

520693

104A/4 PROPERTY HOLDINGS

Attention Wayne Roberts

From Brian H. Hall

1487

STEWART, B.C. AREA
Redcliff Property

During 1987 a program of geological mapping, trenching, soil and rock sampling, road construction and 3,303 feet diamond drilling was completed on the property. In addition to enhancing the known mineralized areas this work identified six new gold zones.

With the activities at the Premier Silback gold property combined with recent discoveries in the Sulphurets area to the north the Stewart area has become the most active gold camps in British Columbia.

The style of mineralization and geological setting of the Redcliff property is comparable to the nearby Silback gold deposit which is currently being developed by Westmin Resources Limited.

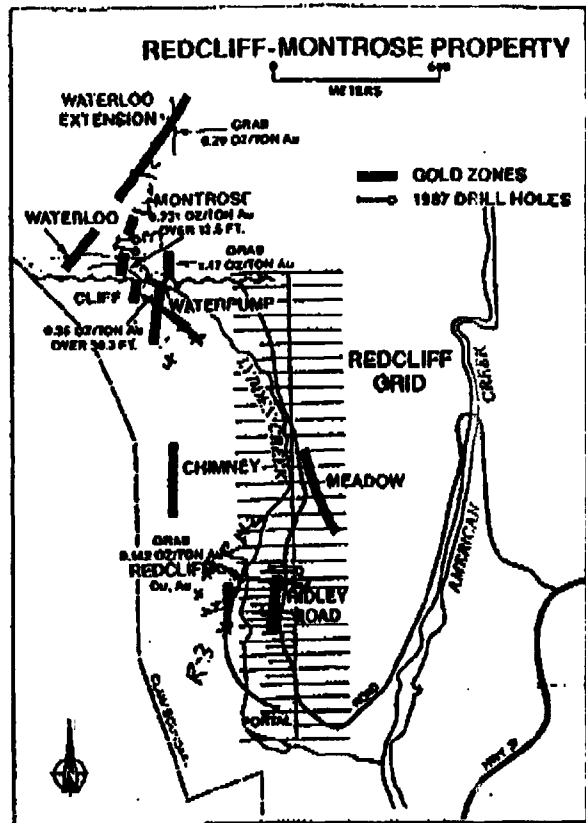
The significant results of 1987 sampling and diamond drilling of the various gold zones are summarized below:

Zone	Sample Type	Sample Length (ft)	Ounces Gold/Ton
Montrose	Chip	12.5	0.231
	Drill Core:		
	Hole 87-M1:	2.6	0.045
	Hole 87-M2:	3.9	0.100
		5.6	0.249
	Hole 87-M3:	7.5	0.144
Waterpump	Chip	30.3	0.350
	Waterpump Ext. Chip	1.5	1.470
	Waterloo Ext. Chip	2.3	0.060
Red Cliff	Chip	1.2	0.120
	Grab	—	0.142

The sampling of the Montrose zone confirmed previous results. In 1939 approximately 39 tons of material was shipped from this zone averaging 2.6 ounces gold per ton, 2.7 ounces silver per ton and 10% combined lead and zinc. The 1987 drilling extended this zone some 300 feet to the north.

Mapping discovered a 500 foot southern extension to the Montrose at the Waterpump zone. Here a wide zone of gold and sulphide mineralization was encountered bordering a vertical dipping dyke. This zone was traced across Lyden Creek where high gold values were encountered at the Waterpump extension.

On the Waterloo zone which previously reported low gold values, 1987 reconnaissance sampling and mapping extended the mineralization for 2,300 feet.



As part of the 1987 program a 2.2 mile access road was constructed and as a result two new gold zones were discovered. These are described as the Ridley and Meadow zones which extend for a minimum of 1,000 feet each displaying strong alteration and sulphide mineralization across widths of 15 to 50 feet. Trenching, rock sampling and three diamond drill holes tested the Ridley zone returning only anomalous gold values in the 145 to 450 pph range.

Limited sampling of the Redcliff Zone returned interesting gold values from this previous copper prospect. This zone was developed in 1912 with 7,000 feet of underground workings on four levels. At that time 1,240 tons of copper ore was shipped.

Preliminary sampling of the Cliff and Chimney zones encountered anomalous gold values. These zones may be structurally related and associated to the Red Cliff mineralization.

Based on the significant economic gold results returned from the 1987 program combined with the discovery of six new gold zones the Company is planning further detailed diamond drilling on the Redcliff property in 1988. This drilling will commence soon on the Montrose and Waterpump zones to allow sufficient time for a 1988 underground evaluation.