

GEDDES RESOURCES LTD

Geddes Resources Ltd was formed in 1981 to function as a source of financing for exploration and initial development of mining projects of special merit. The initial undertaking by Geddes, the Windy Craggy copper-cobalt project, is located in northwestern British Columbia near the Alaskan border. It is believed to be one of the major undeveloped mineral discoveries in Canada, and possibly the world. Serious interest in participation has been shown by two of the world's major operators of sulphide deposits.

Geddes Resources is providing the funds for the exploration drilling being carried out by Falconbridge Mines, a major international mining organization. Drilling in the 1982 season is an extension of the 1981 program which obtained very promising results. The 1982 drilling is being concentrated in the most favourable part of the large geophysical anomaly outlined in 1981. (See map.)

Drilling to date has "confirmed that massive and disseminated sulphides carrying significant values in copper and cobalt occur." The deposit is open to depth and along strike to the northwest. The width and grade of copper and cobalt mineralization increases as the drilling progresses towards the stronger part of the anomaly.

Geddes will earn 49% after spending \$1,500,000, of which \$1,000,000 was spent in the 1981 drilling programme. The final and best hole (5B) drilled during the 1981 program intersected 450 ft which assayed 1.55% copper and approximately two pounds of cobalt per ton.

The map shows the area of the geophysical anomaly drilled in 1981 and the larger and more promising area to be drilled in 1982. The clues pointing to a more attractive potential in this year's program are indicated by the results of the airborne geophysical surveys. In certain respects, the area to be drilled gave readings three times higher than results at the location of the last and best drill hole of 1981 (Hole 5B).

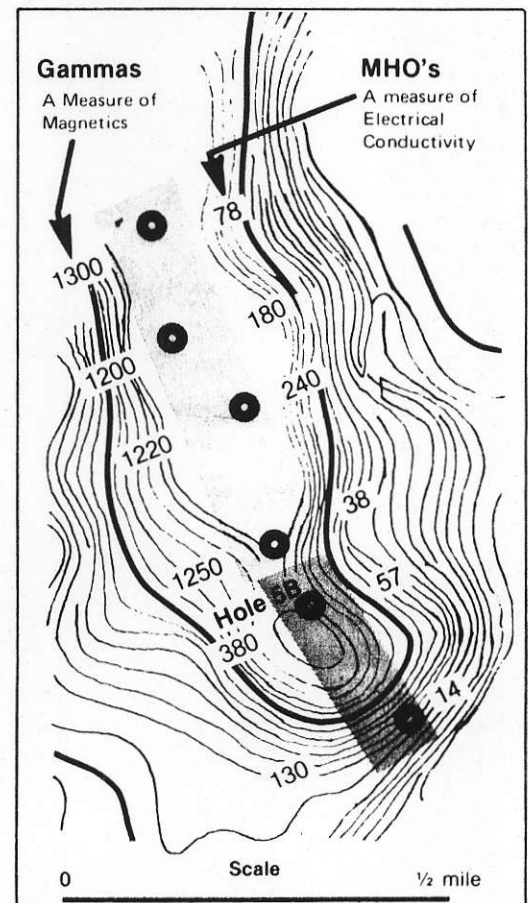
Copper mineralization is known to stretch over a length of at least 6,000 feet, of which only the first 1,250 feet have been drill tested in this systematic and carefully planned evaluation of the large Windy Craggy property.





Based on the geology, geophysics and drilling to date, there is an estimated 400 million tons of ore of copper grading 1.3%, with 90% recovery, i.e., 23.4 lbs per ton. Although the value of the cobalt content may be as much as 2 lbs per ton and equal to the copper content, allowing only 1 lb per ton gives a cobalt equivalent of 3,200,000 tons of copper. This, added to the copper content of 4,680,000 tons, gives a total of 7,880,000 tons of copper recoverable.

Our company is doing the underwriting for the current issue. Up to 360,000 units are being offered at \$2.25 per unit. Each unit consists of the right to earn 1 common share and a warrant giving the right to earn 4 additional common shares at \$2.50 until 3 Jan 83, \$3.25 until 3 Jan 84 and \$3.80 until 3 Jan 85. To qualify as a tax shelter, the shares will not be issued until the proceeds have been spent, expected by Dec. 14, 1982. Listing is expected by Jan 83. Unlike other tax shelters, money can be taken out after receipt of the tax benefits.

In the opinion of Geddes' accountants, each share of this issue, including those obtained through exercising the warrants, will be eligible for a tax writeoff in the amount of approximately 80% of the price paid for the shares, including those bought through exercising the warrants, as a Canadian Exploration Expense as defined in the Income Tax Act. In the case of this issue, in which \$2.00 per share is deemed to be an exploration expense, this will amount to \$1.60 per share.

HIGHLIGHTS OF 1981 DIGHEM GEOPHYSICAL SURVEY



-  Areas drilled in 1981
-  Area to be drilled in 1982
-  Indicates a centre of significant grade of Dighem Anomaly
-  The contours provide an impression of the quality of the conductor