

Research
Vananda Gold Ltd.
Texada Island Project, Apolo XII Project.

Norman Duncan
BSc. Geologist

FEBRUARY 25 1993

Shares outstanding: 6,954,878/ Est. Float: 1,500,000
including private placements:

200,000 at \$1.04 (free trading Jan 1994)

400,000 at \$0.65 (free trading June 1993)

200,000 at \$0.97 (free trading Sept 1993)

Recent Price: \$0.80

Options outstanding: 650,000
(average ex. price \$0.94)

52 Week Price Range: \$0.70 to \$1.43

Average Daily Volume: 40,000 shares

Working capital: \$208,000 as of Jan. 1993

President : Stanley L. Beale

Company Headquarters: 705 - 475 Howe St.
Vancouver BC.
(604) 688 0323

USA 12g3-2 (b) Exemption #82-1883

Listed Standard and Poor's

Traded: Vancouver Stock Exchange (VAG),
United States OTC (VAGDF),
Germany Telefonhandel
(Reuters MSKS)

Market Makers

CDN: Mike McKnight, McDermid St.
Lawrence Chisholm (604) 654 1188,
DavidTownshend, Yorkton Securities
(403) 260 8427.

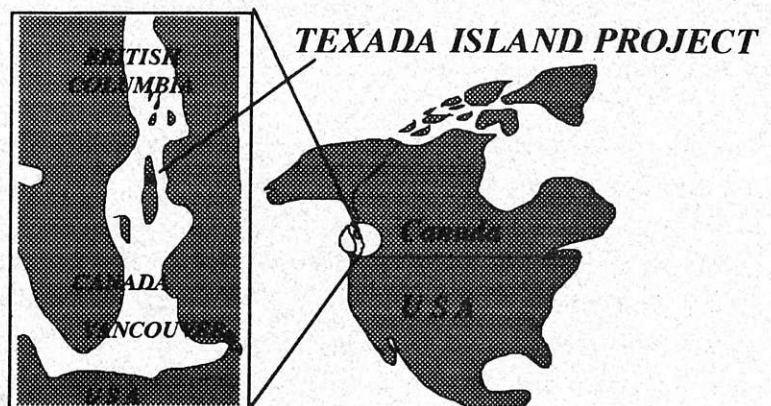
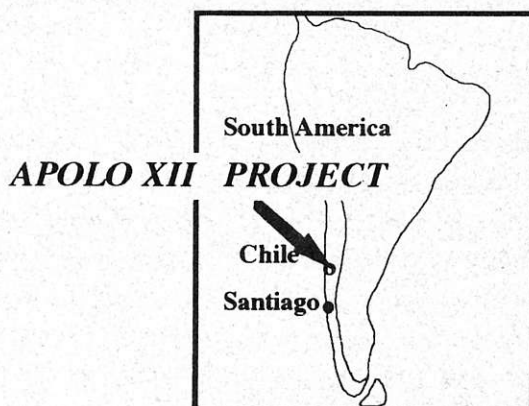
US Bob Hurd, J. Alexander Securities
In California (800) 540 2539 Outside
California (800) 421 0258.

GM Kurt Siegle, Borsenmakler GmbH
(49 711) 22145456.

Recommendation

Vananda Gold is a Vancouver, BC based mineral exploration company with two ongoing projects. The more advanced project, the Texada Island property, is in the drill exploration stage (a week ago I visited the property to examine the latest drill cores and and technical data) and the results indicate that a large tonnage, high grade copper-gold deposit could be present in the property area. A newer project, the Apolo XII property in Chile, is in the initial evaluation stages but represents a target area with significant near term potential for investors who are interested in higher risk, speculative investments. Recent trading has been in the \$0.80 - \$0.98 range. Strong technical support is at around \$0.60 - 0.70. As resource stocks can be volatile I have begun accumulating Vananda's shares at these prices (in case there are good results in the near future) but I also hope to buy any dips and will do so with confidence as this company has both excellent management and projects underpinning it. Longer term its prospects are also excellent.

Norman Duncan, BSc. Geologist (604) 668 6818



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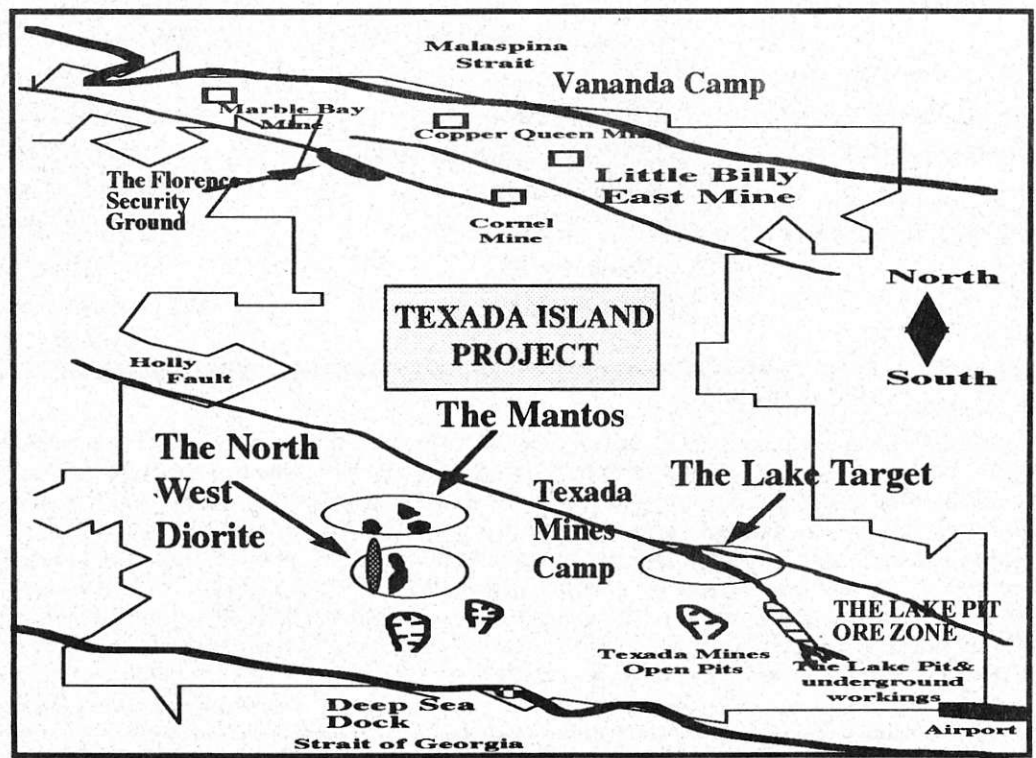
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The Company

Vananda Gold Ltd. is a junior mining company headquartered in Vancouver and listed on the Vancouver stock exchange (VSE). The company was organized in 1986 in order to develop the Texada Island property. The company was listed for trading on the VSE on August 28, 1987 after a statement of material facts financing by Yorkton Securities consisting of 375,000 shares at \$0.45 per share with warrants exercisable at \$0.50 (since exercised). The company has virtually no debt and no long term debt (see enclosed financial statements) and has sustained itself by continually securing funding to continue its exploration programs by private placements of shares. The most recent private placement was announced on February 10, 1993 consisting of 200,000 shares at \$1.04 which was taken down by company insiders and close associates. Vananda Gold Ltd. currently has two projects, the first is the development of the Texada Island copper, gold and silver property in British Columbia, Canada. The second project is the Apollo XII property near La Serena, Chile - a copper-gold project.

Texada Island Project

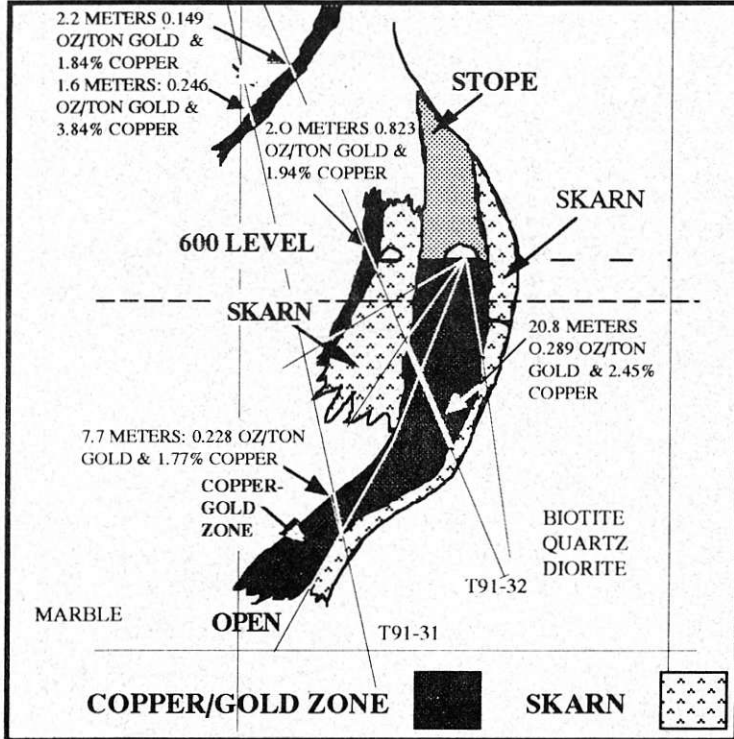
Vananda Gold Ltd. has been actively exploring the Texada Island property since incorporation. Three of the directors - Stan Beale Sr., Stan Beale Jr. and Mike Ryan - have been working on the Texada project prior to the incorporation of the company, starting in the early 1970's. Stan Beale Sr. first began accumulating the 148 claims which comprise the property during the 1950's when he was developing a limestone operation on the property. This limestone operation is still in production at a rate of 3,000,000 tons per year.



The Texada property mineral rights are 100% owned by Vananda and the property consists of 148 claims covering 6,000 acres. The island has three operating limestone quarries and ongoing timber cutting operations. There are two towns on the island, a deep sea dock, airport, car and truck ferry service, natural gas pipeline, electricity and an extensive road system. This level of industrialization provides excellent infrastructure and a predisposition to further development by the inhabitants. The property contains the third largest copper-gold replacement-type skarn in BC. The first largest is the Hedley mine which was first developed in 1904 and, after 90 years of intermittent production, still contains 7,000,000 tons at 0.15 ounce per ton gold.

LITTLE BILLIE MINE

UNDERGROUND WORKINGS SECTION 9950N LOOKING NORTH



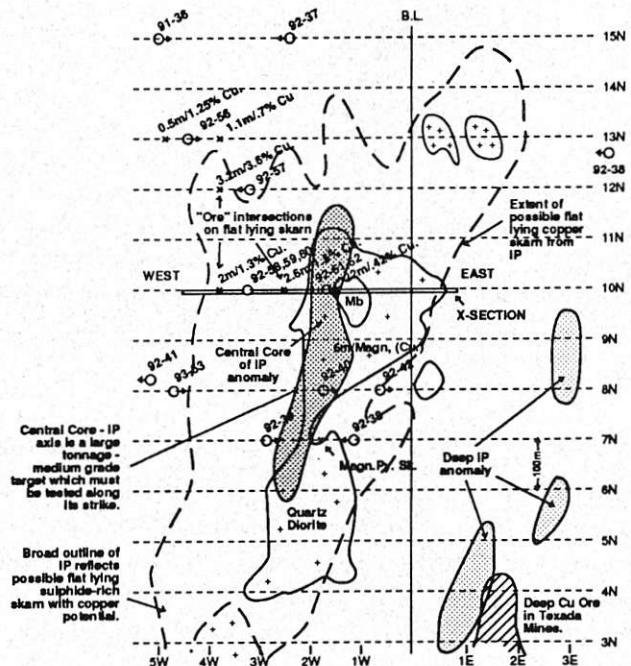
The Little Billie is one of four former mines in the Vananda camp which were in production earlier this century. All four mines were still in ore when production ceased. These mines are quite small, but contain attractive gold grades. In May of 1988, Vananda entered into a joint venture agreement with Freeport McMoRan Gold to explore the northern deposits and, specifically, the Little Billie mine. After spending \$1.5 million over a one year period, the project was put on hold by Freeport.

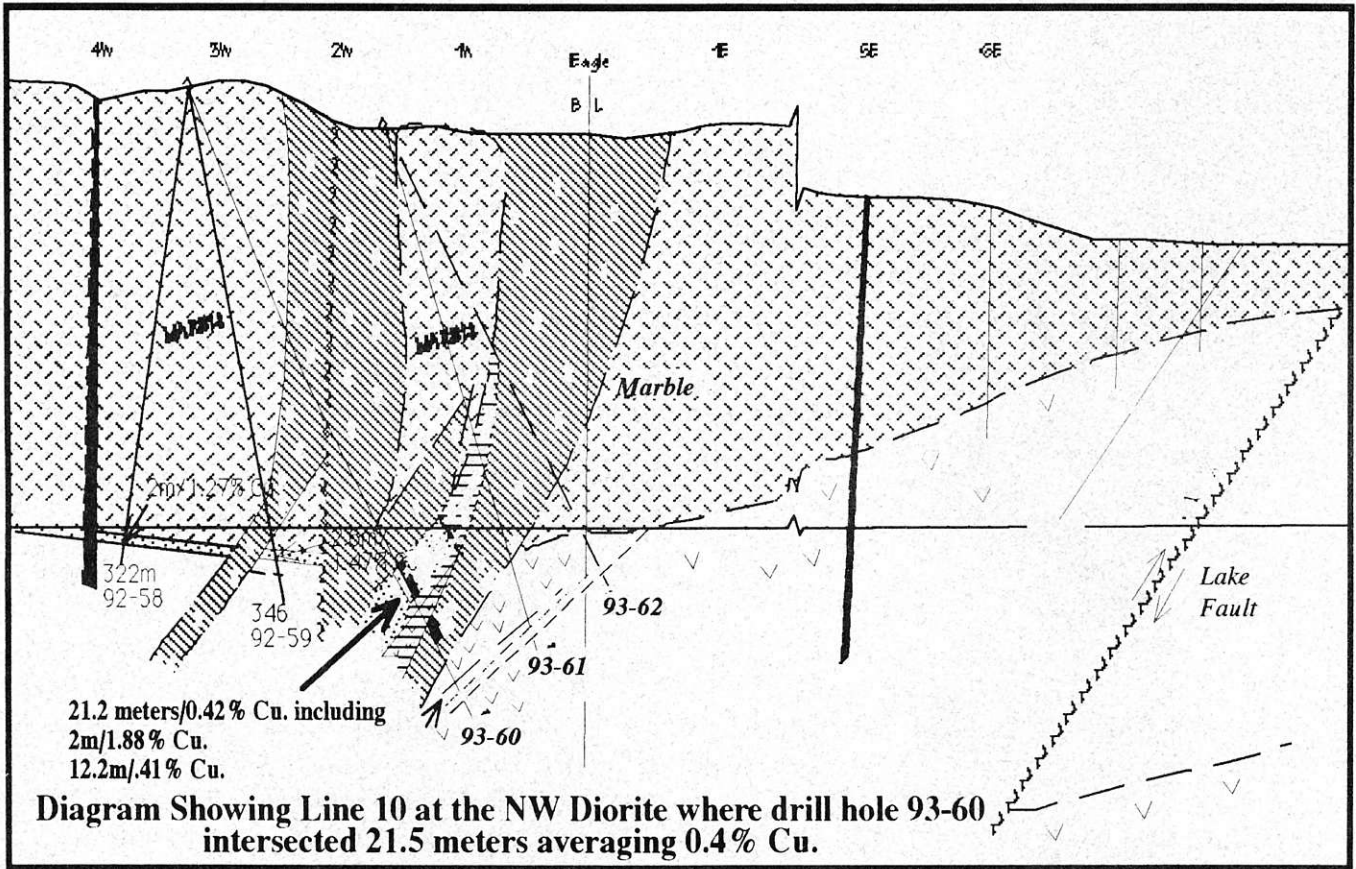
The joint venture was terminated in 1990 and, shortly thereafter, Freeport was sold to Minorco with all Canadian exploration activities disbanded. Vananda continued to explore the Little Billie area in 1991 with one hole intersecting 60 feet of 0.289 oz/ton gold and 2.45% copper. In total, drilling in the Little Billie mine area has outlined 200,000 tons of ore grading 0.34 oz/ton gold and 2% copper. The deposit is still open and could be significantly larger than the current estimate.

Replacement deposits are formed when hot intrusive rocks penetrate calcium-rich rocks, such as limestone. The heat, pressure and hot fluids associated with the intrusive event cause chemical reactions which alter the limy rocks into skarns. The hot fluids may also contain metals such as copper, gold, silver and zinc which are deposited in the skarn material due to complex chemical reactions.

The Vananda Gold Camp

The initial stages of exploration on the Texada property were concentrated in the northern portion of the property - specifically on the Little Billie mine area in the Vananda Gold Camp.





Feldspar Porphyry Dike

Basalt

Garnet Skarn

Copper Skarn

Diorite

The Southern Texada Iron - Copper Mines Area

During the spring of 1991, Vananda conducted an induced polarization (IP) survey over the southern portion of the property near the old Texada iron-copper mine. These mines are dramatically larger than those in the north as over 50 million pounds of copper was produced from this area from approximately 20 million tons of ore.

The IP survey indicated the presence of three anomalous targets in the area which were interpreted to be massive-sulphide zones. In a later survey in 1992 a fourth target was delineated by IP. As a result of the IP surveys, efforts were shifted to the southern property area as it was thought to have potential for a large tonnage target. Drilling to date in the Northwest Diorite area has confirmed that massive-sulphides are present at depth where indicated by the IP survey. While the IP survey does not indicate thickness or grade, it has definitely proven to be accurate in predicting the presence of sulphides.

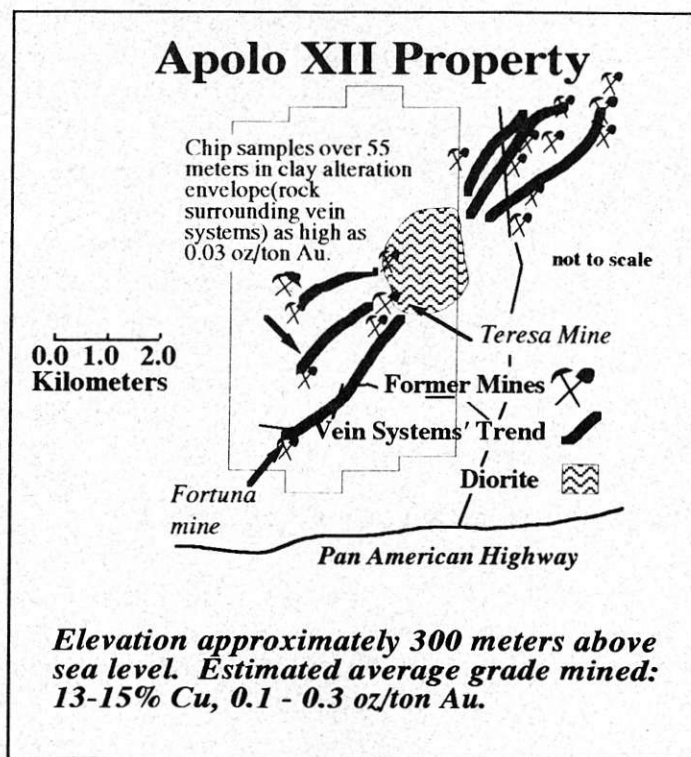
Diamond drill testing has intersected significant thicknesses of copper-bearing massive-sulphides in several holes. The best intersection to date consists of 3.2 metres (10.5 feet) of skarn grading 3.6% copper (see map - drill hole 92-57). Drill hole 93-60 intersected 21.5 metres of lower grade (0.42%) copper, but a subsequent downhole geophysical survey indicates that higher grade material may be present in the area and hole 93-61 may be on the edge of a high grade, thick, massive-sulphide zone. Gold assays in the area have, to date, been low. The low gold grades could be due to a typical zonation in skarn deposits where higher gold values occur farther from the core (high heat zone) of the skarn deposit. Further drilling is planned to test for higher gold grades at a distance from the intersections drilled to date. Diamond drilling continues on the property at the time of this report.

The Apolo XII Project

In November of 1992 Vananda signed a letter of intent with Corriente Resources Inc. to participate in a joint venture on the Apolo XII property in Chile. Under the agreement, Vananda can earn a 51% interest in the property by spending US\$200,000 on exploration over two years and two annual payments of US\$25,000 (this year's has been made) and 50,000 Vananda Gold shares. The property is located in Chile near the town of La Serena just off the Pan American highway. The property is 2,000 hectares in size and covers one-half of a mining camp which contained 20 producers that ceased production in the late 1870's following an earthquake.

The average grade of copper mined in the area is estimated to be in the 13% to 15% range. Gold grades in the 0.1 to 0.3 oz/ton range are reported to have been obtained from the vein systems in the area. The mines worked followed a series of north-easterly striking vein systems which radiate from a diorite intrusive. The larger vein systems are up to 1,200 metres wide and 3,500 metres in length. The old mining operations extracted ore at depths of up to 300 metres from these vein systems.

The area also has bulk tonnage, heap leach potential in the clay alteration zones which surround the vein systems. One zone returned assays of 1 gram per ton of gold over 55 metres. Porphyry copper-gold type mineralization has been identified in the area with 2% to 3% chalcopyrite (a copper-ore mineral) and 0.02 oz/ton gold reported from the intrusive diorite. A work program in the area will be undertaken by Vananda Gold in the near future to more accurately evaluate the potential of the Apolo XII property.



CORPORATE DATA

Directors:

Stanely L. Beale, President, Director; Dave Watkins, Director; W.S. Beale, Director; Mike N. Ryan, Director

Background:

Stanley L. Beale, Vananda Gold's founder, has been involved in mining exploration as a private consultant for over 20 years. He has been a guest lecturer on industrial minerals at the University of British Columbia.

David Watkins is also president of Minnova Inc. and is one of North America's most successful mine finders. His background is extensive and includes mine discoveries and developments in both North and South America. Minnova was recently taken over by Metall Inc. a subsidiary of the metals giant, Metallgesellschaft of Germany.

W.S. Beale developed BC's largest limestone quarry which is on the Texada property and remains in production at a rate of 3 million tons per year. He later sold the quarry to Ideal Cement (BC) and became its president. The formerly NYSE listed Ideal has since been taken private by the Swiss-based Holda bank.

Mike N. Ryan has been an active prospector and consultant to the mining industry for over 20 years. He is an expert in exploration management and last managed Vananda's Texada Island project for Freeport McMoRan Gold before joining Vananda.

Key staff:

Freeport McMoRan Gold's joint venture with Vananda was dissolved when Freeport Gold was liquidated by parent company Freeport McMoRan Inc, and its BC exploration division was disbanded. Subsequently, **Charles Forster**, senior geologist and head of the Texada project for the former exploration giant, elected to join Vananda Gold to continue overseeing the development of the property. Mr. Forster has an extensive background in the exploration of skarn type deposits which includes work for Union Carbide and exploration in North America and South Africa.

Neil Maedel, Vice President of Investor Relations, has an extensive financing network in Europe, Vancouver, Hong Kong and the USA. A former professional stock trader, he is an authority on the Vancouver stock market and has been quoted in such publications as the Globe and Mail and Personal Investor magazine.

Company Office:

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Solicitors

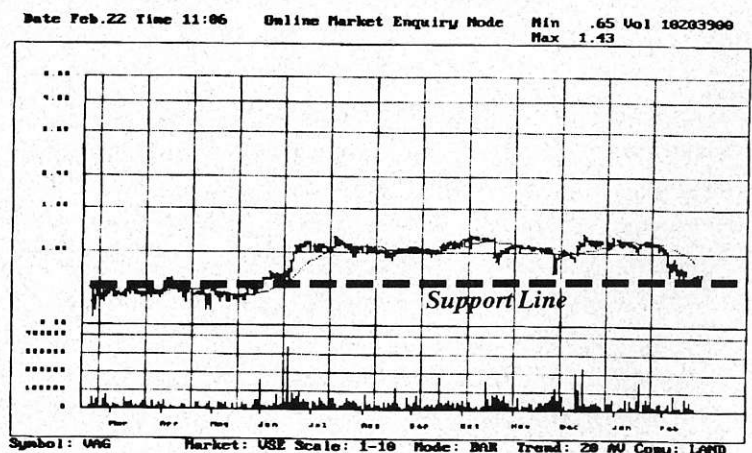
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Vancouver, BC

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Montreal Trust
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Bishop and Wallace
Richmond, BC



Consolidated Balance Sheet*

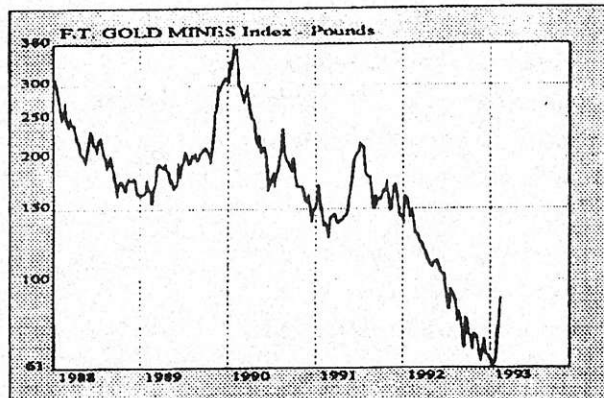
As at September 30, 1992

Assets	1992	1991
Current		
Cash	\$2,244	\$14,955
Prepaid expenses	-	-
Deposits	3,750	3,750
Share Subscription Receivable	-	11,953
GST receivable	-	-
Subtotal	21,619	12,349
Fixed Assets	92,476	-
Mineral properties and related deferred costs	2,225,926	1,093,318
	<u>\$2,376,015</u>	<u>\$1,136,325</u>
Current Liabilities and Shareholders Equity		
Accounts payable	\$96,262	\$29,897
Due to director	32,164	22,820
Due to Shareholders	25,430	-
Deposit on Share Capitol	8,300	-
	-----	-----
	162,156	52,717
Capital Stock	2,312,859	1,173,608
Deficit	(99,000)	(90,000)
	<u>\$2,376,015</u>	<u>\$1,136,325</u>

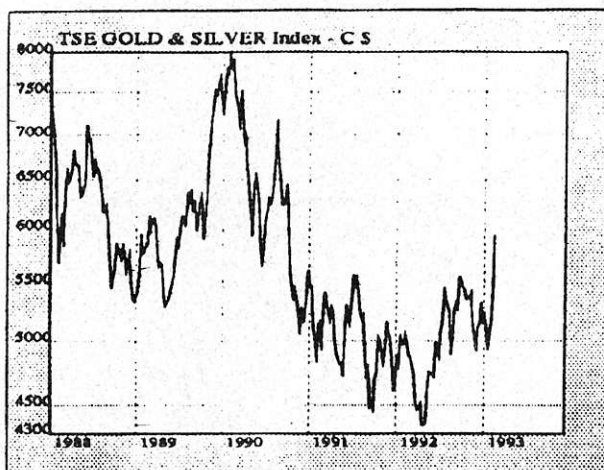
Statement of Loss and deficit for the Period Ending September 30, 1992

Deficit, Beginning of Year	\$99,000	\$90,000
Net Loss for the Period	-	-
Deficit, End of the Period	\$99,000	\$90,000

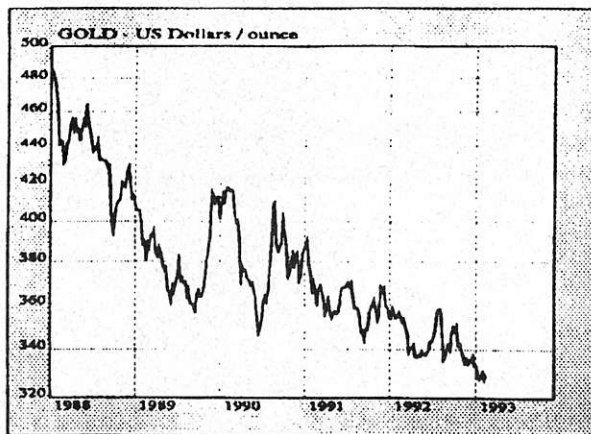
*Taken from unaudited quarterly statements.



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Norman Duncan, BSc.

Investment Broker, Geologist.

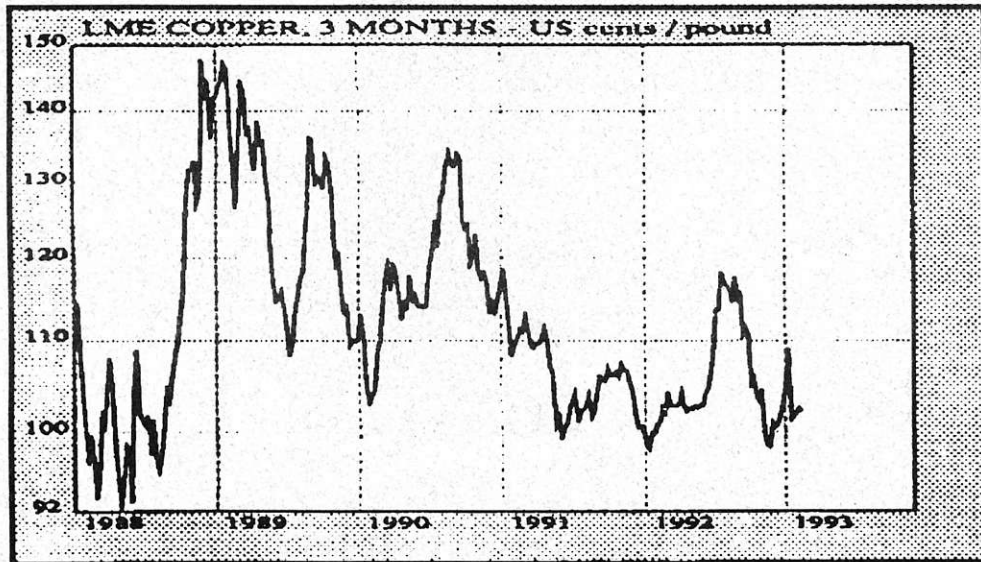
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