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EXECUTIVE SUMMARY
PROSPECTORS AIRWAYS CO. LTD.
OCTOBER 30, 1989

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buddy of
Christman
pulled his support*

Prospectors Airways Co. Ltd. is participating in the development of the Anyox Copper - Molybdenum - Gold camp in British Columbia's northwest Sulpherets-Iskut Region.

A key map identifying the location of the Camp appears as Figure 1. A location map of the Camp showing the individual metallic areas appears in Figure 2 attached.

A copy of the Prospectors Airways Co. Ltd. Prospectus, dated 20 May, 1988 outlining the history of Prospectors Airways and providing basic financial history of the Company is available separately as Document 1.

This Executive summary is divided into five parts, four dealing with the historical perspective of individual projects, the fifth and last dealing with the projected developments.

COPPER

The Anyox Copper mine and smelter complex was operated by the Granby Copper Mining Corporation from 1910 to 1935, producing 23,900,000 tons of copper ore containing 708,891,739 lbs of copper, 121,299 troy ounces of gold and 6,638,088 troy ounces of silver. It closed in 1935 due to depressed world copper prices (\$0.045/lb), was purchased by the Consolidated Mining Corporation (COMINCO) in the same year and was subsequently stripped by Cominco of all operating equipment. In 1943, the entire townsite and mining camp was levelled by a forest fire.

An historical article on the Anyox Town and Mine by Mary Paryniuk, in Beautiful British Columbia Magazine is available separately as Document 2.

In March, 1981, the predecessor in title to Prospectors Airways, Timothy Mountain Enterprises Ltd., entered into a joint exploration and development agreement with Cominco Ltd., whereby Timothy would earn a 40.0% ownership interest in the holdings of Cominco upon the expenditure by Timothy of \$3,000,000 in exploration in the Anyox Camp prior to December, 1990. To date, Prospectors Airways has expended \$1,870,000 on the Cominco joint venture. Prospectors Airways is negotiating with several companies to arrange a financing of \$330,000 for 1989 and 1,000,000 for 1990.

The Timothy Mountain-Cominco Joint Venture Agreement, of 31st March, 1987 is available separately as Document 3.

A recent engineering study (January, 1983) completed by Mitsui & Co., based on two years of geological investigation by Mitsui, concluded that there remained within the Hidden Creek (Anyox) camp, recoverable reserves of 32 million tons of ore grading 0.8 % copper or 66 million tons of ore grading 0.6% copper. At 15,000 tons per day, the study projected a profit of \$28.8 million dollars at current metal prices ((\$1.40/lb) with a 15 year mine life. Capital cost was estimated (in 1983 Dollars) at \$181 million dollars.

The Mitsui Report, No. 1217-100, dated January 1983, is available separately as Document 4.

A preliminary economic analysis of the Anyox joint venture project was prepared by Ross Glanville of Glanville Management, Vancouver, in June 1988. In this report, Glanville assumed 20 million tonnes of ore containing 0.8% copper, 0.25 troy ounces of recovered silver and 0.003 troy ounces of recovered gold per tonne or alternately, 30 million tonnes of 0.7% copper, 0.20 troy ounces of silver and 0.0025 troy ounces of gold per tonne. Glanville's estimation of the pre-tax present value ranged from \$10 million at \$1.00 /lb copper to \$76 million at \$1.25/lb copper.

Glanville's Report, dated June, 1988 is available separately as Document 5.

Cominco has estimated mineral reserves in the Anyox project area at 50 million tons (45.3 million tonnes) of 0.6% copper with associated low grade precious metal. Included in these reserves are two high grade properties carrying 2.2 million tons of 1.9% copper and 2.2 million tons of 1.3% copper.

Not included in the above reserves are the copper, gold and silver available from retreatment of the tailings in the tailings pond. In addition, there is a potential for cementation recovery of leachate water from the old workings.

A preliminary Port Feasibility Study was completed by CE International Enterprises Ltd. during 1988 for the establishment of a docking facility at the former Town of Anyox docking site. The Study contains a good review of the permitting required to re-establish the dock facility.

The Port Development Feasibility Study is available separately as Document 6.

A Report on the Timber Potential of the Anyox Area prepared by Timberline Forestry Consultants dated August, 1988 is available separately as Document 7.

A list of geological studies on the Anyox area have been completed by personnel retained by Cominco and are available separately as Document 8.

A geological study completed by the Mineral Research Institute of Montreal (MERI), in 1988, indicates that the previous geological model was not adequate to explain the location of the remobilized massive sulphides. Additional exploration is being undertaken by Cominco during 1989 to test MERI'S recommended drill locations.

The MERI (Anyox) Structural Report, dated 31 January, 1989 is available separately as Document 9.

MOLYBDENUM

The Moly May molybdenum occurrence lies within the Anyox Camp at the juncture of the Granby Peninsula with the mainland, immediately south of the Cominco Holdings. Geologic examination carried out by MERI during 1988 together with prior prospecting, has indicated numerous high grade areas of molybdenum mineralization. A geochemical sampling program carried out by Mr. John H. Hajek, during 1988 and 1989, has indicated the association of molybdenum with bismuth and tellurium and determined that the normal potassic alteration associated with acidic intrusives is not present.

*Joe Fox +
Waring*

Preliminary drilling was carried out on this project area in late 1988. Core is currently being logged and sampled. Visual examination of the core is encouraging. However, there is evidence that the core left on site during the winter has been tampered with and sections of core removed by persons unknown. This may destroy the reliability of the prior drilling and require redrilling.

The Moly May Project appears to be geologically similar to the Bell Molybdenum deposit at Kitsault, approximately 20 kilometres northeasterly where Amax has developed an economic molybdenum orebody and installed a 12,000 ton per day milling operation. That mill is currently on a care and maintenance basis after exhaustion of the Bell ore reserves and may be available as a treatment site for ore from both the copper and molybdenum sites.

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The MERI (Moly May) Report and The Hajek Report are available separately as Documents 10 and 11, respectively.

GOLD

The Granby Peninsula is located approximately 2 kilometers southeast from the townsite of Anyox, across Granby Bay. The peninsula was the site of two gold bearing silica flux mining operations from 1925 to 1935, when the Anyox copper smelter was in production. The flux ore mined averaged approximately 0.15 troy ounces per ton of gold, with high grade portions of up to 1.0 ounces per ton. Geologic mapping of the former production sites indicates good potential exists for further extraction of small high grade lenses of gold bearing ore. Geological mapping by the MERI during 1988 indicates the geological model to be a structurally controlled complex of quartz veins of two ages.

The MERI (GRANBY POINT) Interim Report is available separately as Document 12.

Additional gold mineralization occurs on nearby Brooke and the Larcombe Islands. Larcombe Island was also the site of limited silica flux mining for the Granby Smelter. Prospecting of these two islands is proposed for 1990 is proposed.

MERI'S summary geological report is available separately as Document 13.

HYDRO ELECTRIC POWER

The Anyox Camp currently contains the former Anyox Hydro Electric Power Dam which is owned by Prospectors Airways field contractor. The Dam is in the process of being financed with a view to becoming an independent power producer under B.C. Hydro's new policy to generate power from independent power producers. This structure, located approximately 5 kilometres upstream from the former mill/smelter complex, is 684 feet long, 134 feet high and backs a potential 27,000 acre feet of storage. A 1988 study completed by Sigma Engineering of Vancouver, indicates a continuous production potential at 5,300 kilowatts with summer peak potential of 10,000 kilowatts.

Sigma's study concludes that approximately \$10,000,000 is required to refurbish the dam, construct the necessary penstock and power house and construct a 26 kilometer 69 kilovolt powerline to connect with B.C. Hydro's main transmission line to Stewart at Kitsault.

Sigma's preliminary stage 1 report and stage 2

*mantel Carrière drilled
4 holes planned.
250' each
core not sampled.
Chips sampled from
mantle
Maledon Fraser
looked at one
hole*

recommendations together with cash flow analyses are available separately as Documents 14 and 15 .

An environmental study proposal of Norcol, of 9 February, 1989 is available separately as Document 16.

DEVELOPMENTAL STRATEGY

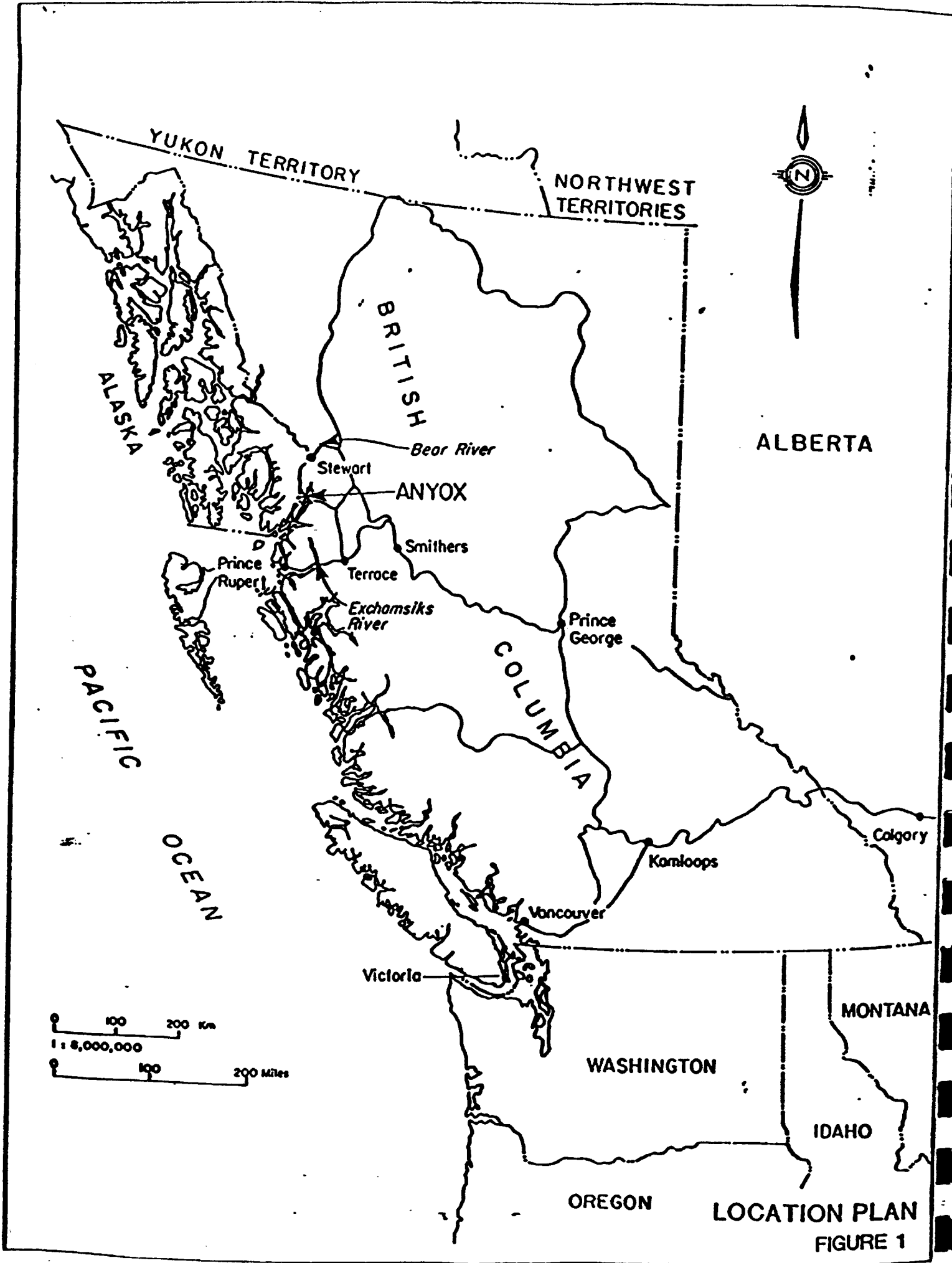
1. Immediate redevelopment of the Anyox power dam coupled with an intermediate term power supply contract with B.C. Hydro will ensure displacement loading sales for the power generated. Upon commencement of mining activities on the Granby Peninsula or at the Anyox site, the power line and the independent power source together will provide up to 45 KVA immediately available electric power supply at no additional capital cost. Prospectors Airways will consider negotiating to buy that power supply or to buy an interest in the Dam if the directors consider it in the long term best interests of the Company.

2. The AMAX Kitsault Mill, currently on a care and maintenance basis, is rated at 12,000 tons per day in two six thousand tons per day circuits. The mine and mill together with the completed 200 house town site is available for direct purchase from AMAX at very substantially reduced capital cost. Modification of the mill to two separate circuits would permit simultaneous recovery of copper and molybdenum at feasible production rates without the construction and permitting for a new mill. This might accelerate start up by three years.

3. Incremental gold production from the Granby Peninsula would be recovered effectively through the copper recovery circuit, eliminating separate mill capital costs.

4. Recovery of low grade copper from the former Anyox pits and tailing pond represents additional potential.

Separate budgets for exploration and development of the above four projects are available separately for each of the Copper, Molybdenium , Gold and Power Projects as Documents 17, 18, 19 and 20, respectively.



LOCATION PLAN
FIGURE 1

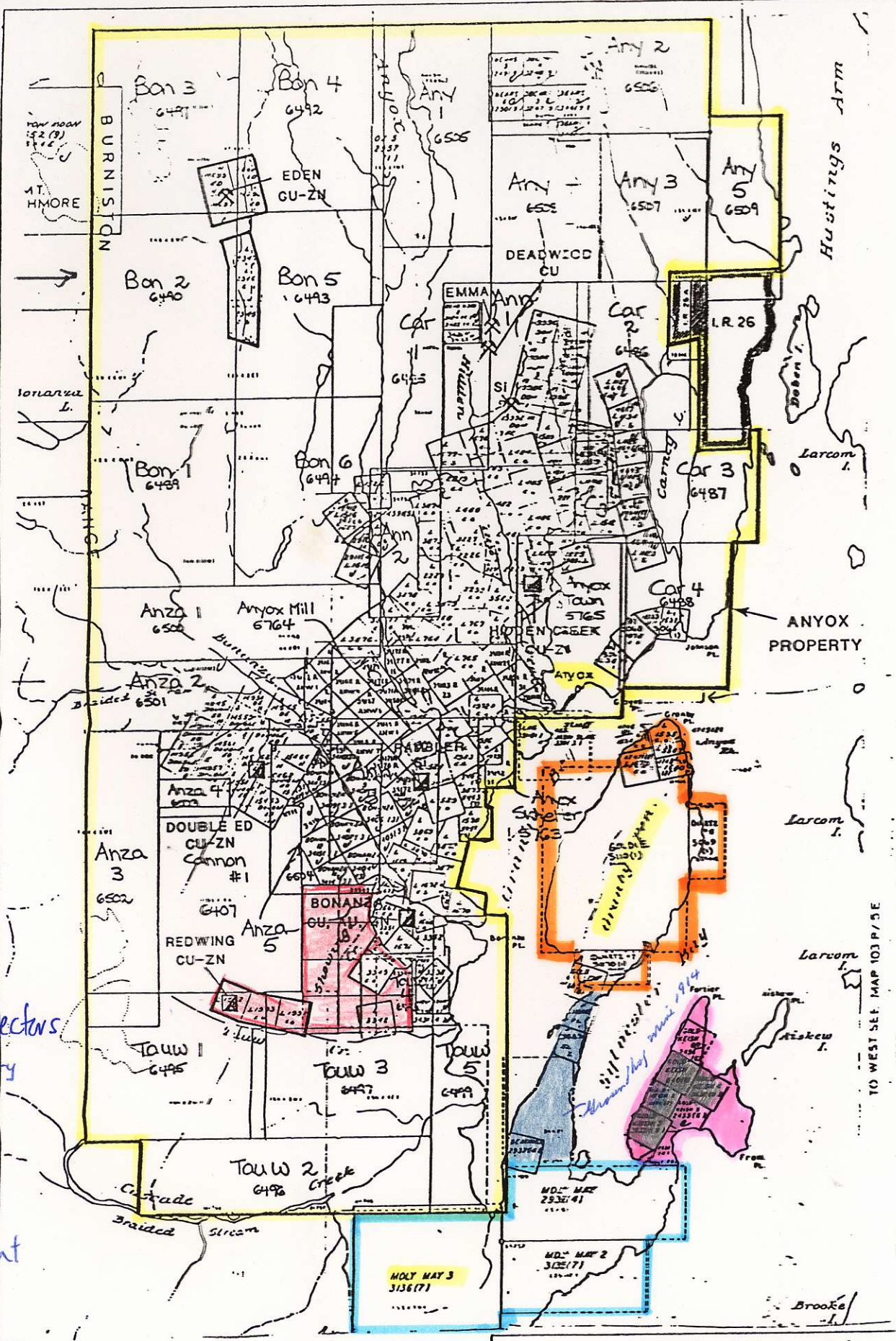
60-40
Joint
Venture
with
Cominco

John Hacke
Redwing claims

100% owned by Prospectors

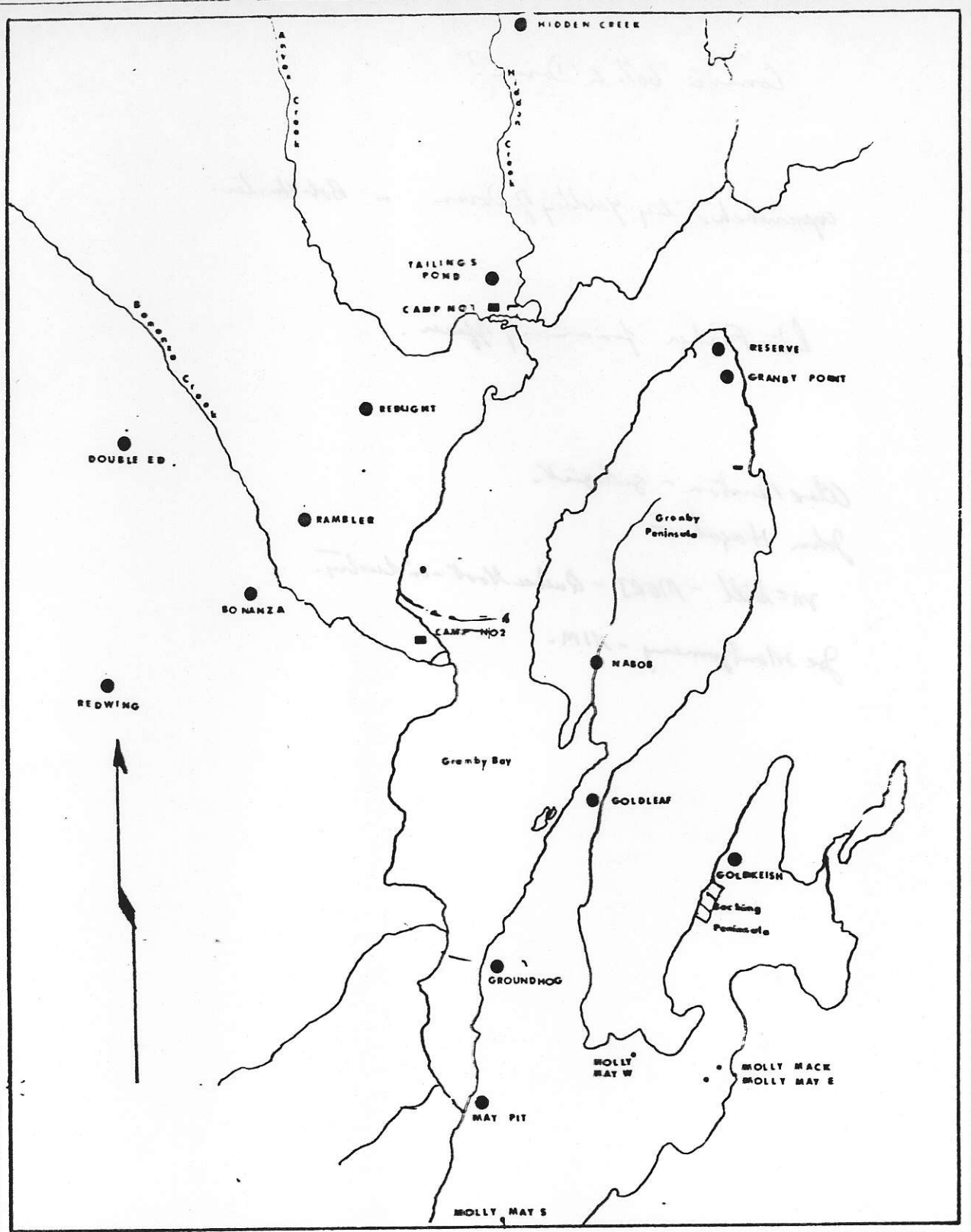
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- Wire Gold
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- MOLLY MAY

All mining assessment
work Pto Uto
1998-1999.



LOCATION MAP MAP 3
ANYOX PROPERTY
PROSPECTORS AIRWAYS CO. LTD.
AND COMINCO LTD.

TO WEST SET MAP 103P/5E



Map Ref. No.

N.T.S.

● former prospect
○ major showings

**PACIFIC GEO-ROC
EXPLORATIONS LTD.**

Property: PROSPECTORS AIRWAYS CO LTD

Location: ANYOX A.C

Type of Map: SHOWINGS, LOCATIONS

Based on:

Date of Work:

Date



Scale
Drawn by: