

FR: Ren
To: Dave
Demi



676439

82FNW 071

VANCOUVER STOCK EXCHANGE TRADING SYMBOL: "IAR"

600 - 700 WEST PENDER STREET, VANCOUVER, B.C. V6C 1G8

PHONE (604) 682-4488 FACSIMILE (604) 682-8728 E-MAIL: islandarc@island-arc.com

NEWS RELEASE

PROPERTY ACQUISITION

February 4, 1997

News Release Number 01-97

Island-Arc Resources Corp. has, subject to regulatory acceptance, completed a letter of intent with Geofine Exploration Consultants Ltd. (the "Vendors") to acquire an option to acquire a 100% interest in the Todd Creek property situated in the Stewart gold-silver camp in north-western British Columbia.

The property, comprising 430 units covering approximately 135 square kilometres is situated to the east of the Premier Mine and north of the Red Mountain property, owned by Royal Oak Mines Inc. which has geological reserves of 3 million tons averaging 0.262 ounces per ton gold.

The property encompasses a number of significant gold-copper and base-metal showings, associated with large alteration zones similar in nature to the alteration at Red Mountain. Host rocks are andesitic flows, pyroclastics and associated rocks of the Upper Triassic to Lower Jurassic Unuk River Formation within the Hazelton Group. In addition, rocks of the Mt. Dilworth Formation and Betty Creek Formation may be present. A number of intrusive feldspar porphyry bodies cut the volcanics, and circular magnetic features may indicate underlying intrusive bodies. The zone of intrusives and associated alteration and mineralization appears to be a north trending feature bounded on the west by the American Creek fault and on the east by an un-named north-trending fault.

Work had been done on the property as early as 1959 by Newmont, later by Amax, and finally in 1986 by Noranda Exploration, who drilled three zones. Many showings, particularly the large alteration zones are as yet untested by surface trenching or diamond drilling.

The **Amarillo Zone** is a large alteration zone on Orange Mountain with a pronounced gossan anomaly resulting from iron oxide, (jarosite), quartz, pyrite, barite, sericite alunite and clay. This zone has an associated potassium channel radiometric anomaly and a Au-Ag-Pb-Zn-Cu-Cd-As-Ba anomaly in soil and rock which has not previously been trenched or drilled. Boulders of pyrite and barite are present as are stockworks and lenses of quartz-barite. The strong base-metal anomalies, based on similar zonation in the Stewart camp, are thought to be indicative of proximity to gold mineralization.

The North or A zone in the central part of the property flanking the large Orange Mountain potassic radiometric anomaly was an original Newmont discovery where surface mineralization of copper and gold gave trenching results up to 3.8 g/t gold over 14 metres. Noranda and Goldneve Resources Inc. tested this zone with IP and by eleven short drill holes totalling 1,266 metres. In trenches, the A zone is seen to be up to 30 metres wide and has been traced over a strike-length of 330 metres (1,100 ft). A number of drill intersections are as follows:

- 6.21 g/t gold and 0.60% copper over 1.75 m.
- 3.43 g/t gold and 0.73% copper over 1.70 m.
- 3.95 g/t gold and 0.22% copper over 2.00 m.
- 2.83 g/t gold and 0.58% copper over 1.95 m.
- 3.47 g/t gold and 0.75% copper over 31.85 m., including:**
 - 14.47 g/t gold and 2.06% copper over 5.95 m.

This zone has a number of immediate drill targets.

North B Zone is a quartz vein stockwork system with surface values up to 9.53 g/t gold and 0.35% copper over 1 metre. Additional mineralization has been traced to the south and north, with surface values up to 5550 ppb gold and up to 6% copper. One massive sulphide boulder assayed 4490 ppb gold and 6.03% copper. No trenching or drilling has been done on this zone.

Fall Creek and Ice Creek Zone: IP and soil geochemistry outlined an anomalous area measuring 900 metres x 450 metres. Noranda completed 4 drill holes totalling 368 metres on this zone. Mineralization is associated with quartz-sericite pyrite zones, quartz-pyrite-chalcopyrite-barite veins and stockworks. Significant intersections included:

- 6.72 g/t gold over 1.45 m.
- 12.10 g/t gold over 1.25 m.
- 2.73 g/t gold and 0.59% copper over 13 m., incl.:
 - 5.41 g/t gold and 0.50% copper over 5.25 m.
- 4.34 g/t gold over 2.00 m.
- 3.94 g/t gold over 7.90 m., incl.:
 - 4.71 g/t gold over 4.75 m.

In 1990, Goldneve Resources tested a number of IP targets with 10 shallow drill holes. Intersections included 1.35 g/t gold over 15.35 metres, including sections which assayed 5.18 g/t gold and 2.44% copper over 1 metre and 3.50 g/t gold and 3.72 % copper over 1 metre.

Yellow Bowl zone is a large pyritic sericitic alunite and jarosite altered zone in sulfidized felsic volcanics. Mineralization consists of east-west and north-west trending quartz-pyrite +/- chalcopyrite veins. Many of the rocks sampled have anomalous base metals and gold values up to 1678 ppb. There is a strong arsenic-gold correlation. Limited chip sampling

returned up to 1.67 g/t gold over 1 metre. The zone has never been trenched or drilled.

Many other mineralized zones have received only limited exploration. Some of these are as follows:

Ridge Showing: Pyrite, chalcopyrite and malachite over an area of 300 x 200 m. in basic volcanics, strongly altered.

Knob 1 Showing: Chalcopyrite zones in a prominent gossan

Northeast Zone: Barite quartz-galena vein cutting a feldspar porphyry. Little sampling done.

American Creek Zone: Headwaters of American Creek. Little sampling, but float up to 262 ppb gold. Silt sample 90 ppb gold. A separate showing of copper mineralization in rhyolite. Other areas exist with strong arsenic-antimony anomalies, and base metal anomalies.

Many other completely un-tested alteration and mineralized zones exist on the property, including two alteration zones freshly-exposed by receding glaciers; in total at least 12 separate showings.

In 1994, the Vendors spent about \$200,000 on the property, taking 665 samples and documenting the numerous zones. The Vendors participated in the discovery of the Golden Patricia gold-exhalite and Red Mountain properties.

The Company can earn its 100% interest in the Todd Creek property by making payments totalling \$200,000 and completing a work commitment of \$850,000 over 4 years. The vendors have 100% interest in the 430 claim units. They will retain a 2% NSR which can be bought out for \$2 million.

Island-Arc is planning an initial comprehensive program of data compilation, ground geophysical surveys, trenching, mapping and sampling prior to selecting and prioritizing drill-targets.

ON BEHALF OF THE BOARD OF DIRECTORS OF
ISLAND-ARC RESOURCES CORPORATION

"Kim M. Phillips"

Kim M. Phillips
President