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Tracking the Pezim Camp - August 1991 Edition

The question many people have been asking themselves so far this summer is, when is Murray Pezim going to swing into action? A brief survey of the 62 companies in his stable reveals that the Pezim camp has underperformed what may be regarded as the most dismal market for VSE stocks in recent history. The year started out fine for Murray Pezim with the Black Dog play in the West Iskut River area. Thios Resources and Euris Resource Corp traded heavily amidst hype that Pezim was completing a hat-trick through the polymetallic massive sulphide Black Dog discovery at the Rock and Roll property. In vintage style Pezim mobilized his companies to farm into every nearby property that had any chance of hosting Black Dog stratigraphy. An area that had been picked over for vein deposits during Skyline's Johnny Mountain glory days was to be given a second look from a new perspective, the potential for stratiform, volcanogenic, exhalative polymetallic deposits. Alas, the hat-trick is still outstanding.

The early development of the play in February surprised many investors who imagined the Iskut River area to be buried beneath 20 ft of snow and immune to all but the most insane exploration efforts. What they had not observed was the low elevation of the Black Dog showing, which permitted year-round drilling. What they had also forgotten was Murray Pezim's notable ability to confound those who would dare predict his next move. As it turned out, he was once more one jump ahead of the market, in keeping with the Pezim pattern.

In late October 1988 his Calpine Resources pulled the 21A Zone discovery out of a hat while virtually nobody was looking. He defied the weather by drilling through winter, but soon lost everybody's interest. The launch of his flagship Prime Resources Corp in early 1989 and the monstrous debt load that threatened to sink it persuaded many to dismiss Murray Pezim's efforts on the 21A Zone as the desperate thrashings of a near-bankrupt. It wasn't until August 21, 1989 when the results of the most amazing drill hole ever reported in North America, hole 109, were announced that the market exploded with record volumes on the VSE, nearly double the record set in January 1983 when the size of the Hemlo discovery finally became recognized. By mid-September, however, the Pezim camp had slumped into silence, and the market took a beating as winter embraced the Stikine Arch in its frozen grip. Nevertheless, enough claims had been staked, sometimes more than once, and enough property deals had been struck that by early 1990 what has been dubbed as the great Stikine Arch Pre-Game Warmup had emerged to mobilize the VSE. With just about every promoter camp positioned in the Stikine Arch, be it on exceptional geology, mountain sides, or glaciers, the 1990 Stikine Arch summer was guaranteed to deliver record trading volumes as unprecedented exploration activity descended upon this geologically rich corner of British Columbia. This time, however, everybody was going to be test smart. They would buy their positions in spring and sell them during the summer when the results started rolling in.

Needless to say, by the time the first results started rolling in during early July, the market had peaked. Avondale Resources had hit \$3.00 as the market drooled about what diamond drills might find lurking beneath those 22 mineralized showings on the Forrest-Kerr property. Meanwhile Placer Dome and Corona Corp fought it out for control of the Eskay Creek deposit. By mid-July when the BC Securities Commission's hearing started it was all over. Except for the last leg of Adrian's 21B Zone extension play, enthusiasm for the Stikine Arch sagged. Interesting intersections from the Spectrum and SIB plays came too late in the season to make a difference. Sandbagged by the hearings, Murray Pezim could do little but throw up his hands and mutter about all the financings that he now could not complete.

1991 hardly started on an optimistic note. The Gulf War was about to begin, nobody was babbling any longer about economic soft landings, and Murray Pezim had been slapped with a one year trading suspension. Apart from the Silver Butte/American Fibre play, few had great expectations for the Stikine Arch, least of all for Murray Pezim's companies. But Murray Pezim bought himself time until December by successfully petitioning the courts to hear an appeal of the Commission's decision. He launched the Black Dog promotion in February, and completed two rounds of financing, one in February and another in early May. As the Black Dog play started to fizzle in March, Pezim's Galico Resources latched onto the Metla property in the Trapper Lake area, an area somewhere between the Tulsequah Chief and Telegraph Creek camps in northwestern BC. Within no time Pezim had a select segment of

P.O. Box 10015 Pacific Centre
1500 - 700 West Georgia Street
Vancouver, B.C. V7Y 1G1

Telephone: (604) 669-2174
Telex: 04-507666
Fax: (604) 681-5440

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his stable positioned with satellite properties in the Trapper Lake area. All had been financed over the last year and none had gone for significant subsequent distribution runs.

It seems, however, that this year the speculation season ended with the Black Dog play. By the end of June Murray Pezim and his associates, according to insider reports, had emerged as net sellers in numerous companies and the Pezim camp went into a severe decline. The Prime Equities office continued to file SMF's and get them approved, but prices for most of the stocks are nowhere near the minimum \$.40 price of the trademark unit offerings. As of August 1 about \$8,438,000 had been raised through 13 SMF financings. Of 19 additional SMF's filed, 11 are currently effective and would raise about \$4.64 million if completed at the \$.40 minimum. Apart from those by Lorica and Galico, the effective SMF's are mainly intended to raise money for early stage exploration. The Pezim camp has indicated it would like to raise between \$20-30 million still this year.

Without a doubt the market for junior stocks is in a bad slump this year, a predicament the Pezim camp has not escaped. Murray Pezim has been absent from the market during the last two months, or so one would conclude from the lacklustre trading activity in his companies. This market has become one where investors want to see the goods on the table before they will buy, and frankly, so far no VSE junior in the Stikine Arch has delivered the goods needed to build any sort of market momentum. Murray Pezim is a master when it comes to understanding and exploiting market momentum, and until some momentum materializes, he is not about to blow his horn and wade into a market saturated with sellers thirsting for liquidity. This market is too tough for even Murray Pezim to move on promotion alone.

Murray Pezim is biding his time until one of his companies produces a discovery of major consequence. Visible gold intersections on the Spectrum property will not do the trick. What he needs is a discovery to erupt out of nowhere or an existing one to expand significantly. And that is why he is counting heavily on Galico's drill program on the Metla property in the Trapper Lake area. The Metla property is a raw prospect notable for its numerous showings and mineralized float that have emerged from beneath a glacier that has apparently retreated 1,700 m over the last 30 years. It has never been drill tested and holds plenty of mystery. Galico has raised \$500,000 through a brokered private placement of 333,333 units at \$1.50, just enough to fund this season's program. An SMF for 500,000 units that qualifies the private placement is now effective. The satellites are each spending about \$50,000 on preliminary grassroots work, with room for a quick drill program late in the season. While few people seem to have any faith that Galico will get lucky quickly and make a discovery, the Pezim camp is exceptionally positioned for a major play if Galico does come up with a discovery hole. Galico has a small enough float that Murray Pezim could easily push it past \$5 and restore his followers' faith if he pulls a hot Metla hole.

The Trapper Lake area has only two drill programs definitely planned, that by Galico on the Metla and a small one by Glider on the Outlaw/Inlaw claims optioned from Consolidated Parklane. Both are "wildcat" drill programs and consequently represent longshots. Good results could also come from the remainder of the 24 prospects the Pezim camp has indicated it plans to drill this summer. Of these we have identified 21 with definite plans; the rest are likely late-season followups to current grassroots work. In the Black Dog camp work is planned on the Rock and Roll, Hornagnin, Phiz and Sky Creek prospects. In the Galore Creek camp work is planned on the Paydirt, Trek, Trophy, and Copper Canyon prospects. In the Eskay Creek camp work is planned for the Lakewater, Palmiere Creek and Treaty Creek prospects. Isolated programs include the Swan project in the Mt Milligan area, the Sheslay project near Telegraph Creek, the Ferguson project near Germansen Landing, the Spectrum project in the north Iskut camp, the Barb project in the Yukon, and the Goldstream project near Revelstoke. Most of these programs are already funded.

The August edition of PI's Tracking the Pezim Camp is being released to give investors a reference catalog to help them shop discriminately for Pezim stocks should Murray Pezim get anything going this season. For the optimists now is a rare opportunity to accumulate positions in key Pezim stocks without having to pay any speculative premium. The Pezim camp is at rock bottom.

Which ones to choose? Adrian and Eurus have the most money, the largest following, and several projects. Others with lots of cash and interesting projects are Candela, Tantalus, Golden Ring and Toltec. Those positioned in the Trapper Lake area such as Slocan, Glider and Core also merit attention, particularly since none have undergone major distributions. Avoid the dormant shells, those owing money and the rollback candidates. Accumulate the cheapies with effective SMF's if you believe Murray Pezim will succeed in getting a major play going; he always finances mediocre companies on the coattails of major plays. Finally, avoid Prime Equities unless one of Pezim's juniors appears to be handing him the completion of his hat-trick.

John A Kaiser
August 1, 1991

| | Est Net Cash | Issued | Project | Cycle Stage | Recommendation |
|--|--------------|------------|--------------|----------------|----------------|
| Adrian Resources Ltd (ADL-V) | \$4,200,000 | 10,301,323 | Sky Creek | asset play | Buy |
| <i>50% carried interest Ski Cls: deep, lower grade 21B Zone northern extension for 250 m (economics uncertain) & more important high grade TOK Gap reserves of 95,000 tons 1.27 opt gold & 32.86 opt silver, main asset that would benefit from Eskay Creek production, legal disputes resolved July 29/91; major distribution done via 1990 extension drilling; 50% of Phiz Cls earned from Crest & Magenta by spending \$800K in Feb/91 drill program testing for extension of Black Dog zone, all missed, \$250K program planned; 50% Trapper Lake Cls optioned from Galkoo for \$250K expl, grassroots work planned; 51% Sky Creek clis optioned from Skyline Gold east of Black Dog for \$1.5 million expl over 3 years, polymetallic massive sulphide SMC showing discovered July, year round work possible, \$300,000 program underway.</i> | | | | | |
| Aegle Resources Ltd (AGS-V) | \$ (486,000) | 2,867,712 | dormant | shell | Avoid |
| <i>Merger Achilles 4.5:1, Golden Iskut 8:1, Intl Phoenix 8:1, Interstate 14:1 Aug/90, financing & project needed, unit SMF to be filed.</i> | | | | | |
| Asiatel Media Corp (ASD-V) | \$ (91,000) | 6,178,410 | Black Dog | rollback | Avoid |
| <i>Control acquired June 1990; 50% of Link's Hoodoo/Inhini clis optioned for \$1M expl by Dec 31/93; Inhini adjoins south of Rock & Roll & hosts Black Dog stratigraphy; unit SMF financing planned for grassroots exploration after 5:1 consolidation.</i> | | | | | |
| Atrium Resources Ltd (ATM-V) | \$(220,000) | 2,019,276 | Eskay Crk | recycled shell | Avoid |
| <i>US Grant 7:1, debt from Montana play now written off, debt settlement 1,000,000 at \$.42 to Prime Res Group to be done, included in figures; 50% Gossan Crk (part of Forrest-Kerr) optioned from Avondale for \$850,000 expl over 3 years; \$250,000 program planned to follow up 1990's hole of 52.5 ft of 0.131 opt gold; no funding in place.</i> | | | | | |
| Avondale Resources Inc (AVD-V) | \$878,000 | 11,015,173 | Forrest-Kerr | roll-back risk | Avoid |
| <i>Over \$2.5M spent 1990 on Inel clis with poor results, option terminated; Forrest Kerr results mediocre but some good showings left, broken into 3 parts optioned to Atrium, Braiden & Double Down, all recycled shells with no money nor funding plans in place; rollback candidate.</i> | | | | | |
| Bordeaux Resources Ltd (BDX-V) | \$ 150,000 | 2,697,006 | Black Dog | satellite play | Accumulate |
| <i>Control bought June/90, never undergone distribution; SMF 900,000 units at \$.40 done June/91; 100% Hard Place clis west of Black Dog optioned from Prime Equities for \$260,000 cash over 4 years, \$50,000 grassroots program on poor prospect; candidate for new project.</i> | | | | | |
| Braiden Resources Ltd (BZR-V) | \$ (314,000) | 1,047,252 | Eskay Crk | recycled shell | Avoid |
| <i>Androne/Pezgold 7:1 merger June/90, 50% Radio Crk (part of Forrest-Kerr) optioned from Avondale for \$1.2 million expl over 3 years, \$300,000 program planned 1991 but no funding in place; debt settlement needed.</i> | | | | | |
| Buffalo Resources Ltd (BUF-V) | \$ 235,000 | 4,452,455 | Eskay Crk | grassroots | Accumulate |
| <i>Control acquired Sept/89; 50:50 JV Intl Viking on Palmiere South in Eskay area, \$80,000 grassroots done; unit SMF filed in July/91.</i> | | | | | |
| Candela Resources Ltd (CDD-V) | \$1,100,000 | 3,802,259 | Mt Milligan | drilling | Buy |
| <i>Shell bought Sept/89, \$250K spent on Yahk clis with poor results, option dropped; Telegraph Crk clis, no major work planned; SMF 1.45M units \$1.32 done June/90 amidst Barkhor/Kokanee hype; 50% Palmiere Crk (Eskay Crk) optioned from Keith Resources for \$175K expl by Sept/92; 60% Swan clis 55 mi NW of Mt Milligan optioned from Eastfield Resources for \$300,000 cash & \$3 million expl over 5 years, copper-gold play with reserves 36 million tons 0.2% copper, \$250,000 drill program underway, with possible \$450,000 followup.</i> | | | | | |
| Cdn Eagle Expl Ltd (CEN-V) | \$223,000 | 4,159,312 | Black Dog | satellite play | Accumulate |
| <i>Control bought Sept/89; Sec 35 Eskay Crk Cls, \$70,000 grassroots done; SMF 1.35M units \$.45 done Aug/90; 100% Rhythm & Blues clis west of Black Dog acq March for \$250,000 cash over 4 years, grassroots work planned; SMF 1M units effective May 27/91 until Nov 25/91.</i> | | | | | |
| Collins Resources Ltd (CR-V) | \$ 163,000 | 2,697,250 | Black Dog | satellite play | Accumulate |
| <i>No distribution since Oct/84 5:1 rollback; SMF 1M units @ \$.40 done Aug/90; 50% New Cls optioned from Adrian for \$500,000 expl by Dec/93, \$125,000 program on quartz vein system planned; 50% Mt McGrath clis 20 km west of Black Dog optioned from Winslow Gold & Northwind Ventures for \$100,000 & \$500,000 expl over 3 years, \$125,000 grassroots program planned; SMF effective 1.4M units before Dec 2/91.</i> | | | | | |

| | Est Net Cash | Issued | Project | Cycle Stage | Recommendation |
|--|--------------|-----------|--------------|----------------|----------------|
| Cons Acorn Resources Ltd (CJK-V) | \$66,000 | 2,794,404 | More Creek | grassroots | Accumulate |
| <i>5:1 consolidation of Acorn July/90; control acquired Sept/90; 50:50 opt NOK cls with Golden Trump, no results; SMF 1M units done \$.40 Aug/90, wts @ \$.40 expire Aug 31/91; 50:50 JV with Sierra Madre Res to option 50% of FK cls in More Creek area north of Eskay from Cdn Cariboo Res for \$100,000 & \$1.3 million expl over 3 years, must start work by Aug 31 but no plans indicated.</i> | | | | | |
| Cons Bel-Air Res Ltd (CBT-V) | \$ 341,000 | 3,274,333 | Black Dog | satellite play | Accumulate |
| <i>Recent appointment Reno Calabrigo; mediocre Eskay Crk CIs, \$70,000 grassroots done; SMF 600K units done \$.74 Apr/90; 25% int Bornagain CIs Iskut River area on strike with Black Dog zone of Rock & Roll project, JV partners Thios & Eurus, \$500,000 program planned.</i> | | | | | |
| Cons Goldwest Res Ltd (KGG-V) | \$ 600,000 | 7,504,475 | Galore Creek | grassroots | Accumulate |
| <i>SMF 1.15M units \$.71 May/90; 51% Galore Creek CIs opt from Pass Lake for \$2 million expl by Dec/93, poor 1990 results with \$250,000 grassroots 1991 program planned; 100% Pup cls optioned for \$1 million expl by July/93, \$312,250 program planned; 50:50 JV with Tymar on option to earn 50% of Rob ole 4 km east of Black Dog from Teryl Res for \$1 million exploration by Oct/92; SMF financing 1 million units effective until Jan 21/92.</i> | | | | | |
| Cons Regal Res Ltd (KRE-V) | \$ (53,000) | 2,337,228 | Black Dog | Satellite play | Accumulate |
| <i>Regal Pete 5:1 Feb/88, SMF 1M units \$.40 done Aug/89, 50:50 JV w/Cons Rhodes Virginia Lake CIs poor results 1990, \$100,000 more work planned; 100% Thunderstruck cls north of Black Dog optioned from Prime for \$130,000 cash, \$50,000 grassroots planned; SMF financing 800,000 units effective until Jan 1/92.</i> | | | | | |
| Cons Rhodes Res Ltd (RRS-V) | \$ 145,000 | 7,238,016 | Galore Creek | drilling | Hold |
| <i>SMF 1.5M Units done \$.84 Aug/90; 50% Copper Canyon (Galore Crk) opt for \$6.5M expl by Dec/94, \$1.5M spent 1990 drilling high grade gold structures within copper-gold porphyry system, grades insufficient to support underground mining, viability dependent on development of neighbouring Galore Creek deposit (Kennecott), vested for 1991 but more work planned (\$250K) in hopes of adding another 100 million tons to known reserves of 35.7 million tons of 0.75% copper, 0.5 opt silver & 0.034 opt gold; SMF 1.4M units \$1.12 done Jan/91, wts at \$1.12 until Jan 13/92.</i> | | | | | |
| Core Ventures Ltd (CYR-V) | \$ 1,800,000 | 7,167,500 | Trapper Lake | Satellite play | Buy |
| <i>Former Rudolf Siegert company, control bought Apr/91; 50% Golden Met cls Trapper Lake area optioned from Cons Parklane for \$375,000 expl, grassroots work planned; cash-rich vehicle for new projects.</i> | | | | | |
| Corptech Industries Inc (CH-V) | \$ (200,000) | 3,540,383 | Eskay Crk | rollback | Avoid |
| <i>9:1 merger w/ Crest & Magenta rejected by BC Supreme Court, 50% King-Consoat opt to Crest for \$250K expl Dec/90. Rollback risk.</i> | | | | | |
| Crest Resources Ltd (CQR-V) | \$ (100,000) | 3,476,741 | Black Dog | satellite play | Avoid |
| <i>3:1 merger Corptech & Magenta rejected by BC Supreme Court; 50% King-Consoat (Eskay Crk); 25:25:500 JV with Magenta & Adrian on Phiz cls, Adrian spent \$800K in Feb/91 to earn 50%, drilled 25 dusters, \$250,000 further work planned; SMF financing of 1,400,000 units effective until Oct 21/91.</i> | | | | | |
| Crusader Gold Corp (CGN-V) | \$ None? | 1,901,473 | no project | recycled shell | Avoid |
| <i>Wildfire 5:1 Oct/89, previous restaurant disaster, needs new project and financing but no plans in sight.</i> | | | | | |
| Danstar Resources Ltd (DST-V) | \$ (23,000) | 4,416,561 | dormant | rollback | Avoid |
| <i>Perennial dog since 1982, SMF financed in 1985 & 1988, 4.4:1 consolidation planned.</i> | | | | | |
| Double Down Res Ltd (DDX-V) | \$ (5,000) | 1,037,426 | Eskay Creek | recycled shell | Avoid |
| <i>Destiny 7:1 June/90, SMF 1.2M units by Mar 6/91 expired, 50% Alpine Creek cls (part of Forrest-Kerr) optioned from Avondale for \$800,000 expl over 3 years, \$200,000 program planned no funding plans in place.</i> | | | | | |
| Eagle Pass Resources Ltd (EGP-V) | \$ (56,000) | 3,021,883 | dormant | dead shell | Avoid |
| <i>Berie 5:1 Aug/87, dormant since 1987-88 Operation Wawa (written off), recycling needed.</i> | | | | | |
| ELE Energy Inc (ELI-V) | \$ (170,000) | 3,199,284 | dormant | rollback risk | Avoid |
| <i>Dormant since 1987, no recent projects, technically insolvent, rollback candidate.</i> | | | | | |

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|---|--------------|-----------|--------------|----------------|----------------|
| Eurus Resource Corp (ERR-V) <i>Merger Cons Powergem, Tamavack, Calvada May/90, SMF 1.25M units \$3.30 July/90; 50:50 JV with Thios on Rock & Roll cls, polymetallic Black Dog zone discovered Oct/90 hosts 640,000 tons 0.79% lead, 3.08% zinc, 0.64% copper, 9.8 opt silver & 0.07 opt gold; 37.5% interest in adj Bomagain cls; 50% Spectrum cls optioned from Columbia Gold for \$8 million expl by Dec/94, medium grade gold zones in shears within low grade copper-gold system, \$1 million program underway.</i> | \$3,600,000 | 6,698,020 | Spectrum | drilling | Accumulate |
| Galico Resources Inc (GAK-V) <i>Shell listed July/89, bought by Pezim group July/90; 60% Metta CIs in Trapper Lake area optioned from Cominco for \$1.1 million expl by Apr/94, receded glacier revealed polymetallic massive sulphide showings, drilling planned for Pezim's 1991 flagship play, \$500,000 funding from Yorkton brokered private placement of 333,333 units at \$1.50 to Giustra et al, good results needed to trigger Trapper Lake area play; SMF 500K units effective July 31/91 until Jan 27/92; watch for Galico to lead any promotion, with major overflow into satellites.</i> | \$ 500,000 | 2,342,333 | Trapper Lake | drilling | Hold |
| Gigi Resources Ltd (GIG-V) <i>SMF 1M units \$.79 May/90, 55% Trophy CIs (Galore Crk) opt from Goldbelt \$5.5M expl by Mar/94, \$1M spent 1990 with poor results, Ptarmigan zone a bust, large block that surrounds RRS's Copper Canyon play, \$500,000 2 phase targetting & drill program to check area between Galore Creek and Copper Canyon deposits for similar copper-gold porphyry zones; 50:50 JV on several Trapper Lake grassroots properties; unit SMF filed June 28, 1991.</i> | \$ 1,400,000 | 7,774,533 | Galore Crk | grassroots | Accumulate |
| Gilder Developments Inc (GRI-V) <i>Former Arthur Clemiss real estate deal developing properties in Pemberton area for Whistler/Blackcomb overflow; SMF 600,000 at \$1.00 done Feb/89; 50% Outlaw/Inlaw cls Trapper Lake area optioned from Cons Parklane for \$1.2 million expl by Apr/94, \$200,000 program including drilling underway; SMF 1,100,000 units at \$.61 done Apr/91, wts at \$.61 expire Apr 30/92.</i> | \$ 289,000 | 5,569,600 | Trapper Lake | satellite play | Buy |
| Golden Ring Res Ltd (GDZ-V) <i>5:1 consolidation of Norman Res Apr/89, former Grew Crk play; 60% option Sheslay CIs NW of Telegraph Creek from Silver Talon for \$1.75 million expl by Dec/94, grassroots copper-gold play, \$600,000 2 phase program; 51% Borg CIs Trapper Lake area optioned from Intl Suneva for \$500,000 expl over 3 years; SMF 1.4 million units at \$.50 done May/92, wts at \$.50 expire Oct 29/91.</i> | \$ 621,000 | 3,096,530 | Sheslay | drilling | Buy |
| Golden Trump Res Ltd (GTZ-V) <i>Mintel 5:1 Apr/89, SMF 600K units \$.70 Feb/90, former Clemiss company, 100% Winston (Eskay) & Mt Eaton (Tulsequah) grassroots, needs new project.</i> | \$ 130,000 | 2,152,512 | Tulsequah | shell | Accumulate |
| Goldnev Resources Inc (GNZ-V) <i>SMF 2.6M units \$1.05 July/89, 50:50 JV w/Bethlehem Res on Goldstream Mine (1.86M tons 4.81% Cu 3.06% Zn, Revelstoke area), \$7 million loan from Nippon Mining negotiated to start production; priv plcmt to insiders 1,443,087 units \$.68; production and exploration play; 100% takeover bid by Prime Equities expires Aug 9/91, terms 5 Prime for 4 Goldnev.</i> | \$ 600,000 | 9,811,591 | Goldstream | merger | Avoid |
| Goodgold Resources Ltd (GGR-V) <i>IPO 1.5M units \$.75 Aug 28/90, 50% Del Norte/Max opt from Teuton \$2.5M expl by Dec/92, \$500K spent modest results, \$500K program planned to identify new targets for possible late season drilling; 50:50 JV with Gigi on Piper-Dash cls, Trapper Lake area, \$50,000 grassroots program; SMF 1M at \$.40 done May/91, wts 2 + \$.40 expire May 7/92.</i> | \$ 500,000 | 5,099,000 | Del Norte | drilling | Accumulate |
| Halcyon Resources Ltd (HYN-V) <i>Periodic bursts of incomprehensible market activity, mediocre Jolly T Eskay Crk cls; optioned 50% of DOO 1-4 cls partly surrounded by Rock and Roll cls for \$600K expl by Dec/92, \$300,000 grassroots work planned; SMF 1.4M units effective May 3/91 until Oct 30/91; last chance area play before rollback.</i> | \$ (250,000) | 6,886,768 | Black Dog | satellite play | Avoid |
| ILM Resources Ltd (ILM-V) <i>Control bought June/90, 60% Mtn Boy (Stewart area) opt Teuton \$1.5M expl, grassroots play; early stage distribution done, 3:1 consolidation planned.</i> | \$ (80,000) | 3,201,190 | Stewart | rollback | Avoid |
| Intl Impala Res Ltd (IIR-V) <i>SMF 1.4M units \$.45 Jan/89, 50:50 JV Noranda in Baie Verte, Nfld; 100% Ferguson project in north central BC, looking for large manto-type silver-lead-zinc deposit, year-round exploration, \$350,000 drilling of IP anomalies; SMF 1.3M units at \$.40 done May 9/91, wts 2 + \$.40 until May 11/92.</i> | \$ 430,000 | 6,008,859 | Ferguson | drilling | Accumulate |

| | Est Net Cash | Issued | Project | Cycle Stage | Recommendation |
|--|---------------|------------|-----------------|----------------|----------------|
| Intl Suneva Resources Ltd (ISN-V) | \$ 157,000 | 4,088,264 | Trapper Lake | satellite play | Accumulate |
| <i>Craig Angus company, major shareholder Adrian Resources, SMF 1M units at \$.40 done Aug/90, no distribution since 3:1 reorganization Jan/89; 50:50 JV with Goldbank Ventures on Milla CIs, Adams Plateau, optioned 70% to Adrian for \$1.5M expl over 5 years; Borg CIs, Trapper Lake area, optioned 51% to Golden Ring for \$500,000 expl over 3 years, \$50,000 grassroots program.</i> | | | | | |
| Intl Viking Res Inc (IVG-VC) | \$ 159,000 | 4,478,750 | Eskay Crk | grassroots | Accumulate |
| <i>SMF 800K \$.62 Mar/90, 100% Vaughan CIs, S. Carolina, drilling maybe planned; 50:50 JV Eskay Crk with Buffalo on Palmiere South cis, \$100,000 grassroots done; unit SMF filed May 31/91.</i> | | | | | |
| Intl Wildcat Res Ltd (IWC-V) | \$ 76,000 | 3,967,053 | dormant | rollback | Avoid |
| <i>SMF 1.2M units \$.92 Mar/88, 50% Advocate CIs, Nfld, no work done, Intl Herity owns 1.1M shs, needs project; 3:1 consolidation planned.</i> | | | | | |
| Keith Resources Ltd (KEH-V) | \$ (100,000) | 1,387,487 | Eskay Creek | grassroots | Accumulate |
| <i>Amalgamation between Ralph Brown's Rockridge Mining (5:1) and Larry Page's private Meadfield Mining (9:1) on July 25/91; 100% Palmiere Creek cis Eskay Creek area, optioned 50% to Candela for \$175K expl.</i> | | | | | |
| Link Resources Inc (LR-V) | \$ 367,000 | 5,364,581 | Black Dog | satellite play | Accumulate |
| <i>SMF 1.2M units \$.72 Jan/89, SMF 1.2M units \$.52 June/90; 100% Hoodoo/Inhini cis opt 50% to Asiatel Media for \$1M expl by Dec/93, adj south of Rock and Roll; unit SMF filed July 5/91.</i> | | | | | |
| Lorca Resources Ltd (LRS-V) | \$ (5,000) | 2,482,000 | Galore Creek | exploration | Accumulate |
| <i>Control bought Apr/91; 51% Trek CIs, Galore Creek, optioned from Pae Lake for \$1.2M expl over 4 years, \$361,000 program planned; SMF 900K units effective July 25/91 until Jan 21/92.</i> | | | | | |
| Magenta Dev Corp (MGT-V) | \$ (65,000) | 5,121,330 | Black Dog | satellite play | Avoid |
| <i>4:1 merger w/Corptech & Crest rejected by BC Supreme Court; SMF 1.5M units \$.40 Aug/89; 25% nei Phiz cis after Adrian spent \$800,000 on 25 hole drill program in Feb/91 to earn 50%; Black Dog extension not found but further \$250K program planned; SMF 1.4M units effective June 27/91 until Dec 24/91.</i> | | | | | |
| Maple Resources Corp (MRZ-V) | \$ (3760,000) | 2,788,622 | Trapper Lake | satellite play | Avoid |
| <i>Intl Maple 2.5:1 Aug/89, SMF 1M units \$1.08 Sept/89, overspent on New Moon option now dropped; 60% 4J's (Eskay) Teuton \$1.2M expl by Sept/93, 5 holes drilled 1990 with mediocre results, no funding in place for further work; 50:50 JV with Gigi on Surefate cis, Trapper Lake area; poor financial condition, trying to negotiate debt settlement.</i> | | | | | |
| Pacific Century Expl Ltd (PAX-V) | \$ 250,000 | 5,085,608 | Galore Creek | drilling | Accumulate |
| <i>Gypsy 1:2 split July/89, 50% Paydirt (Galore Crk) optioned from Silver Standard by PAX and Ticker Tape for \$1.4M expl by 1994, existing reserves 204,000 tons 0.12 opt gold, 3 hole drill program planned 1991 to focus on Scottsimpson vein and porphyry targets; SMF 800K units at \$.40 done Feb/91, wts 2 + \$.40 until Feb 11/92; 50% Park CIs, Trapper Lake area, optioned from Cons Parklake for \$500K expl over 3 years; Clemis qualified 1,472,400 shares for sale but has not yet had opportunity to sell.</i> | | | | | |
| Pass Lake Resources Ltd (PLJ-V) | \$ 300,000 | 5,291,024 | Galore Creek | grassroots | Accumulate |
| <i>Control bought Apr/91; large inventory of Telegraph Creek and Galore Creek properties, most farmed out; SMF 900K units effective Feb 6/91 until Aug 6/91.</i> | | | | | |
| Prime Equities Inc (PEQ-V) | \$3,840,061 | 44,050,000 | holding company | flagship | Avoid |
| <i>Spin-off Jan/91 from Prime Res Group, Pezim group owns or has under option 9.7M shs, Pezim holds voting trust on 23M shs; holding company & administrative umbrella for Pezim's juniors; strategy is to fund exploration through juniors and move to secure control if a major discovery is made (ie Prime & Calpine); deal in Apr/91 with Teck that gives Teck right of first refusal to earn 50% of any junior's interest by electing to fund production upon presentation of positive feasibility study, in return Teck bought 4M PEQ at \$1.25, has option on 6M more at \$1.25-3.25 until Dec/93; trying to shed holding company image through takeover bid for zinc-copper producer Goldnev Resources, offering 5 PEQ for 4 Goldnev until Aug 9/91, 100% success would require issue of 8,174,736 PEQ shs for total issued 52,224,736 PEQ; working capital is pro forma merger and includes Teck purchase, also includes \$5.6M receivable from Prime Equities juniors; very key-man dependent.</i> | | | | | |

| | Est Net Cash | Issued | Project | Cycle Stage | Recommendation |
|---|--------------|------------|--------------|----------------|----------------|
| Pulse Resources Ltd (PUL-V) | \$ 229,000 | 3,222,000 | Yukon | drilling | Accumulate |
| <i>Shell bought Oct/89, no distribution, 60% Barb (lead-zinc) opted from Barytex for \$350K expl Feb/91, drilling planned for Money Zone; S. Carolina Hinson cls adj to Vikings' Vaughan cls, \$76,000 drill program; 50:50 JV with Gigi on Chip & Dial cls, Trapper Lake area; SMF 1.25M units at \$.40 done Mar/91, 2 wts + \$.40 until Mar 5/92.</i> | | | | | |
| Redwood Resources Inc (RDW-V) | \$ (56,000) | 2,939,725 | dormant | rollback | Avoid |
| <i>Former Iskut River play, SMF 550K units \$.40 Dec/88, no projects now, rollback risk.</i> | | | | | |
| Rocraven Resources Ltd (RVR-V) | \$ (671,000) | 970,904 | dormant | recycled shell | Avoid |
| <i>Ravenroc consolidation 5:1 June/90; needs project, debt settlement and financing; unit SMF filed May 27/91.</i> | | | | | |
| Sierra Madre Res Inc (SQC-V) | \$ (80,000) | 1,856,000 | More Creek | Grassroots | Accumulate |
| <i>IPO 400K \$.42 Oct/88, nothing ever done; 50:50 Jv with Cons Acorn to earn 50% of FK cls in More Creek area from Cdn Cariboo Res for \$1.3M expl over 3 years; unit SMF filed June 5/91.</i> | | | | | |
| Slocan Development Corp (SLO-V) | \$ 140,000 | 5,089,887 | Trapper Lake | satellite play | Accumulate |
| <i>Control bought Sept/89, Clemis big shldr, 50% Scud (Galore Crk) optioned from Schellex for \$350K expl, Twilight zone discovery to be followed up; Tulsequah cls near Polaris-Taku play, grassroots; 1/3 JV with Rhodes & Toltec on Arizona cls adj Gold Basin project, likely dead; SMF 1.2M units \$.40 done Aug/90; 50% Park 10-13 cls, Trapper Lake area, optioned from Cons Parklane for \$500K expl over 3 years, \$100,000 grassroots; unit SMF filed Mar 20/91.</i> | | | | | |
| Soldor Resources Inc (SLZ-V) | \$ (140,000) | 1,804,519 | Squall Lake | shell | Avoid |
| <i>Zenco 5:1 Mar/88, 50% Squall Lake, Man. opt to Graham Gold for \$1M expl by Dec/92, Graham Gold not adequately funded.</i> | | | | | |
| Springer Resources Ltd (SPR-V) | \$ 73,000 | 8,704,765 | Eskay Crk | project | Avoid |
| <i>75:25 JV w/Cove Unuk CIs (50K acres), 60% opt Granges \$3M expl June/92, \$2M spent by Granges, plans not yet known, mediocre results; Nfd cls JV with Nazanda, awaiting budget, major distribution done, financing needed; 1.4M unit SMF to be filed; rollback candidate.</i> | | | | | |
| Tantalus Resources Ltd (TTU-V) | \$1,400,000 | 4,478,730 | Treaty Crk | drilling | Buy |
| <i>51% opt Treaty Crk (Eskay Crk) from Teuton for \$3.2M expl by May/94, polymetallic "Mama Susu" showing discovered 1990, to be drilled 1991, \$700,000 program with drilling in late August, short exploration season; SMF 1.4M units at \$.61 done May/91, 2 wts + \$.61 until Nov 6/91.</i> | | | | | |
| Thios Resources Inc (THI-V) | \$ 192,000 | 10,550,643 | Black Dog | exploration | Hold |
| <i>50:50 JV w/Eurus Rock & Roll (Iskut River), polymetallic Black Dog zone discovered Oct/90 hosts 640,000 tons 0.79% lead, 3.08% zinc, 0.64% copper, 9.8 opt silver & 0.07 opt gold; 37.5% interest in adj Bornagain cls; SMF 1M units done \$1.02 Aug/89; private placement 2,149,999 units at \$.30 to insiders done Dec/90, 2,149,999 PP wts at \$.30-.35 until Jan 18/93, qualified free trading; SMF 1.5M units at \$.60 done Apr/91, 2 wts + \$.60 until Oct 21/91.</i> | | | | | |
| Ticker Tape Resources Ltd (TKT-V) | \$ 124,000 | 3,926,420 | Galore Creek | drilling | Accumulate |
| <i>50:50 JV Tymar Now Ice cls, bad drill results; 50% Paydirt (Galore Crk) optioned from Silver Standard by PAX and Ticker Tape for \$1.4M expl by 1994, existing reserves 204,000 tons 0.12 opt gold, 3 hole drill program planned 1991 to focus on Scottsimpson vein and porphyry targets; SMF 600K units done \$.57 Mar/90.</i> | | | | | |
| Toltec Resources Ltd (TOL-V) | \$800,000 | 4,378,206 | Trapper Lake | satellite play | Buy |
| <i>IPO July/90 to fund Gold Basin option, Pezlim arrived Aug/90 & now owns 501,000 free trading shs; Gold Basin (Arizona) under option 50% to Rhodes large tonnage, low grade heap leach target, no present plans; SMF 300K units at \$.95 done Jan/91, also qualified 1.6M priv plcmt shs & wts free trading; 100% Tunjony Lake cls, Trapper Lake area, \$40,000 grassroots program; 60% Middlemarch cls, Arizona, optioned from Ted Turton's West Pride for US \$2.1M expl over 3 years, copper replacement/skam target, grassroots work in fall.</i> | | | | | |
| Trans Intl Gold Corp (TNI-V) | (\$25,000) | 1,925,001 | dormant | shell | Accumulate |
| <i>Shell bought Nov/88, several attempted project acquisitions, none completed, price runups but no major distribution.</i> | | | | | |
| Triumph Resources Ltd (TUM-V) | 200,000 | 4,774,179 | dormant | shell | Accumulate |
| <i>Control bought May/91 by Murray Pezlim, not Prime Equities, plans unknown.</i> | | | | | |

| | Est Net Cash | Issued | Project | Cycle Stage | Recommendation |
|--|--------------|-----------|--------------|----------------|----------------|
| Tymar Resources Inc (TMZ-TV) | \$700,000 | 4,742,798 | Eskay Crk | drilling | Accumulate |
| <i>Exador/Cheryl/Argo merger Nov/89, 1/3 JV Lakewater cls (Eskay Crk), \$1M winter drilling SIB Gap (20K ft) done, mediocre results, further \$420,000 program underway; SMF 1M units at \$.80 done Feb/91; 50:50 JV with Silver Talon on Upper Tats CIs, Trapper Lake area, grassroots program.</i> | | | | | |
| West Sea Div Corp (WSA-V) | \$173,000 | 4,812,879 | Galore Creek | grassroots | Avoid |
| <i>Control bought Aug/89, major distribution first half 1990, SMF 1.2M units \$.68 July/90, 50% Galore Crk opt from Goldbelt for \$1.5M expl by Sept/94, \$300,000 grassroots program planned; SMF 1.4M units effective May 16/91 until Nov 12/91.</i> | | | | | |
| Winters Gold Hedley Ltd (WGD-V) | \$ (42,000) | 1,850,000 | dormant | fresh shell | Accumulate |
| <i>Shell acquired Oct/90, Galore Crk option dropped, needs financing & project.</i> | | | | | |
| Wirwind Resources Ltd (WHD-V) | \$ 200,000 | 3,904,535 | Black Dog | satellite play | Accumulate |
| <i>Control acquired by Arthur Clemis in Jan/90, transferred 1991 to Prime Equities; 50% Anuk CIs, Galore Creek, optioned from Schellex Gold for \$700K expl by Jan/94, grassroots program planned; 100% Rob 6-9 cls, south of Rock & Roll cls, grassroots program planned; SMF 1M units at \$.56 done Feb/91, 2 wts + \$.56 until Feb 19/92.</i> | | | | | |

Planned 1991 Drill Programs

| Property | Area | Budget | Target | Participants |
|----------------|------------------|-------------|------------------|--|
| Barb | Yukon | \$200,000 | silver-lead-zinc | 60% option by Pulse from Barytex |
| Bornagain | Black Dog | \$500,000 | polymetallic | 37.5:37.5:25 JV Eurus, Thios & Cons Bel-Air |
| Copper Canyon | Galore Creek | \$250,000 | copper-gold | 50% option by Cons Rhodes from Canamax |
| Del Norte | Stewart | \$500,000 | gold-silver | 50% option by Googgold from Teuton |
| Ferguson | north-central BC | \$350,000 | silver-lead-zinc | 100% Int'l Impala |
| Goldstream | Revelstoke | ? | copper-zinc | 50:50 Goldnev & Bethlehem, latter diluting on expl |
| Lakewater | Eskay Creek | \$420,000 | gold-silver | 1/3 each JV Tymar, Akiko-Lori & Varitech |
| Metla | Trapper Lake | \$800,000 | polymetallic | 60% option by Galico from Cominco |
| Middlemarch | Arizona | ? | copper-zinc | 60% option by Toltec from West Pride |
| Outlaw/Inlaw | Trapper Lake | \$200,000 | gold-silver | 50% option by Glider from Cons Parklane |
| Palmiere Creek | Eskay Creek | \$175,000 | gold-silver | 50% option by Candela from Keith |
| Paydirt | Galore Creek | ? | gold-silver | 25:25 opt TKT/PAX from Silver Standard |
| Phiz | Black Dog | \$250,000 | polymetallic | 50:25:25 JV Adrian, Crest & Magenta |
| Rock & Roll | Black Dog | ? | polymetallic | 50:50 JV Thios & Eurus |
| Sheslay | Telegraph Creek | \$600,000 | copper-gold | 60% option by Golden Ring from Silver Talon |
| Sky Creek | Black Dog | \$300,000 | polymetallic | 51% option by Adrian from Skyline Gold |
| Spectrum | North Iskut | \$1,000,000 | gold | 50% option by Eurus from Columbia Gold |
| Swan | Mt Milligan | \$250,000 | copper-gold | 60% option by Candela from Eastfield |
| Treaty Creek | Eskay Creek | \$700,000 | gold-silver | 51% option by Tantalus from Teuton |
| Trek | Galore Creek | \$351,000 | copper-gold | 51% option by Lorica from Pass Lake |
| Trophy | Galore Creek | \$500,000 | copper-gold | 55% option by Gigi from Goldbelt |