

Laramide Resources Ltd.

*Participating in the development
of the Lara project, a gold-rich base
metal deposit on southern Vancouver
Island, British Columbia.*

After operating for five years as a private British Columbia mineral exploration company Laramide has completed its first public financing and is now listed on the Vancouver

Stock Exchange. This will give the company access to a wider range of opportunities to finance its exploration and development program.

The company presently has interests in five active mineral exploration projects with an emphasis on precious metals. The company's core asset is a 35% interest in the Lara project located near the Town of Duncan on southern Vancouver Island. This is a layered precious metals-rich base metal deposit within the Sicker Volcanic Formation and has geological potential for large tonnages.

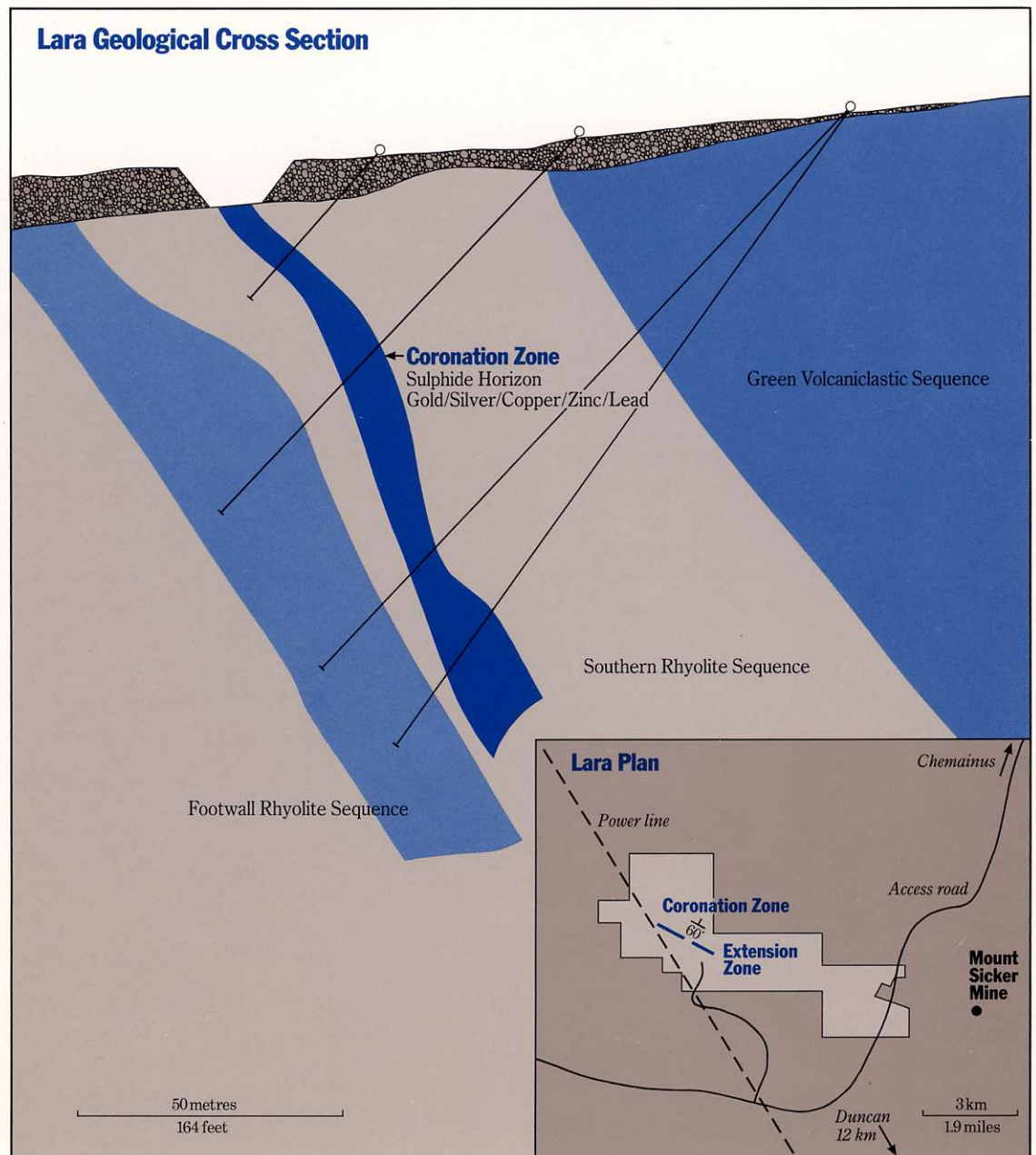
To date more than 46,000 ft. of diamond drilling has been completed and there is near-



term production potential, subject to further drilling and the necessary feasibility and engineering studies.

The following is a background and progress report on the Lara as well as the Company's other currently active projects.

Cross section of the Coronation Zone through the discovery area showing the regular layered nature of the metal-bearing sulphide bed which has been traced along strike by diamond drilling for more than 5000 ft. and to a depth of 500 ft. In this geological setting there is considerable potential for establishing important commercial reserves.



Lara Mineralization



High grade, banded massive sulphide "black ore" from the Coronation Zone, which assays 3.04% Cu, 8.30% Pb, 43.01% Zn, 14.98 opt. Ag and 0.72 opt. Au and is 11½ feet thick in a recently exposed surface pit.

It is expected that lenses of this material within the mineralization bed can produce average mining grades that are significantly higher than those presently indicated by diamond drilling.

The Lara Project

A History

Laramide Resources acquired the Lara property by staking in 1981 based on the recommendation of geologist, Gary D. Belik.

At that time there were no known mineral occurrences in the area; however, it was underlain by a favourable rhyolite formation of the Sicker volcanic group which was largely covered by glacial drift. After carrying out some preliminary geological work, Laramide entered into an exploration agreement with Abermin Corporation in 1982. In late 1984, after spending \$.5 million on exploration work, Abermin discovered, by drilling, important gold and silver-rich copper-lead-zinc mineralization.

Since that time more than 46,000 ft. of

More than 46,000 ft. of diamond drilling has been completed on the Lara property since late 1984.

Looking northwest across the Lara property, the gently sloping terrain and a high voltage power transmission line can be seen.



diamond drilling has been completed indicating steadily improving potential for a commercial ore reserve.

In 1985, after Abermin had spent \$900,000 on the Lara property, Laramide elected to participate in the project by funding a 35% interest in on-going costs. Laramide made this election rather than choosing a 20% interest carried to a production decision because of the exceptional geological potential for developing large tonnages of gold and silver-rich base metal ore. This potential is enhanced by the location of the

The first surface exposure of high-grade material in a pit on the Coronation Zone was examined and sampled in early August 1986.



property which will allow for low cost mining operations.

Laramide enjoys a good working relationship with Abermin, the project operator, in pressing forward with a well-planned, aggressive exploration programme.



Work to Date

The first phase of 1986 drilling has been completed on the company's precious metals-rich base metal prospect near Duncan, B.C. Twenty-five diamond drill holes totalling 17,300 ft. were bored in May, June and July.

The objective of the drilling programme was to explore in reconnaissance fashion along strike and in parallel zones rather than detailing the limits of known mineralized zones. Five significant drill intersections were returned:

Hole	True W Ft	% Cu	% Pb	% Zn	Ag opt	Au opt
86-77	5.5	.48	2.24	6.56	4.95	.172
86-78	5.3	.51	0.07	3.37	0.68	.047
86-80	9.8	1.26	2.48	5.87	3.17	.132
86-85	5.6	1.50	0.66	9.72	5.49	.159
86-94	19.8	0.15	0.49	1.07	2.52	.081

Holes 78, 80, 85 represent a 1,300 ft. extension to the east, of the mineralized horizon, and hole 94 a 700 ft. extension to the west. Hole 77 was a deep stratigraphic test that passed through the upper part of the Coronation Extension Zone.

The mineralized horizon has now been traced for a distance of 5,000 ft. along strike and to an average depth of 500 ft. Twenty-two drill intersections have defined several potential orebodies which will require further detailed drilling and underground work before mining limits can be established.

High-grade material has been exposed in a pit at surface for the first time. The pit is located on the Coronation Zone in the vicinity of Hole 36. Massive sulphides in the bottom of the pit average 3.04% Cu, 8.30% Pb, 43.01% Zn, 14.98 opt Ag, .72 opt Au across a width of 11.5 ft. This section is higher grade than any drill hole and emphasizes the concept that mining grades will probably be higher than those indicated by drilling.

The average grade of 22 significant drill intersections is .75% Cu, 1.0% Pb, 4.5% Zn, 2.8 opt Ag and .12 opt Au. This material is contained within a rhyolite panel 5,000 ft. long x 500 ft. high and has an average thickness of 12 ft. There is considerable scope for expanding this resource within the favourable rhyolite formation, down dip and along strike, and in parallel horizons.

Surface work which includes stripping, mapping, prospecting and geophysics is now in progress and it is expected that diamond drilling will resume in September. About 15,000 ft. of drilling is planned.

Production Potential

To date 98 exploratory diamond drill holes totalling about 46,000 ft. have been bored on the Lara property. Twenty-two of these drill holes have returned intersections of potential commercial grade and thickness in two to four mineralized zones. Further definition drilling will be needed before meaningful ore reserve calculations can be made; this would be followed by test mining as well as feasibility and engineering studies.

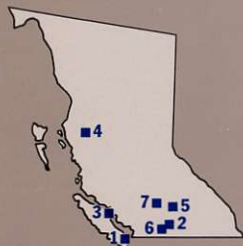


Access to the property is by means of a well-maintained gravel road which connects with the main highway near the village of Chemainus.

Geologically there is very good potential for confirming sufficient tonnage for a 500-1,000 ton-per-day mining operation with gold and silver providing more than 50% of the net commercial return. A low-cost efficient operation is envisaged because the property is located very close to community, power and shipping facilities. Furthermore, drill core intersections generally suggest favourable underground mining conditions and there are no carried interests in any future production.

The company looks forward to a continued aggressive exploration and development programme on the Lara project.

Other Laramide Projects



- 1 - Lara
Gold/Silver/Copper/Zinc/Lead
- 2 - Snowflake
Gold/Silver
- 3 - Quadra Island
Gold/Silver/Copper/Tungsten
- 4 - Kitimat
Gold/Copper
- 5 - Cannell Creek
Gold
- 6 - Sadim
Gold
- 7 - Oregon Jack
Copper/Zinc

Quilchena Resources Ltd.

Laramide owns 50% of Quilchena which has its Snowflake gold property located at Aspen Grove, B.C. optioned to Lornex Mining Corporation.

Lornex has completed a geophysical survey and six diamond drill holes totalling 1,900 ft. The best core intersection was 6.6 ft. averaging .13 opt Au, .65 opt Ag and 2.1% Cu. This section is geologically similar to the discovery hole which averaged .55 opt Au and 6.6 opt Ag over a core length of 10 ft. Further drilling is needed to explore the target area which has a strike length of 2,600 ft.

Nation River Resources Ltd.

The company owns 20% of Nation River which has recently acquired a property on Quadra Island located northeast of Campbell River, B.C.

Ten surface samples taken from a skarn-sulphide zone on the property

averaged 2% Cu, .1 opt Au, .9 opt Ag and .08% W across a width of 33 ft. Geological mapping, sampling as well as a geophysical survey are now in progress in the area of the mineralized outcrop.

Other Projects in Progress

Exploration opportunities are presently being investigated in the Red Lake and Kenora Districts of Ontario. Negotiations are in progress to farm out the company's Kitimat claims, and it is expected that diamond drilling will commence on the company's Cannell Creek gold prospect in the near future.

Financial

Laramide now has \$650,000 in working capital and flow-through funds and is well positioned to pursue its 1986 programme and make plans for 1987.

Corporate Information

Directors:

Albert F. Reeve
Jurgen T. Lau
R. James Kirker
William Wolodarsky
Gary R. McDonald
John W. Stollery
Duncan M. Stewart

Officers:

Albert F. Reeve
President
Annikki Puusaari
Secretary

Auditors:

Coopers & Lybrand
Chartered Accountants
Vancouver, B.C.

Solicitors:

Bull, Housser & Tupper
3000 Royal Centre
1055 West Georgia Street
Vancouver, B.C.
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Records & Registered Offices:

3000 Royal Centre
1055 West Georgia Street
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Principal Shareholders:

Canada Northwest Energy Limited	34%
Exaton Resources Ltd.	14%

Listing:

Vancouver Stock Exchange
Symbol: LAM

Management

The exploration activities of Laramide are directed by Albert F. Reeve, a geologist with 24 years of mineral exploration experience.

Recently, Mr. Reeve managed a programme of exploration, mine development and feasibility studies to bring the Blackdome gold-silver mine to a production decision in 1985. This mine, located in southern B.C., achieved successful commercial operation in May 1986.

Mr. Reeve is supported by an experienced administration and technical staff and a board of directors with a strong natural resource background.



(Left to right) P. Duquette, prospector; A. Puusaari, administrator; A.F. Reeve, president; T. London, receptionist.

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