QUEEN MINE
 HOUSTON, BRITISH COLUMBIA

NORTHERN VEINS CONTAIN SILVER, ZINC, GOLD
 AND GOOD GALLIUM, GERMANIUM AND INDIUM VALUES.

EASTERN VEINS CONTAIN GALLIUM, GERMANIUM



Schematic Diagram of Mine Surface and Underground Workings

FACING NORTH EAST
 SECTION OF GROUND REMOVED TO ALLOW
VISUAL INSPECTION OF UNDERGROUND WORKINGS AND ORE ZONES
 ORE ZONES IN RED, MINED OUT AREAS AND TUNNELS IN YELLOW,
 PROPOSED MINING IN GREEN.

inches
 0 1 2
 centimetres
 0 1 2 3 4 5

BRITISH COLUMBIA
 GEOLOGICAL SURVEY

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

The Silver Queen Polymetallic Ore Body

Mine Property

The Silver Queen mine property is situated 28 road miles southwest of Houston, B.C. and consists of crown granted and located mineral claims, with 600,000 proven tons of ore. Metal values range from .1 oz - .4 oz per ton gold, 2 oz - 30 oz per ton silver, 20 grams - 188 grams per tonne gallium, 20 grams - 128 grams per tonne germanium, .5 oz - .75 oz per ton indium and base metal medium grades 7.0% zinc, 2.5% lead and 0.5% copper. A \$1,000,000 (Cdn) program to commence before November 1, 1986 is estimated by an independent engineer to increase the tonnage to +1,400,000 tons. Management estimates up to 5,000,000 proven tons may be present. By expending \$300,000 (Cdn) by year end 1986 "Houston" will earn a minimum interest of 50% in the Silver Queen Mine. In addition to the base and precious metal values, of particular significance is the presence of gallium, germanium and indium. These strategic metals will be increasingly in demand in the future.

Gallium

Gallium is used in the production of gallium arsenide chips which replace silicon chips in certain situations where speed (10 times faster, jamming and radiation protection is required). Computers, satellites, missiles and space communications have such needs. Silicon chips are not fast enough to meet demands of highly sophisticated sensor guidance and communications systems, are not capable of analog processing and deteriorate in a high radiation environment thus the need for gallium arsenide chips. Gallium is also used with alloys of germanium and indium in multi-junction photovoltaic cells to produce electricity from sunlight.

Germanium

Germanium's primary use is in fibre optics and in the manufacture of infra red lenses (night vision) and has been classified as a strategic metal to be stockpiled by the U.S. government. Fibre optic cables are replacing copper cables in local and long distance telephone networks. Germanium is also used in compact discs which in addition to recording music are increasingly used in the storage of all types of permanent data retrievable by computers.

Recent Articles

Recent articles in Time, October 6, 1986; "And Now the Age of Light", and Fortune October 13, 1986; "The High Tech Race"; Scientific American October 1986; "Materials for Economic Growth", describe the technological revolution now taking place spurred by increasingly sophisticated and efficient computers and super chips utilizing gallium arsenide; the burgeoning optoelectronics industry yielding products such as optical fiber communications systems where gallium and germanium are needed as raw materials.

Engineering Report

The engineering report of W.W. Cummings, P.Eng., dated June 24, 1986, recommends a 3 stage program: to define as much proven and probable ore as possible; emphasize the precious metal potential of the ore bodies; and advance metallurgical studies for recovery of strategic metals. The first stage will take an estimated 4 months and significantly increase the proven ore reserves. It is estimated that a decision to place the property in production will be made within 18 months.

Corporate Information

Management

*Adolf A. Petancic — President/Director

With over 20 years experience as a lawyer in the securities field, director and officer of a number of natural resource companies listed on the Vancouver Stock Exchange and NASDAQ in the U.S.A.

J. Michael Mackey — Secretary/Director

Lawyer, director and officer of a number of companies in Canada and U.S.A. traded on the VSE and NASDAQ, over the past 20 years.

George O.M. Stewart — Exploration Mgr./Director

25 years experience in the mineral business, has been associated with companies involved in the exploration and development of the Silver Queen Mine since 1969.

*Alan M. McAlpine — Director/Chartered Accountant

Senior partner in an established accountancy firm.

*Hugh G. Farris — Director/Lumber Broker

Experienced in natural resource field with sales and marketing expertise.

Corporate Address

HOUSTON METALS CORPORATION
910 - 800 West Pender Street
Vancouver, B.C. V6C 2V6
Telephone: (604) 683-4245

Shares Listed

VANCOUVER STOCK EXCHANGE
Symbol: HML

Capitalization

Authorized: 50,000,000 common shares
Issued: 4,292,615 (includes 596,250 escrowed shares)

Transfer Agents

GUARANTY TRUST COMPANY
800 West Pender Street
Vancouver, B.C. V6C 2V6
HARRIS TRUST COMPANY
P.O. Box 2863
Church Street Station
New York, NY 10008

Auditors

CLARKSON GORDON
700 West Georgia Street
Vancouver, B.C. V7Y 1C7
(an affiliate of Arthur Young International)

Bank

ROYAL BANK OF CANADA
1055 West Georgia Street
Vancouver, B.C. V6E 3P1

*Members of the Audit Committee