



**AMERICAN BULLION
MINERALS LTD.**



RED CHRIS PROPERTY

American Bullion Minerals' Red Chris project, easily accessed in northern B.C., holds potential for large tonnage reserves mineable by open-pit, grading 0.6 percent copper and 0.5 grams per tonne gold, placing it in the upper echelon of prospective copper-gold producers in western Canada.

In January 1994, American Bullion purchased an 80 percent interest in the Red Chris property with the remaining 20 percent held by Teck Corporation. Upon completion of a pre-feasibility study, Teck has the right to increase its interest in the project to 55 percent by providing 100 percent of all further project expenditures including final feasibility, production financing and placing the property into commercial production. Accordingly, Teck would become operator. American Bullion would then retain a 45 percent carried and non-accessible direct interest.

The current claim holdings consist of 396 claim units covering approximately 100 square kilometres located in northwestern British Columbia. This land package covers sufficient area for both mine and mill processing facilities. The project is well located, being approximately 10 km east of the Stewart-Cassiar Highway, 8 km south of the Klappan coal road and 10 km west of the B.C. Rail route. The B.C. Hydro grid upgrade, currently under review along the Stewart-Cassiar corridor, could place inexpensive power a few kilometres from a minesite. The deep water sea port of Stewart lies approximately 200 km by road south of the property.

The Red Chris property covers a large porphyry copper-gold system containing an already defined significant resource along with a much larger exploration target to be advanced by continued reserve definition drilling. American Bullion's 1994 exploration program was focussed toward reserve expansion of the Red Chris deposit and exploration targeting of the entire mineralizing system within the Red Stock. Grid controlled I.P. surveys along with soil sampling defined a 3 km long by 600 metre wide target. The presently defined limits of the Red Chris deposit cover approximately 35 percent of the potential target area.

During the 1994 field season American Bullion completed 58 drill holes totalling over 21,000 metres (70,000 ft) resulting in reserves being outlined along a 1300 metre length and a 150 to 500 metre width to an average depth of 300 metres. The deposit remains open for expansion. With the exception of a few holes, most holes were angled steeply south to intersect vertically controlled mineralization which has been traced to a depth of 450 metres.

The property hosts a copper-gold mineralizing system with both hybrid alkalic and calc-alkalic porphyry copper characteristics. It is hosted by the 'Red stock', an Upper Triassic hypabyssal plagioclase-hornblende monzodiorite porphyry, that is probably comagmatic with the surrounding alkaline volcanic rocks. The emplacement of the intrusion and its subsequent pervasive alteration, sulphide mineralization and late-stage dykes are controlled by repetitively reactivated,

east-northeasterly faulting. The Red stock is comprised of two phases of plutonic rocks that are cut by several post-mineral dykes of dioritic to monzonitic composition. The "Main Phase" is a medium-grained, weakly to intensely altered plagioclase-hornblende porphyritic monzodiorite that hosts all of the known copper-gold mineralization and constitutes approximately 80 to 90 percent of the stock. The 'Late Phase' rocks are similar in composition, notably fresh to very weakly altered, usually barren of copper-gold mineralization. Two stages of hydrothermal alteration have affected the rocks in the vicinity of the Red Chris deposit; an earlier stage of orthoclase-albite-biotite along with varying quartz-sericite is followed by pervasive quartz-ankerite-sericite-pyrite alteration.

Chalcopyrite and lesser bornite occur as fracture fillings and disseminations associated with well developed quartz-sulphide vein stockwork zones and intensely sheeted quartz veining. These zones are spatially, and probably genetically, related to east-northeast trending subvertical faults. Pyrite occurs as a halo peripheral to the copper-rich mineralization. Gold grains are intimately associated with the copper sulphide minerals and their respective grades are proportionate.

The Red Chris system boasts the high copper and gold values symptomatic of an alkalic suite but also has the grade consistency and a large size of a calc-alkalic system.

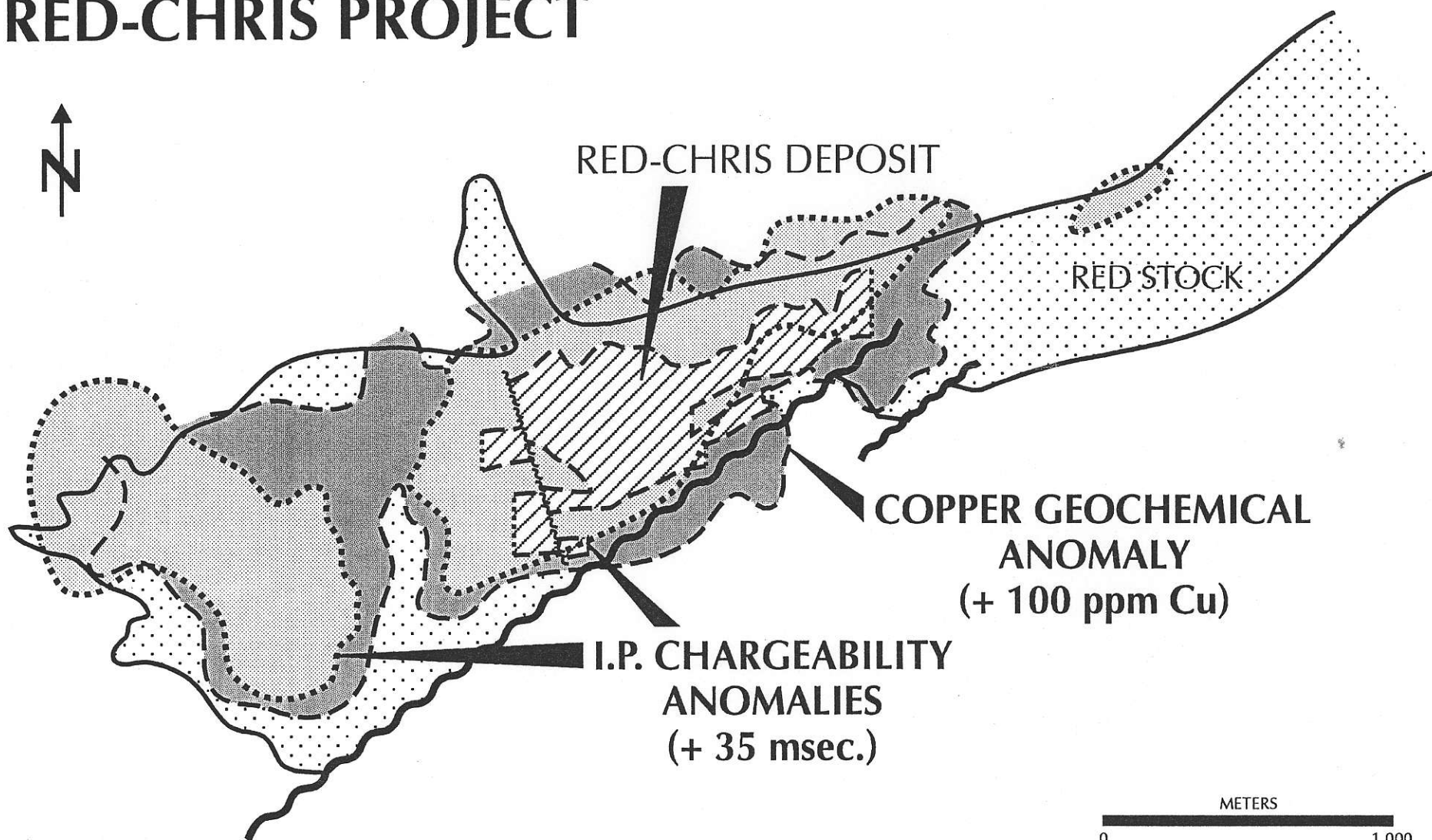
Opportunity remains for significant expansion of known mineralization at Red Chris with only 35 percent of the mineralizing system drill tested to date. Drilling resumes in early 1995 with the proposed drill program of roughly 60 holes in 21,000 metres designed to expand existing the Red Chris deposit limits and explore for additional reserves in the remaining 65 percent of the known copper-gold porphyry system. Completion of pre-feasibility is contemplated by the fourth quarter of 1995.

RED CHRIS GEOLOGICAL RESERVES

(January, 1995)

CUTOFF GRADE Copper %	RESERVE (tonnes)	DEPOSIT GRADE		CONTAINED METAL	
		COPPER (%)	GOLD (g/T)	Copper (billion lbs)	Gold (million oz.)
0.20	320,380,000	0.38	0.30	2.7	3.1
0.30	186,140,000	0.47	0.36	1.9	2.2
0.40	100,110,000	0.58	0.46	1.3	1.5
0.50	60,830,000	0.67	0.55	0.9	1.1

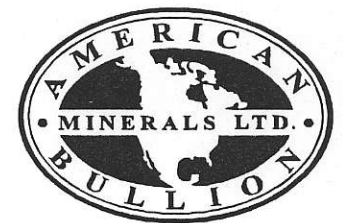
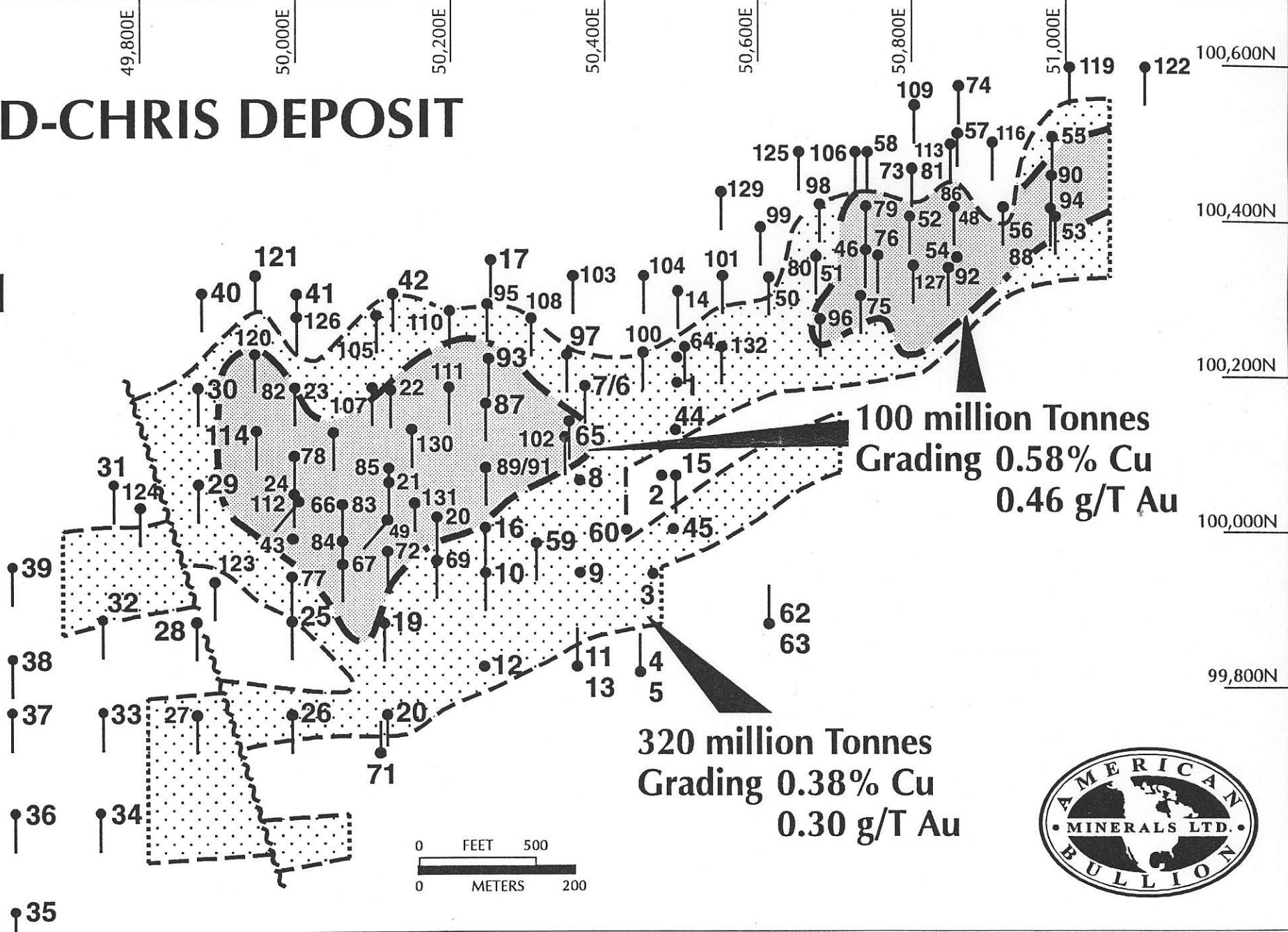
AMERICAN BULLION MINERALS LTD. RED-CHRIS PROJECT



PORPHYRY COPPER CHARACTERISTICS OF THE RED CHRIS DEPOSIT

	<u>Alkalic Suite</u>	<u>Calc-Alkalic Suite</u>	<u>Red Chris Deposit</u>
Intrusive Host Rock	Diorite, Monzonite Syenite	Quartz Diorite, Granodiorite	Monzodiorite
Host Rock Geochemistry	Alkalic; high K/Na ratio; high alkali/silica ratio	Calc-alkalic; low K/Na ratio; low alkali/silica ratio	Calc-alkalic; low K/Na ratio; moderate alkali/silica ratio
Morphology of Host Intrusive	Volcanic	Plutonic, Phallic	Volcanic
Level of Intrusion	Epizonal	Mesozonal	Epizonal to hypabyssal
Country Rocks	Generally potassic Volcanic rocks	Generally calc-alkalic plutonic and volcanic rocks	Sodic and potassic volcanic rocks
Alteration Types (core to rim)	Potassic, Propylitic	Potassic, Phyllic Argillic, Propylitic	Potassic, Argillic, Phyllic, Propylitic
Position of Ore in Alteration Sequence	Potassic, Propylitic	Potassic, Phyllic	Potassic, Argillic
Associated Metals	Gold, Silver	Molybdenum, Silver, minor Gold	Significant Gold
Style of Mineralization	Sulphide fracture fillings, massive lenses and breccia	Quartz-sulphide vein stockwork breccia	Quartz-sulphide vein stockwork, silicified zones

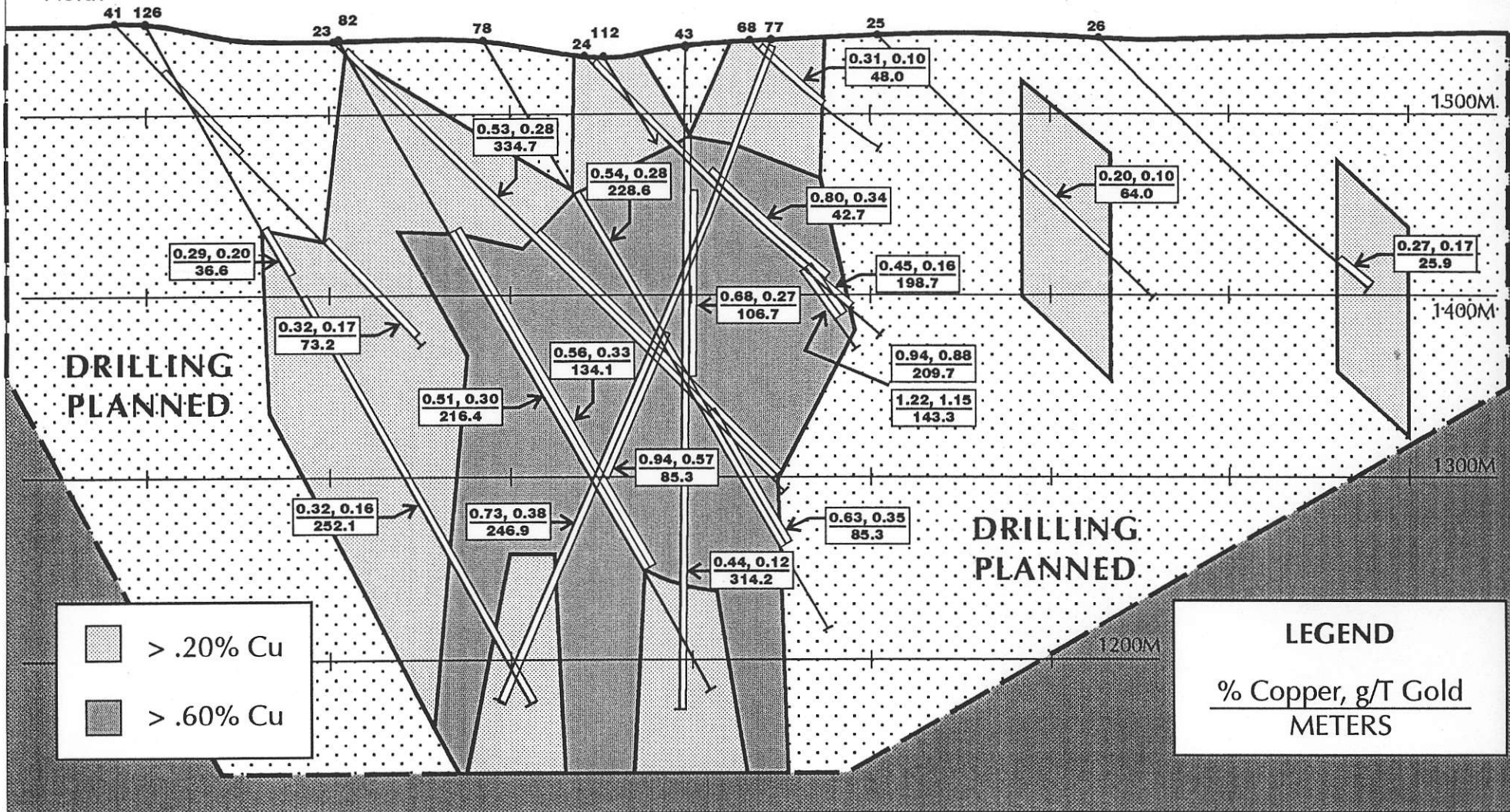
RED-CHRIS DEPOSIT



RED-CHRIS DEPOSIT SECTION 50,000 E

North

South



RED-CHRIS DEPOSIT SECTION 50,750 E

