

*Roundup*

*Jan/96*

*675183*

*104H/12W*

**AMERICAN BULLION MINERALS LTD.**

**RED CHRIS PROJECT**



**American Bullion Minerals Ltd.  
1500, 675 West Hastings Street  
Vancouver, British Columbia V6B 1N2  
Telephone: (604) 687-4951  
Facsimile: (604) 687-4991**

## RED CHRIS PROJECT

American Bullion Minerals Ltd. controls and operates the Red-Chris porphyry copper-gold property which is comprised of 156 two-post, fractional and modified grid mineral claims, totalling 452 units and located in the Liard Mining Division of northwestern British Columbia, Canada. The property is located on a north-facing plateau between Ealue and Kluea Lakes, approximately 20 kilometres southeast of the village of Iskut or 80 kilometres south of Dease Lake, at geographic coordinates 57° 42' North latitude by 129° 47' West longitude (N.T.S. map-sheet 104H/12W).

In 1994, American Bullion Minerals Ltd. negotiated option agreements with Falconbridge Limited, Norcen Energy Resources Limited and Teck Corporation to acquire an eighty percent interest in the property with Teck Corporation retaining ten percent participating and ten percent carried net profit interests. The terms of the agreement include provisions by which Teck Corporation has the option to increase its interest in the property to fifty-five percent at which time American Bullion Minerals Ltd. would retain a forty-five percent carried and non-assessable interest.

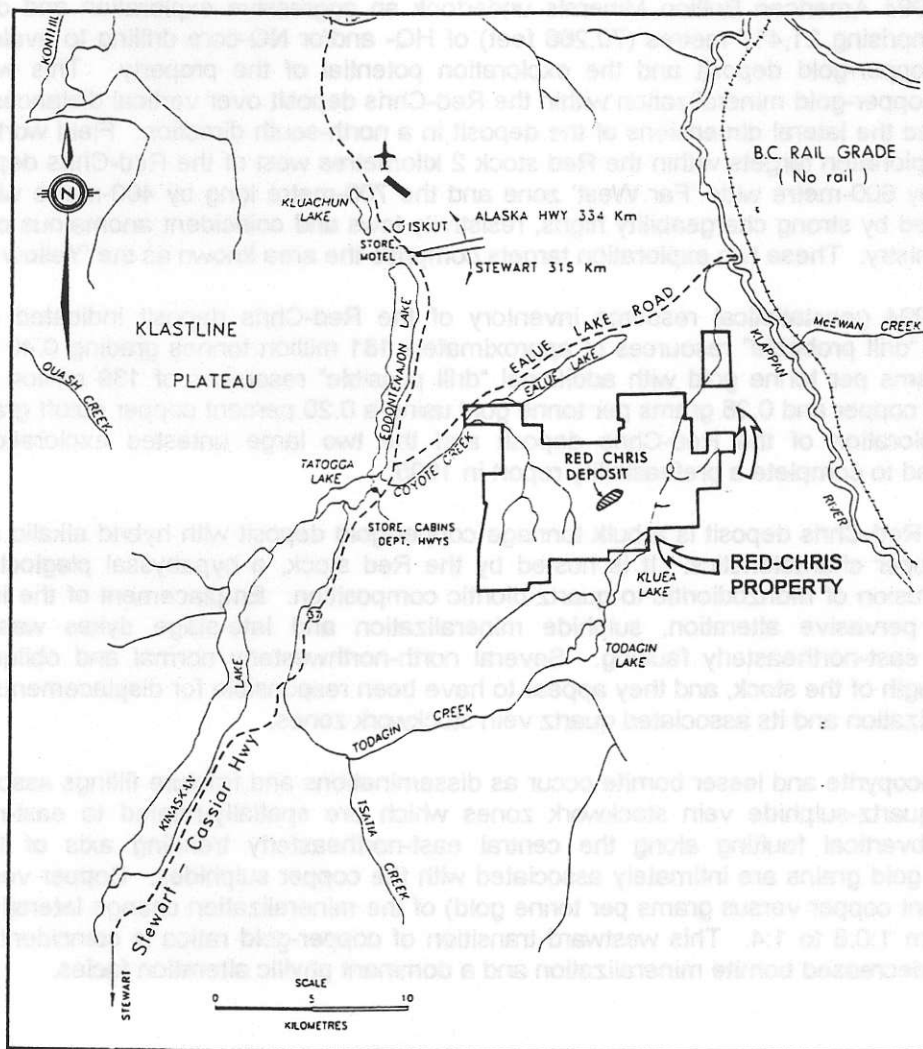
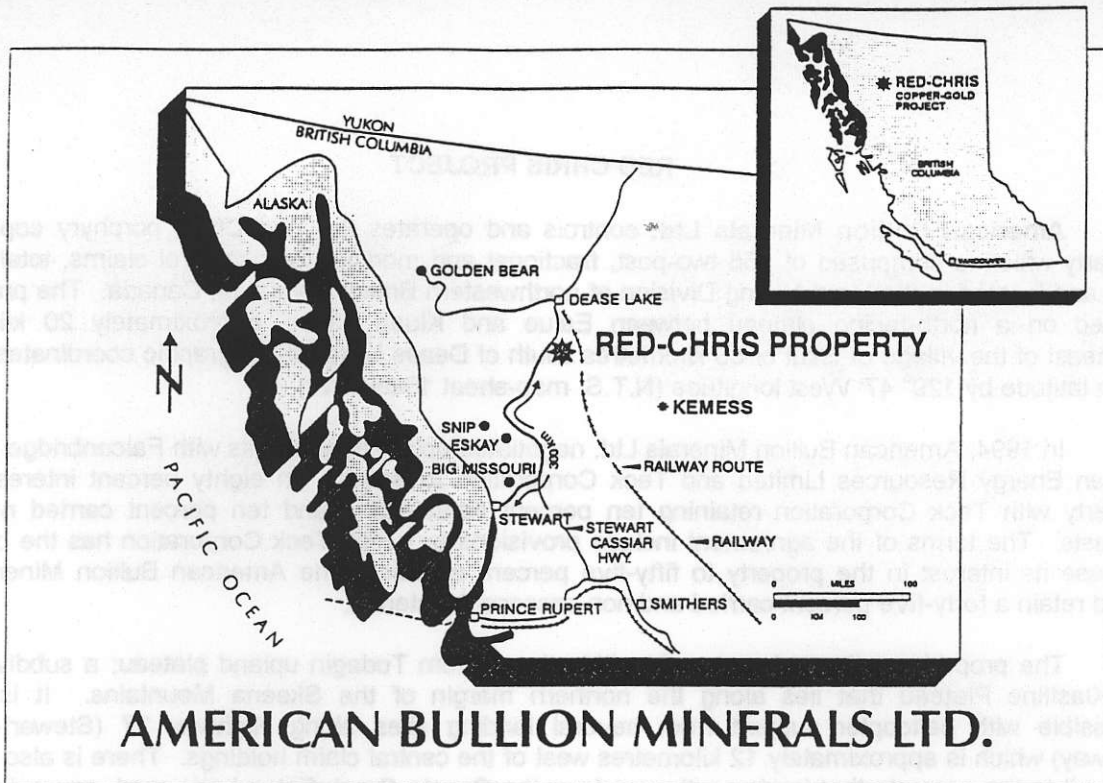
The property is situated regionally within the eastern Todagin upland plateau; a subdivision of the Klastline Plateau that lies along the northern margin of the Skeena Mountains. It is readily accessible with helicopter support from several landing sites along Highway 37 (Stewart-Cassiar Highway) which is approximately 12 kilometres west of the central claim holdings. There is also a rough tote trail to the property that leads southward from the Coyote Creek-Ealue Lake road, approximately 8 kilometres east of Highway 37.

In 1994 American Bullion Minerals undertook an aggressive exploration and diamond drilling program comprising 21,417 metres (70,266 feet) of HQ- and/or NQ-core drilling to evaluate the known Red-Chris copper-gold deposit and the exploration potential of the property. This work discovered continuous copper-gold mineralization within the Red-Chris deposit over vertical distances of 400 metres and expanded the lateral dimensions of the deposit in a north-south direction. Field work also identified two large exploration targets within the Red stock 2 kilometres west of the Red-Chris deposit. The 600-metre long by 600-metre wide 'Far West' zone and the 700-metre long by 400-metre wide 'Gully' zone were identified by strong chargeability highs, resistivity lows and coincident anomalous copper and gold soil geochemistry. These two exploration targets comprise the area known as the 'Yellow Chris'.

A 1994 geostatistical resource inventory of the Red-Chris deposit indicated combined "drill proven" and "drill probable" resources of approximately 181 million tonnes grading 0.40 percent copper and 0.31 grams per tonne gold with additional "drill possible" resources of 139 million tonnes grading 0.35 percent copper and 0.28 grams per tonne gold using a 0.20 percent copper cutoff grade. Continued detailed exploration of the Red-Chris deposit and the two large untested exploration targets was recommended to complete a prefeasibility report in 1995.

The Red-Chris deposit is a bulk tonnage copper-gold deposit with hybrid alkalic and calc-alkalic porphyry copper characteristics. It is hosted by the Red stock, a hypabyssal plagioclase-hornblende porphyry intrusion of monzodioritic to quartz dioritic composition. Emplacement of the intrusion and its subsequent pervasive alteration, sulphide mineralization and late-stage dykes was controlled by reactivated, east-northeasterly faulting. Several north-northwesterly normal and oblique faults occur along the length of the stock, and they appear to have been responsible for displacements of the copper-gold mineralization and its associated quartz vein stockwork zones.

Chalcopyrite and lesser bornite occur as disseminations and fracture fillings associated with well developed quartz-sulphide vein stockwork zones which are spatially-related to east-northeasterly to easterly, subvertical faulting along the central east-northeasterly trending axis of the Red stock. Microscopic gold grains are intimately associated with the copper sulphides. Copper versus gold grade ratios (percent copper versus grams per tonne gold) of the mineralization change laterally in a westward direction from 1:0.8 to 1:4. This westward transition of copper-gold ratios is coincident with increased pyritization, decreased bornite mineralization and a dominant phyllic alteration facies.



**AREA MAP**

The 1995 exploration program included: HQ- and NQ-size diamond drilling (112 holes totalling 36,770.46 m. or 120,630 ft.) of the Red Chris deposit and Yellow Chris area (Gully and Far West zones); geological mapping along the exposed strike length of the Red Stock at a scale of 1:1,000; linecutting and reconnaissance soil geochemical sampling over a 4- by 1-kilometre area west of the 1994 survey control grid; BQ-core geotechnical drilling (3 holes totalling 59.44 m. or 195 ft.); continued baseline environmental studies; metallurgical and mining engineering studies; and documentation of the program in preparation of a prefeasibility report on the project. Expenditures for this work are expected to total CAN \$5.8 million.

The 1995 diamond drilling program successfully traced a 400-metre western extension of the Red-Chris deposit and discovered significant copper-gold mineralization along the southern margins of the Red stock. Current drilling results indicate that there are two near-surface core zones within the Red-Chris deposit that grade greater than 0.6 percent copper and 0.6 g.p.T. gold and may be amenable for 'starter' pit open cast mining. These zones are separated and surrounded by a much larger, less well delineated zone of greater than 0.25 percent copper and 0.2 g.p.T. gold mineralization. The strike length of the Red-Chris deposit is now in the order of 1.7 kilometres with widths ranging from 250 to 700 metres or more. Furthermore, deep drilling within the East Zone intersected significant copper-gold mineralization at a depth of 750 metres beneath the surface and there was no evidence that the mineralization is diminishing. It is anticipated that when the resource inventory of the Red-Chris deposit is updated the additional copper-gold mineralization discovered along the southern, northern and western margins of the deposit will substantially increase the total geological resources.

Exploration drilling over a 2-kilometre strike length, west of the Red-Chris deposit, discovered significant near-surface copper-gold mineralization underlying both the Gully and Far West exploration targets in the Yellow Chris area. Two east-west trending, subvertical zones of significant copper-gold mineralization were discovered in the Gully Zone. These zones have been tested by widely-spaced drilling over strike distances of 400 to 500 metres and widths from 200 to 300 metres, and remain open both laterally and vertically. Drill intercepts from within the Gully zone typically grade more than 0.3 percent copper and 0.3 g.p.T. gold over lengths of 15 to more than 300 metres. There are also exceptionally high grade sections within this mineralized zone, such as the one intercepted by DDH 95-168, with grades of 1.486 percent copper and 3.266 g.p.T. gold over 18.29 metres.

The Far West zone is a 600-metre by 600-metre coincident geochemical and geophysical exploration target that was tested with widely-spaced drilling directed at the centre of a strong high chargeability-low resistivity geophysical anomaly. This drilling intersected pyrite-chalcopyrite-gold mineralization in two subvertical, easterly trending structures. Assay results indicate that the copper and gold grade ratios are in the order of 1:3 with copper grades typically ranging from 0.2 to 0.35 percent and gold values ranging from 0.6 to 0.75 g.p.T. Considerably more drilling will have to be conducted within this zone to delineate a mineable reserve.

The property has now been tested by 244 diamond and 44 percussion drill holes, or more than 74,661 metres of drilling, and the results from this work indicate that the Red-Chris deposit is still open both laterally and vertically, and the Far West and Gully zones may host substantial copper-gold mineralization amenable to open pit mining. Fluor Daniel Wright of Vancouver, B.C. is completing a mineral resource inventory of the Red Chris deposits and is proceeding with a prefeasibility study scheduled for completion by the end of February, 1996.

