

TRADER RESOURCES

Yellow Giant Property

Positive exploration results on Trader Resource Corporation's Yellow Giant Project are establishing Bank's Island as a potential new gold producing area. Exploration results to date have been very encouraging and indicate several zones of gold mineralization whose reserves are open to substantial increases.

The Yellow Giant property is located on west central Bank's Island, approximately 112 km. south of Prince Rupert, B.C. Access is mainly by float-equipped, fixed-wing aircraft to a main camp on Hepler Lake. Heavy equipment is barged to Survey Bay. Trader optioned the property from Falconbridge Mines.

Recently, Trader announced that the drilling conducted on the 7,414 claim property has substantially expanded gold reserves at the Tel Zone on the claim group.

Gold mineralization on the property is controlled by an extremely well developed, deep reaching fault and fracture system within older metasedimentary and granitic intrusive rocks. Four major deposits of eleven occurrences presently known have been sufficiently developed to allow ore reserve calculation.

The several other gold occurrences require drilling to develop reserves and Trader's systematic exploration to date has identified numerous other exploration targets throughout the property, many of which are in proximity to known deposits.

Trader's property is very large encompassing what appears to be favourable lithologies for gold mineralization. Prior to recent drilling, 1.3 million tons with an average grade of .16 ounces per ton gold in 4 zones have been outlined. Conceivably, a blended milling head grade should be considerably higher.

Partial assay results received from the current program including Hole 85-12 drilled at -43° were recently released. Consulting Engineer, Dr. R. H. Seraphim

visited the drill site December 4th to 6th, examined and logged mineralized intercepts available at that time, and reports as follows: "Results below are given as intercept lengths. True widths are not yet determinable because of lack of reliable knowledge of structure, but a minimum true width should be in excess of 25 feet.

A long mineralized section was intercepted from 127 feet to 256 feet vertical. It appears similar to mineralization intercepted in Hole 85-7, located about 120 feet to the southeast which grades 0.66 oz. gold in a 24.6 foot intercept at a depth of approximately 585 feet vertical.

Further intercepts of mineralization that appear visually similar have been obtained during the continued drilling."

Project reserves were 205,500 ounces prior to this phase of drilling. Trader is extremely optimistic that the property will eventually result in at least one mine on the site and have so far spent about \$1.6 million on the project. McElhanney Engineering, which has a Prince Rupert office is one of the engineering companies involved in the project.

Once all the data from the test drilling program has been collected and analyzed, an approximate six-month feasibility study will be undertaken to determine the best type and configuration for the mine so it will be as profitable as possible.

The production decision may be some time off, but the positive results received so far has buoyed management, particularly Trader director, Jim McDougall, a former Falconbridge employee, a long time believer that there was gold on the property.

Company president Bob Dickinson, while in Prince Rupert told local press.... "We're getting some spectacular gold results. Yellow Giant has the potential to be a very, very large mine."

MINERALIZED SECTIONS IN HOLE 85-12
LENGTH WEIGHTED GOLD VALUES

Intercept (feet)	Length (feet)	Au Oz/Ton	Ag Oz/Ton	Lead%	Zinc%
193.7 - 267.0 including	73.3	.59	1.14	1.49	1.07
193.7 - 223.1	29.4	.49	1.21	1.34	1.44
223.1 - 229.7	6.6	.06	1.68	1.01	1.47
229.7 - 246.1	16.4	.18	.63	1.94	.96
246.1 - 252.0	5.9	.005	.14	.24	.08
252.0 - 267.0	15.0	1.70	2.38	2.02	.66
also					
372.9 - 377.0	4.1	1.04	3.10	.61	2.14

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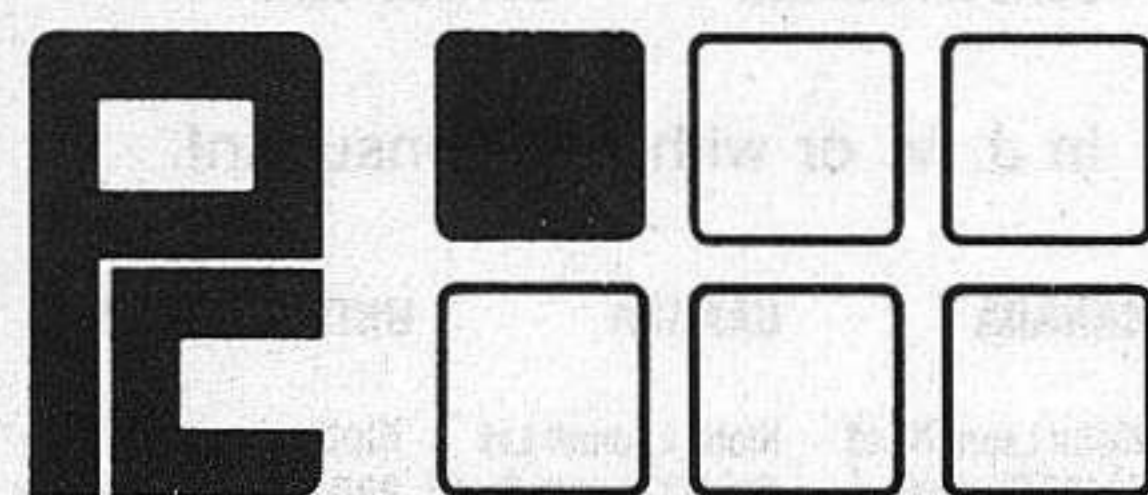
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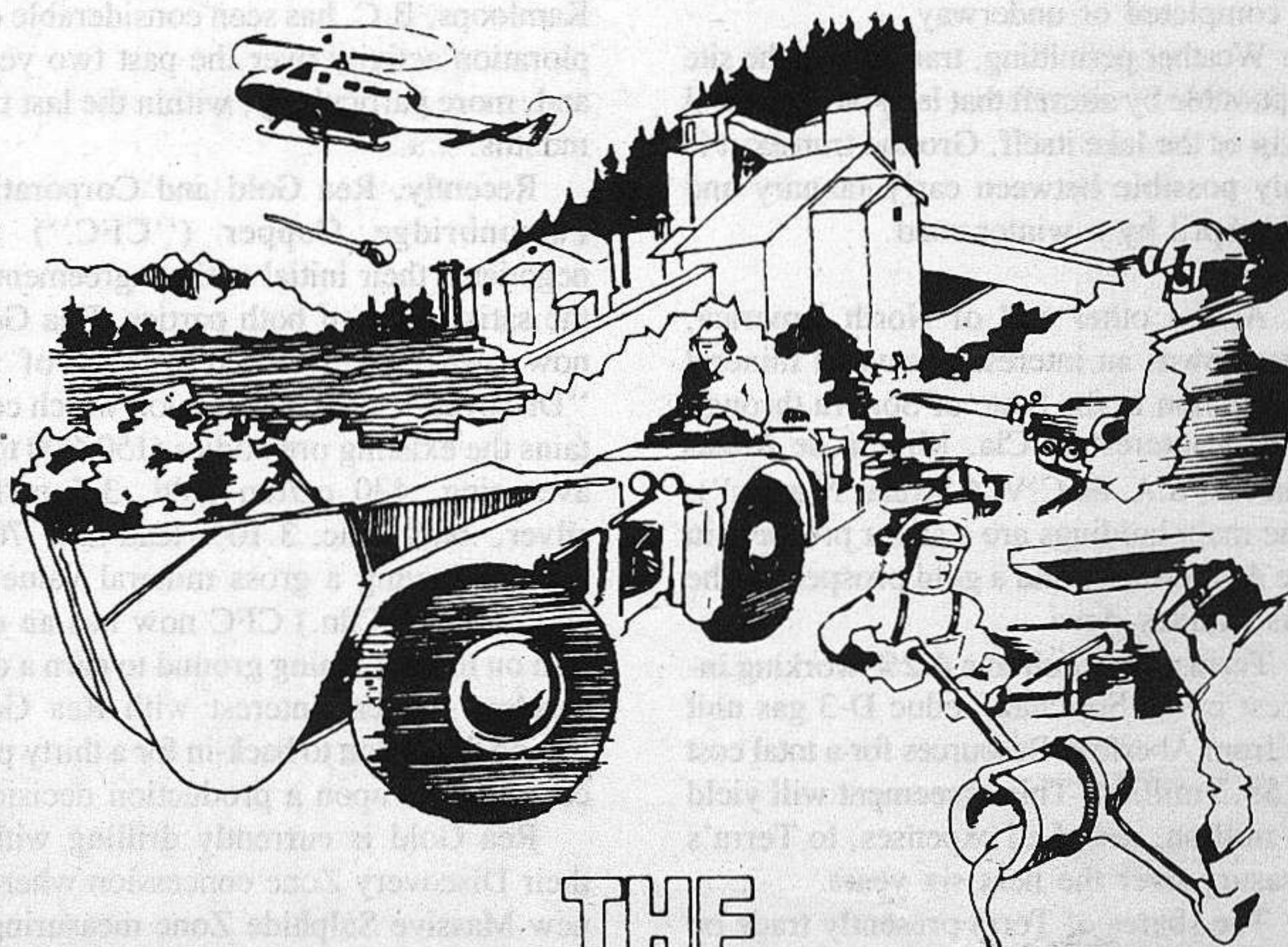
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which will commence operation during March. At the same time, a model 16 RTZ Optometric Ore Sorter will be installed to be used at first for upgrading all the sub-economic ore on surface for primary mill feed. With the ore sorter, the total mill plant will have a capacity of 600 tons of run-of-mine ore per day by March 1, 1989.

The pilot plant will be assembled in Vancouver and shipped to Bullmoose in modular form for quick erection. The airstrip is completed to 3300 ft and will be constructed to 5000 ft. in 1986. Site preparation such as foundation and concrete pier work, access roads and tailing ponds is completed or underway.

Weather permitting, transport to the site is possible by aircraft that land on the gravel strip or the lake itself. Ground transport is only possible between early January and mid-April by a winter road.

At the other end of North America, Terra owns an interest in several mineral concessions in the State of Sonora through a 49% interest in Cia. Minera de Minas Nuevas, S.A. de C.V. ("Minas Nuevas"). The main holdings are a silver prospect in the Alamos area and a gold prospect in the Las Minitas Area.

Terra also acquired a 4.2% working interest in the Strachan Leduc D-3 gas unit -1 from Aberford Resources for a total cost of \$8.3 million. This agreement will yield \$3 million, net of all expenses, to Terra's treasury over the next six years.

The shares of Terra presently trade on the VSE and TSE with the symbol TER and on NASDAQ with the symbol TMEX.

At the end of December, 1984, Terra Mines Ltd. announced it has made arrangements for \$2,500,000 of debenture financing, which will significantly improve the company's working capital position. This improved financial condition will enable the company to focus increased attention on the continuing exploration of the Bullmoose Lake gold property.

**Rea Gold
Drilling Creates Excitement
In Adams Lake**

The Adams Lake Massive Sulphide property, located 40 miles northeast of Kamloops, B.C. has seen considerable exploration activity over the past two years and, more particularly, within the last two months.

Recently, Rea Gold and Corporation Falconbridge Copper ("CFC") renegotiated their initial option agreement to the satisfaction of both parties. Rea Gold now owns one hundred percent of the "Discovery Zone" concession which contains the existing ore bodies (150,000 tons averaging .430 oz/ton gold, 3.5 oz/ton silver, .60% zinc, 3.10% lead and .70% copper, having a gross mineral value of \$42,500,000 Cdn.) CFC now has an option on the remaining ground to earn a one hundred percent interest with Rea Gold having the option to back-in for a thirty percent interest upon a production decision.

Rea Gold is currently drilling within their Discovery Zone concession where a new Massive Sulphide Zone measuring a minimum of 100 feet by 300 feet has just been discovered. This Zone is open to the

north and east as well as up and down dip. The discovery hole within this Zone averaged .327 oz/ton gold, 4.82 oz/ton silver, 6.21% zinc, 4.94% lead and 1.17% copper. Six additional holes have been drilled into the Zone, averaging from 5 feet to 17 feet in width.

The new Massive Sulphide ore-body will greatly enhance existing reserves on the Discovery Zone concession.

Preliminary Bio-leach metallurgical testing of the existing ore-bodies has indicated an 85% recovery can be expected in precious metals.

Rea Gold has currently completed 4,000 feet of diamond drilling and expects to complete a total of 10,000 to 12,000 feet by mid-February of this year.

CFC have completed approximately 25,000 feet of diamond drilling, mostly in the Discovery Zone over a strike length of approximately 3,000 feet which is open to the northwest and the Silver Zone which has a strike length of 10,000 feet and is open to the northwest and southeast. Of the 16 holes drilled in the Silver Zone along 8,200 feet of strike, 14 encountered significant mineralization. The holes averaged from .001 to .140 oz/ton gold, .30 to 14.62 oz/ton silver, .05% to 5.14% zinc, .08% to 2.30% lead and .01% to 1.01% copper over widths from 3 to 11 feet.

RG-55 was drilled on the edge of a 1300 foot geophysical anomaly which is trending northwest and averaged .058 oz/ton gold, 1.56 oz/ton silver, 2.69% zinc, 1.00% lead and .31% copper over 3'-4". CFC plan follow-up drilling on the anomaly early in 1986.

The Rea Gold/CFC Massive Sulphide properties have a potential for proving up

several million tons on the two known zones of mineralization.

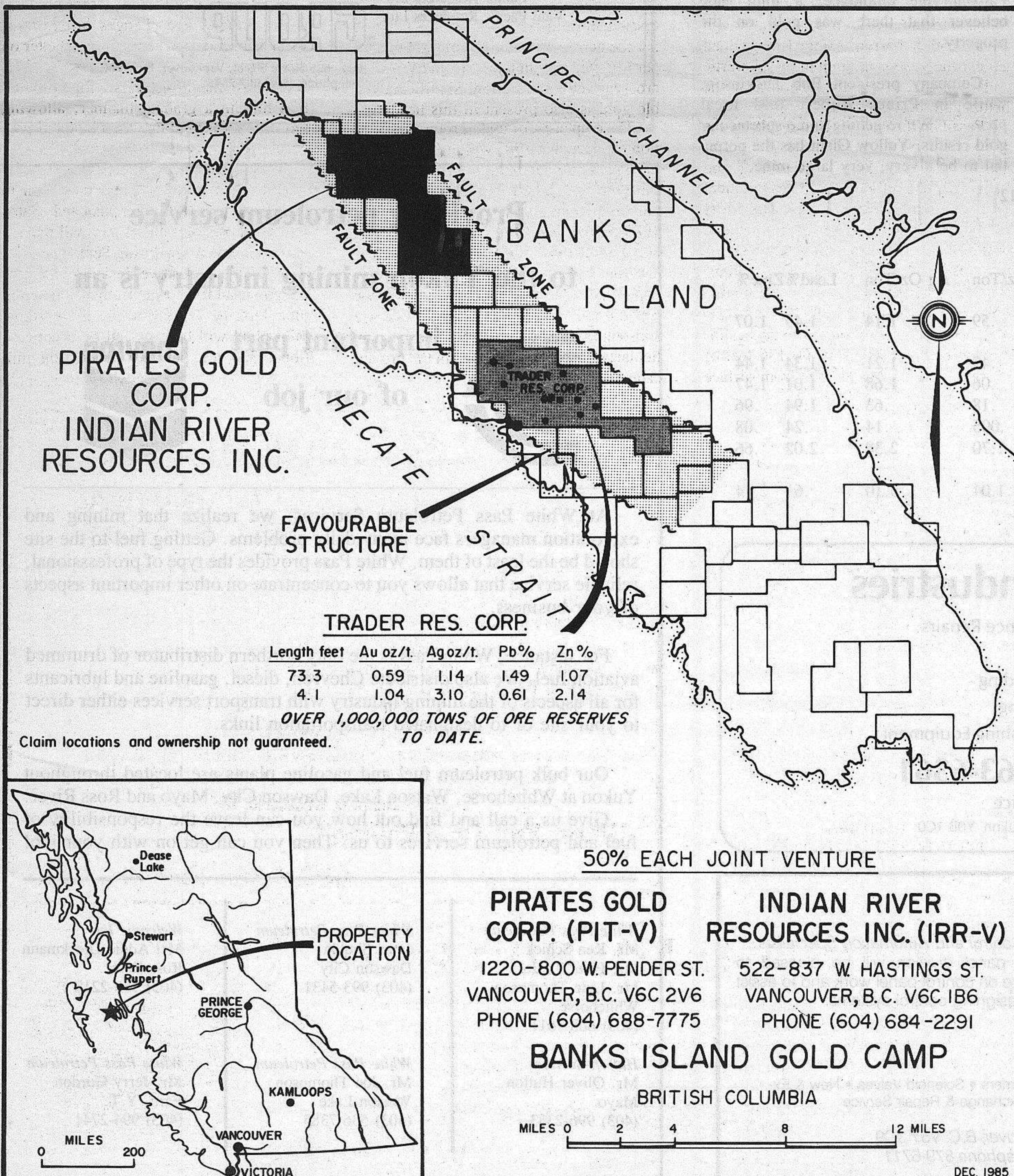
B.V.O. CLAIMS - ARIZONA, U.S.A.

The B.V.O., Arizona, gold/silver property is a 56-44% joint venture with Lincoln Resources Inc. Drilling of 70 holes has a drill indicated tonnage of 267,250 tons averaging .15 oz/ton gold and 1.95 oz/ton silver. The joint venture is currently seeking a joint venture partner to finance additional exploration work.

BELLAVISTA/MONTEZUMA PROJECT, COSTA RICA

Rea Gold owns a 16% interest in Midland Energy Corporation, which company has a 60% interest in the Bellavista/Montezuma mine in Costa Rica. Rea Gold is also the operator of the project where exploration has proven up the following tonnage by underground drifting and cross-cutting:

- Proven* - 367,700 tons grading .191 oz/ton gold
- Probable - 58,964 tons grading .316 oz/ton gold
- Inferred - 2,381,778 tons grading .400 oz/ton gold
- *Includes 160,000 tons of open-pit mineable reserves averaging .160 oz/ton gold.



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