



**LECTUS**  
DEVELOPMENTS LTD.

674435  
82F/6W

**CORPORATE UPDATE**  
**LECTUS DEVELOPMENTS LTD.**

SYMBOL LDV

JUNE 22, 1988

**CAPSULE**

Lectus is a Vancouver Based natural resource company with mineral properties in British Columbia, the Casa Berardi area of Quebec, and Cave Creek, Arizona as well as natural gas interests in the Arkoma Basin of Oklahoma which will produce significant cash flow within one year. The Company has agreements for \$1.25 million dollars in "Flow-Through Share" financings for 1988; \$250,000 at a share price of \$0.68 per share with CMP Funds Management Ltd. and a further \$1 million dollars with the First Exploration Fund at a share price to be set by a 30 day average.

**INDUSTRY**

Natural gas and mineral properties.

**MARKET SPONSORS**

Canarim Securities Ltd., Vancouver; Yorkton Securities Inc., Vancouver; McDermid St. Lawrence, Vancouver; Georgia Pacific, Vancouver; U.S. and Foreign Communication Inc., New York

**SHARES ISSUED**

6,160,988 of which 1.5 million are subjected to various controls

**INSIDERS (and Control persons)**

3.07 million.

**FISCAL YEAR END**

July 31.

**TRADING**

Came to trade April 1986 at \$0.50; High \$1.60, Low \$0.39. In 1987, average daily trading was 38,400 shares with a high of 101,300 per day in August and a low of 9,900 per day in July. Recent trading level \$0.39/\$0.50.

**CASH**

ON DEPOSIT: \$25,000

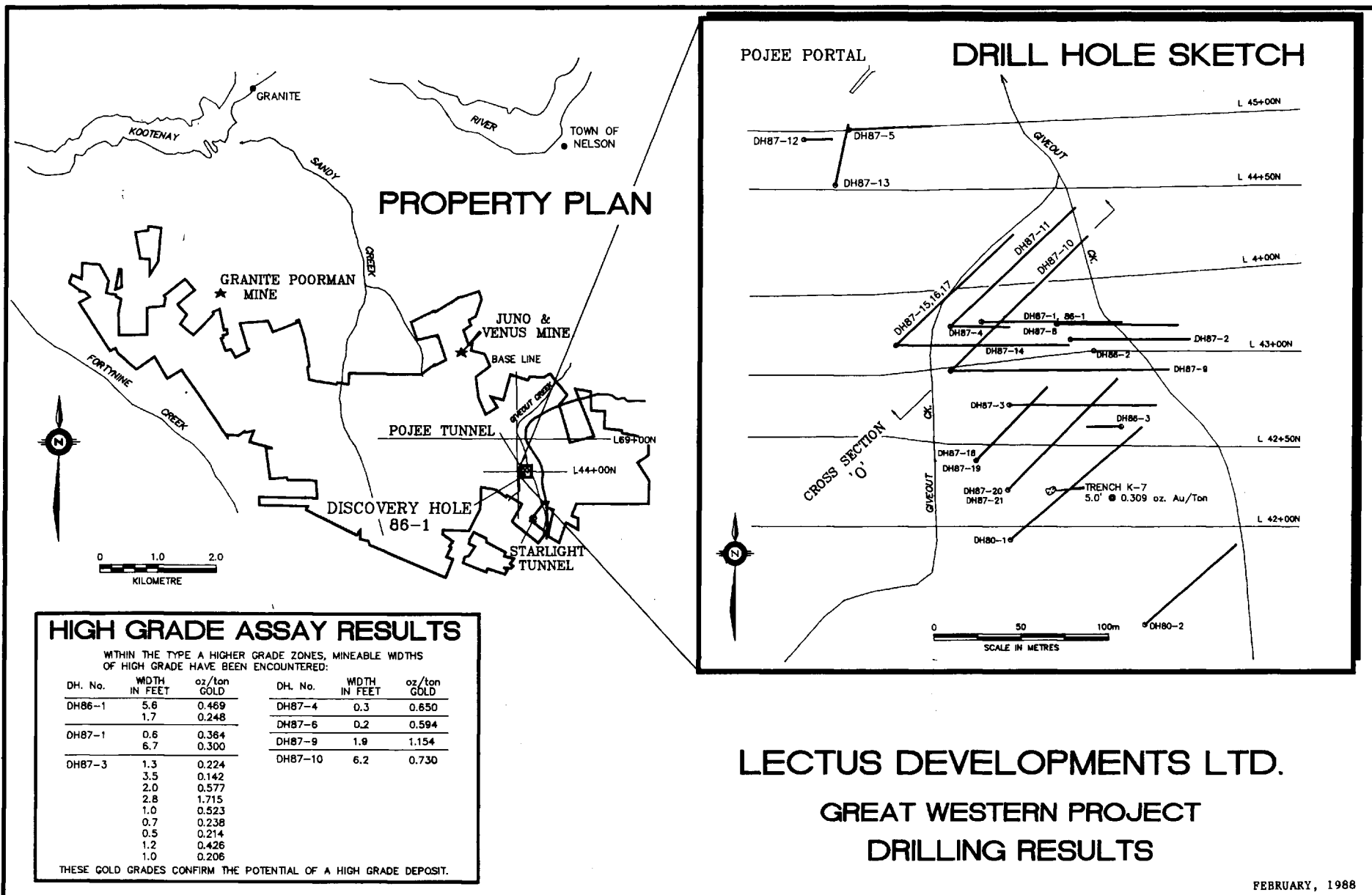
DEBT: None

**CURRENT MINERAL PROPERTIES**

The Great Western Group of Properties is located in southeastern British Columbia and has the potential to prove up ore in 1988. The discovery hole intersected a major gold vein 14.3 feet deep which extends a further 16.21 feet with an average grade of 0.182 oz/ton and includes a 0.86 oz/ton over 2.3 feet. A later hole has an intersection of 0.148 oz/ton gold over 38 feet including 1.715 oz/ton gold over 2.8 feet. The exploration work presently underway will improve the definition of the boundaries of the ore body with the intent of computing drill indicated reserves. Several high grade intersections of mineable widths have been encountered. A trenching program has just been completed, further drilling and bulk sampling are planned.



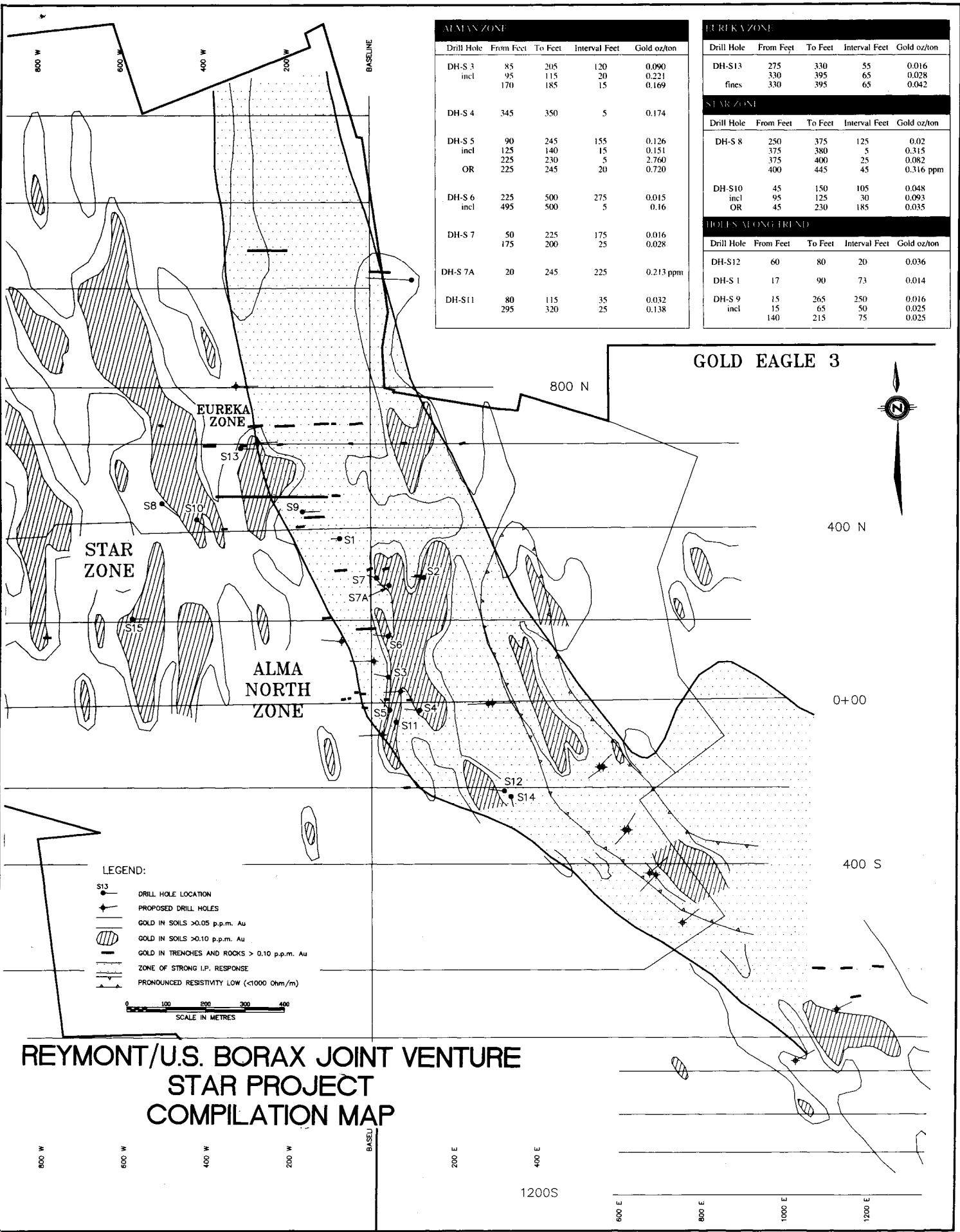
*Great Western  
and Star Properties*



**LECTUS DEVELOPMENTS LTD.**  
**GREAT WESTERN PROJECT**  
**DRILLING RESULTS**

FEBRUARY, 1988

Prepared By RWR MINERAL GRAPHICS LTD.



ALMA ZONE					
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S 3	85	205	120	0.090	
	incl	95	115	20	0.221
		170	185	15	0.169
DH-S 4	345	350	5	0.174	
DH-S 5	90	245	155	0.126	
	incl	125	140	15	0.151
		225	230	5	2.760
	OR	225	245	20	0.720
DH-S 6	225	500	275	0.015	
	incl	495	500	5	0.16
DH-S 7	50	225	175	0.016	
		175	200	25	0.028
DH-S 7A	20	245	225	0.213 ppm	
DH-S11	80	115	35	0.032	
		295	320	25	0.138

EUREKA ZONE					
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S13	275	330	55	0.016	
		330	395	65	0.028
	finer	330	395	65	0.042

STAR ZONE					
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S 8	250	375	125	0.02	
		375	380	5	0.315
		375	400	25	0.082
		400	445	45	0.316 ppm
DH-S10	45	150	105	0.048	
	incl	95	125	30	0.093
	OR	45	230	185	0.035

HOLES ALONG TRENCH					
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S12	60	80	20	0.036	
DH-S 1	17	90	73	0.014	
DH-S 9	15	265	250	0.016	
	incl	15	65	50	0.025
		140	215	75	0.025

**REYMONT/U.S. BORAX JOINT VENTURE  
STAR PROJECT  
COMPILATION MAP**

## **CURRENT MINERAL PROPERTIES (con't)**

On June 14, 1988 Lectus announced the signing of an agreement with Ryan Exploration Co. Ltd. ("Ryan") a 100% owned subsidiary of U.S. Borax & Chemical Co. Ltd. which is itself a wholly owned subsidiary of Rio Tinto Zinc Corp PLC ("RTZ") of Great Britain. Ryan holds options on claims adjacent to the Lectus property in the Nelson area (Star Property). The agreement is on the Star Property and Lectus' Gold Eagle #3 claim, on which no work has been done to date, over 2 kilometres west of the Great Western Property on which Lectus has been working for 2 years with the results reported on above. Ryan has worked on their Star Property for the past 5 years and has had the following drill hole assay results. The potential of this property is a large tonnage low grade deposit in the order of 5,000,000+ tons grading 0.10 OPT Au. Trenching and drilling are in progress at this time.

The Company has acquired an option to earn a 50% interest in a 55 claim property in Dieppe Township, Quebec, in the Casa Berardi Gold camp. It is positioned strategically adjacent to the massive Inco Golden Knight deposit where reserves in excess of 11 million tons have been proven grading .22 OPT Au. and \$75.9 million is being spent to put the property into production. A drilling program was completed last fall and results just evaluated by Nelson Baker, P. Eng. who recommends further exploration work to explore the polymetallic potential.

The Company has an option on a small but potentially profitable gold property near Phoenix, Arizona. In the last century, the property was a high-grade gold mine and then was explored in 1980 by American Selco, who reported the ore body has 400,000 tons of 0.06 oz/ton heap leachable ore. A recent drilling program now indicates that there are at least 700,000 tons of 0.05 OPT Au leachable ore probable plus possible additional tonnage of 500,000 grading 0.05 OPT Au. This can be set into production within 120 days at a cost of \$600,000 US, with cash flow commencing 90 days thereafter.

Lectus has a 2% interest in a natural gas well to be drilled in the Arkoma Basin of Oklahoma known as the Goforth #1. The Company also has acquired approximately 462.5 acres of proven gas leases in the Arkoma Basin. This acreage is committed to a Joint Venture, with industry partners providing drilling funds for a tax write-off and a share of production income. The first well of the Joint Venture is scheduled to be drilled in August 1988. The expected revenue from the Goforth #1 and the joint venture gas wells is a minimum of \$115,000 per annum based on \$1.50 MCF natural gas.

## **FINANCING**

The Company has "Flow Through" financing agreements in place for 1988 with the First Exploration Fund for \$1 million, at a price to be set by a 30 day average, and a further \$250,000 with the CMP Funds Management Ltd. at a share price of \$0.68 per share.

## **GENERAL**

The Company has received its 12(g) exemption for the Securities Exchange Commission, Washington, DC - File #82-1364, is listed in the Moody's Investor service and Standard and Poor's. The Company has blue sky clearance in California, File #OP-5979 and is Pink Sheeted. The Company will apply for NASDAQ after the July 31, 1988 annual statement is completed.

For additional information call:

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