

# release

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## GALICO RESOURCES INC.

### **GALICO OPTIONS METLA PROPERTY FROM COMINCO**

Further to its news release of March 7, 1991, Galico Resources Inc. ("Galico") is pleased to report that an agreement with Cominco Limited ("Cominco") has been reached whereby Galico has been granted an option to acquire an undivided 60% interest in the Metla Property. Galico can earn this interest by issuing an aggregate 150,000 shares of its share capital to Cominco and by incurring aggregate exploration expenditures of \$1.1 million before June 30, 1994. In addition to the schedule of expenditures, Cominco will receive options to purchase up to 150,000 shares of Galico at prices between \$3.00 and \$5.00 per share, prior to June 30, 1994. Galico will be Operator during its earn-in and during any subsequent Joint Venture stage. The agreement is subject to regulatory approval.

The Metla Property is located roughly midway between the Galore Creek and Tulsequah areas of northwestern British Columbia. The property lies 15 miles northwest of the Golden Bear Mine, a gold producer managed by the Golden Bear Operating Company, which is serviced by an all-weather road originating at the village of Telegraph Creek.

The Metla Property is comprised of the 20-unit METLA Claim, owned 100% by Cominco; there are no underlying royalties. The claim is underlain by interbedded volcanic and sedimentary rocks of the Triassic Stuhini Group. Numerous plugs and stocks of intrusive gabbro, diorite and pyroxenite outcrop within the zone. Hydrothermal breccia bodies, containing highly altered fragments of country rock in a fuchsite-carbonate matrix, cross-cut all major rock formations. The breccia bodies appear to host sulphide mineralization, and are notably most sulphide-rich along their margins. This style of mineralization has not been previously reported in the region.

Exploration by Cominco on the METLA Claim from 1988 to 1990 located a large zone of gold and base metal-bearing boulders, approximately 5,500 feet long and up to 900 feet wide, spanning 600 feet in elevation. Within this larger zone are six areas where mineralized boulders are concentrated. Detailed prospecting and trenching has located mineralization in outcrop at several of these locations. Horizontal loop EM (HLEM) and magnetometer surveys have detected four high priority conductors coincident with two of the six targets. None of these targets have been drilled.

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The boulder areas have been extensively mapped and partially sampled. Fire assay results have been reported for those samples which were analysed by geochemical methods and exceeded 2,000 ppb gold.

Target A is the highest priority prospect, marked by the occurrence of abundant heavy sulphide boulders and a strong EM anomaly. Assay results for 20 samples report an average grade of 0.632 oz/ton, ranging from 1.291 to 0.152 oz/ton. Base metal assays as high as 7.40% zinc, 2.06% copper, and 1.81% lead are also reported.

Target B is the next priority prospect, marked by heavy sulphides in both boulders and outcrop, plus a coincident EM anomaly. Assay results for 32 boulders averaged 0.271 oz/ton gold, ranging from 0.863 to 0.094 oz/ton. Seven assays for zinc averaged 4.65%, with five lead assays averaging 2.06%.

Target C is a limited area of mineralized boulders and outcrops with disseminated to massive sulphide mineralization. Assays for eleven boulders averaged 0.274 oz/ton gold, ranging from 1.704 to 0.094 oz/ton. Base metal assays report up to 13.97% zinc, and 1.33% lead.

Target D is the site of the original prospecting discovery, comprising an extensive area of sulphide-rich boulders and mineralization in outcrop. Average assay grade based on 41 samples is 0.194 oz/ton gold, ranging from 0.495 to 0.040 oz/ton. Seven zinc assays average 1.71%.

Target E is a 1100-foot long accumulation of mineralized boulders and isolated outcrops. Forty-nine samples fire assayed for gold average 0.225 oz/ton, ranging from 0.920 to 0.050 oz/ton. The average zinc grade, based on 41 assays, is 5.04%. Zinc assays values are up to 15.85%, while lead assays are up to 11.87% and copper up to 2.85%. Target E is also of interest owing to its high reported silver values, averaging 9.06 oz/ton from 29 samples.

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Target F is a bedrock exposure of a "bedding-parallel vein", 680 feet long averaging one foot thick. A very limited amount of sampling has been undertaken, with geochemical analytical results detecting up to 3,000 ppb gold. Up to 11.20% zinc and 6.90% lead have been reported from chip samples.

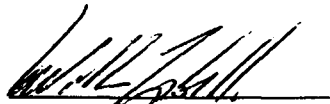
In addition to the previously mentioned targets, numerous other boulder trains and geophysical anomalies are present on the Metla Property which are as yet untested.

The high quality of the existing geological database means the Metla Property is ready for drilling at the start of the 1991 field season. A program of diamond drilling and geophysical surveying is planned to begin as soon as field conditions permit; because of the large number of high priority targets to be drilled, Galico anticipates it will complete the \$1.1 million expenditure requirements for the 60% earn-in this year.

Galico has also staked eighteen claims totalling 360 units (approximately 22,000 acres), all of which are tied onto the Metla Property. These claims are not subject to the terms of the foregoing Option Agreement. Galico intends to initiate exploration on these claims in 1991 to evaluate their potential for precious and base metal mineralization, and for any strike extensions of the Metla mineralization.

Galico will contract with Prime Explorations - a division of Prime Equities Inc. to manage exploration work on the Metla Property.

ON BEHALF OF THE BOARD OF DIRECTORS



D. William Campbell, Director