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**Vananda Gold Ltd.**

News Release

February 28, 1991

**Phase one of 1991 Texada Island copper-gold mine development underway**

**Phase one to expand Little Billie mine tonnage**

After a two year hiatus during which a precise geological model has been developed for the gold-rich Texada Island mining camp, phase one of the 1991 Texada Island project is now underway. This phase is to initially consist of diamond drilling at the Little Billie mine with the goal of outlining further copper-gold tonnage and resuming operations at the mine.

At least 4,000 feet of drilling is to concentrate on the new orebody discovered in 1988 by Freeport McMoRan Gold Inc. The current program is being directed by Mr

Charles Forester. Mr Forester was the senior project geologist for Freeport during the gold mining major's successful 1988 exploration program.

<i>Stock Exchange Listing</i>	<i>Vancouver Stock Exchange</i>
<i>Shares Issued (Jan 91)</i>	<b>4,000,000</b>
<i>Share Price (Feb 27, 1991)</i>	<b>\$0.55</b>
<i>Project Location</i>	<b>Texada Island, BC, Canada</b>
<i>US 12g3-2 Exemption</i>	<b>#82-1883</b>

**World class 1951 discovery to be tested**

During the 1988 program, the best drill intersection of only six holes drilled into the discovery orebody averaged 0.82 oz/ton gold and 1.5% copper over 16.7 feet. This initial program will also diamond drill the yet-to-be-tested 1951 discovery zone where underground drilling returned an intersection averaging .22 oz/ton gold and 1.76% copper over 76.7 feet. This phase is expected to be completed by this April.

**Phase two to test new zone for million ounce gold potential**

Phase two will begin this May and will focus on the Florence Security ground which, according to the geological model developed, has the potential to contain a multi million ton copper-gold orebody. This phase is to consist of at least 30,000 feet of diamond drilling which will concentrate on a large 2,200 foot by 65 foot zone, which contains almost continuous gold-bearing sulphide-rich skarn. According to recent studies, including petrology and geochemical studies made possible by over \$2,000,000 worth of exploration on the property, this area has important similarities to the Minnie Tomboy and Copper Canyon deposits in the Battle Mountain district of Nevada. The copper Canyon deposit hosts over 1.5 million ounces of gold.

For further information please contact our Vancouver office.

Stanley L. Beale, President



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THE CANADIAN  
PENNY STOCK  
NEWSLETTER

#181  
Mar. 5, 1991

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P.O. BOX 49333, FOUR BENTALL CENTRE, VANCOUVER, B.C., CANADA V7X 1L4



## ...MARKET WATCH...

### VSE: 525

Vancouver bottomed out in November, moved sideways for 3 months and has since begun moving upwards in the last 3 weeks after reaching a low of 492.

There is nothing like good promotion and the potential of a major discovery to make the market jump. Our leading promoter, Murray Pezim, is at it again. He may have another major discovery in north western BC, just west of his Prime Resources discovery at Eskay Creek. This time its in the Iskut River area. Work by other companies in the area has shown vein structures, but the new drilling of his Eurus/Thios Resources joint venture has 9 holes in massive sulphides, host formation of the Eskay deposit.

As a result other companies in his stable that have properties in the area (or will have) began to move up: Cons. Bel-Air, Magenta, Crest, West Sea and Canadian Eagle. Other stocks in his stable of 55 companies also got busy for various reasons, like Adrian and Goldnev.

As a result of this activity other promoters became active (co-incidentally, perhaps?) and the VSE's volume improved from 9,000,000/ day to 15,000,000/ day.

This kind of activity should create a 4 month bull market for the VSE as companies take advantage get financed. Then as the summer drilling activity is underway, the stocks move lower or stagnate until an interesting hole or two is discovered and a new flurry of activity gets underway.

NOTE: Call us, for a complete list of Pezim's companies.

### NEW YORK: 2920

It sure smells like a bull market but so does a bear market rally even as strong as this one. "V" formation in charts is notoriously seductive. As the prices move up towards the previous high, the bulls are rampant. Then, suddenly, they turn and head south rapidly.

If we have a brand new bull market, the proof will be in where the inevitable retracement or correction will stop. If it stops above the previous low of 2350 and then moves past the 3030 all time high of July 1990, then we have a new BULL.

Remember, however, that by the time we are confident of a new market, we will be more than 1/3 into that market. ...as of Feb. 19, 1991

### ...UPTRENDS LAWS AND COROLLARIES....

- |                                        |                                                                                                                                                     |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Take a profit when it is available. | Paper Profits are only good for bragging.                                                                                                           |
| 2) Avoid GREED!                        | Don't be stubborn: Sell!                                                                                                                            |
| 3) Don't marry a stock.                | The more you rationalize, the more you lose.                                                                                                        |
| 4) Know yourself.                      | Ignoring your strengths/weaknesses in decision making leads to disaster.                                                                            |
| 5) Make your own decisions.            | Your broker is knowledgeable but far from perfect.                                                                                                  |
| 6) Have a BUY/SELL plan.               | Know your upside/downside targets and their risks. Use the Return Rule: Once in a profit position never let the stock drop past the purchase price. |
| 7) Take a profit on a quick rise.      | Sell into a strong rally or keep a mental, moving downside sell target for profit taking.                                                           |
| 8) Think profit in % terms.            | A 50-100% profit can be expected depending on the price of the stock.                                                                               |
| 9) Be patient.                         | Of course, but no more than six months.                                                                                                             |

## ...NEW SELECTIONS...

### BONAVENTURE RESOURCES LTD....(BOC-VSE)....\$0.45

Question: What common substance has over 800 end uses?  
Answer: Calcium carbonate or limestone.

...Aptly named Bonaventure has embarked on a new route that could lead to it earning \$2,500,000 (before tax) a 5% interest in a 10.5 hectare limestone deposit in Mexico (Baja) 7 km from the US border...this property has been in production for 37 years...

...BOC can acquire another 45% for \$2,750,000 in cash and/or shares (up to 10,000,000 shares)...the property is being drilled to extend reserves (presently 2,250,000 tons), possibly to 20,000,000 tons...production is increasing to 1000 tons/day (from 200 tons) which should increase further by next year...

...location is all important for this high quality...BOC will service the southern Californian market which only has two other viable deposits...it will be able to produce calcium carbonate cheaply and at very competitive prices. ...Depending on grade, the product can be sold at between \$40 and \$120/ton...

...Limestone is necessary in processes requiring both calcium and carbon dioxide as a step to the production of the final product. Some of the major industries utilizing limestone are; construction (cement, plaster, glass, roofing, rock, wool, insulation, fibreglass), paper, metallurgical, mining, steel, animal food supplements and other industries.

It is also used as a mineral filler acting as an extender and filler in paints, plastics and pharmaceutical products. Limestone is used extensively as a soil treatment in controlling acidity as well as neutralizing industrial and other waste effluent.

...The company has identified its principal target markets by end users such as manufacturers of glass, sugar, chemicals, paper and other construction products, and companies requiring construction aggregates. The initial focus will be on the mid-range (\$30 to \$60/ton) value products and later on will expand to the high-value, low volumes, ultra-fine products that are used as fillers and extenders (\$60 to \$120/ton), and also into low value, high volume coarse products for the construction, aggregate, and cement industries.

...additional consumers will include agricultural users (feed supplements and soil conditioners) and users in the pollution control industry.

...Lastly, a new use has been identified under the new Clean Air Act (US)...sulphur has to be cleaned from the coal burning plants...so far every 10 tons of coal burned 2 tons of calcium carbonate is needed to scrub the toxic sulphur (acid rain producer)...

...Bonaventure is on the verge of some excellent and profitable times...

INFORMATION: CONTACT: Mr. Doug Norman,  
Investor Relations  
(604) 688-2802

or Mr. Brent Soleway or Nelson Dasilva

BUYING RANGE: Best below \$0.90

OFFENSE:...move has started...needs daily volume of 30,000+ to sustain it...first target is \$1.25 ...then the \$1.75-\$2.00 range.

DEFENSE: Sell below \$0.30

MOVING AVERAGE: Positive

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Graphs courtesy of Independent Survey Co., Box 6000, Vancouver, B.C. V6B 4B9

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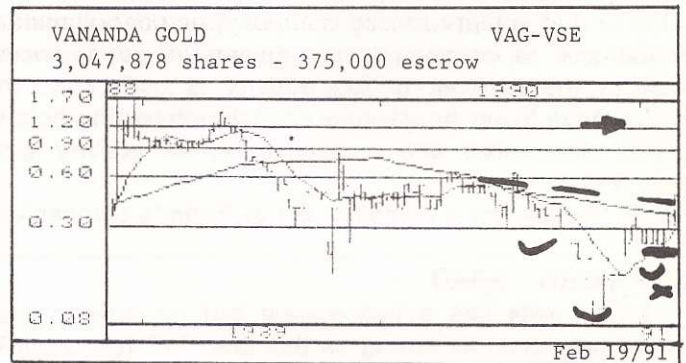
**VANANDA GOLD.....(VAG-VSE).....\$0.45**

"The Vananda Gold Texada property is one of the best copper-gold skarn exploration targets in the province of British Columbia. The most spectacular targets share important geological similarities to the 12,000,000 ton Fortitude Mine in Nevada."

...Art Ettlinger, Ph. D., F.G., A.C.

...Drilling has started on this exciting exploration program on Texada Island, 75 miles north west of Vancouver... previous drilling in 1988 indicated 170,000 tons of .21 oz gold/ton with 1.5% copper...excellent results were achieved like 16' of .82 oz gold and 2.98% copper and 8' of .41 oz gold and 5.92% copper at the Little Billie site..present drilling hopes to extend the tonnage to 500,000 tons at this site alone...only 4000' of drilling should be needed to improve the tonnage.

...The second program will be to hopefully outline a large copper-gold skarn deposit on another part of the property...the third is to explore the hydrothermal system similar to the massive Texada Iron Mine skarn...



...Texada Island has known mining for most of this century...The northern part of the property contains the former small producers: The Little Billie, Marble Bay, Copper Queen and Florence Security Mines.

...Much work was done in the last two years by Freeport McMoRan Gold, Vananda's joint venture partner... however this joint venture is now discontinued because its parent Freeport McMoRan Inc, pulled out of Canada, leaving Vananda with the total project...

...As a result, VAG now has a complete geological model of the area...another 30,000 feet of drilling is planned for this year in the Florence Security Zone where sampling gave results of .69 oz gold with 1.39% over 4.5' in a sulphide zone of 2200' by 65'.

...The Vananda property includes a complete mining town infrastructure that is easily accessible...all it needs now is some more good luck and Texada again could have a copper - gold producer in the next 2-3 years...

NOTE: A private placement of 750,000 shares was done at \$.17 in December....

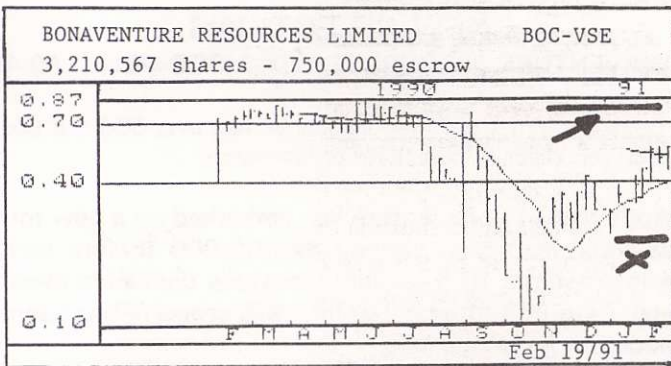
INFORMATION: CONTACT: Mr. Stan Beale, President (604) 688-0323

BUYING RANGE:...best below \$.70...

OFFENSE:...first move has been underway...40,000 + daily volume will sustain it...first target is the \$1.00 = 1.20 range...then \$1.75 is possible...

DEFENSE: Sell below \$0.30

MOVING AVERAGE: Positive.



**WEST-MAR RESOURCES....(WSM-VSE).....\$0.20**

...West-Mar has an inventory of mining properties and has just entered the horizontal oil drilling business in Texas.

...Drilling is underway on the Lewis #1 horizontal re-completion in Burlson County, Texas...the well will drill 300' lower and then 2000' horizontally...the operator is Tri Stellar Inc of Houston...

...West-Mar has a 6.25% working interest or 4.875% net revenue interest until 125% payout when it becomes a 3.75% net revenue interest...a 500 barrel producer could create about \$10,000/month revenue to the company... WSM also has the right to participate in 2-4 other horizontal "off-set" wells...

...The company also owns a well located property in the Eskay Creek area in north west BC 5 miles west of the Prime Resources/Stikine major gold discovery...drilling it also has the Nimpkish Prospect on Vancouver Island which is 60 miles north of Westmin's Buttle Lake Mine... WSM's property has drill indicated 100,000 tons of 1.69% copper, 3.7% lead, 12.5% zinc and 1.88 oz silver...it has had \$600,000 spent on it...the company is looking for a joint venture partners in order to increase reserves...

...West-Mar also has gold/copper/silver prospect in the Goldbridge area of central BC and another in the Yukon...

...at the moment, however, the company is pinning its hope on horizontal drilling...VSE companies have been fortunate so far in their involvement in such programs...4 out of 5 companies made significant discoveries in the 15 months.

...Let's hope West-Mar is the fifth lucky company.

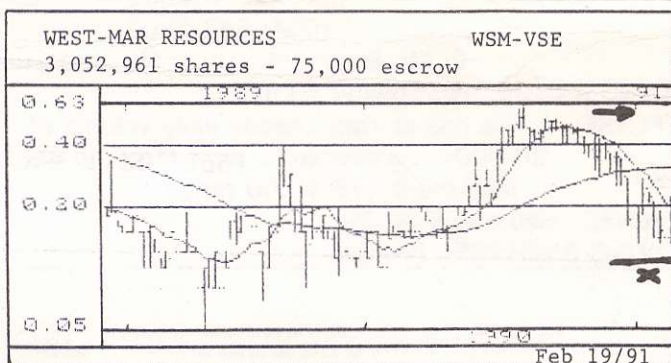
INFORMATION: CONTACT: Mr. Fred Marehard, President (604) 669-8912

BUYING RANGE: Best below \$0.40...is under accumulation.

OFFENSE:...has started to move...daily volume of 30,000+ is needed to maintain it...first target is \$0.55...then \$1.00.

DEFENSE: Sell below \$0.10

MOVING AVERAGE: Positive





March 20, 1991

NEWS RELEASE

SIGNIFICANT RESULTS AT THE LITTLE BILLIE

Diamond drilling at the Little Billie Mine's 1951 zone has intersected significant copper gold mineralization. The following holes were designed to expand the tonnage and grade of the 1951 zone which extends downwards from the sixth and lowest level of the mine. These results expand the tonnage and dramatically increase the copper-gold grade of this zone and are as follows:

INTERSECTION	LENGTH	Au (oz/ton)	Cu (%)
Drill hole #T91-32			
166.0 - 168.2	2.2m (7.2 feet)	0.149	1.84
204.7 - 206.7	2.0m (6.6 feet)	0.823	1.94
213.0 - 233.8	20.8m (68.2 feet)	0.289	2.45
including			
213.0 - 227.2	14.2m (46.6 feet)	0.384	3.04
Drill hole #T91-33			
221.7 - 227.4	5.7m (18.7 feet)	0.372	3.12

The ore is bornite-chalcopyrite found within wollastonite skarn material. The current market price for wollastonite is approximately \$200.00 per ton. Wollastonite has many uses including paint fillers and as a safe alternative to asbestos. The Company is currently assessing both the wollastonite tonnage and its marketability. The Texada property has a complete industrial mineral mining infrastructure.

Drilling of the fifth hole, a 40 metre stepout east of the Billings zone is expected to be completed by this Friday. Previous drilling at this zone included T88-3 which intersected 16.7 feet grading 0.82 oz/ton Au, 2.16 oz/ton Ag and 2.98% Cu and T88-4 which intersected 15.1 feet of 0.508 oz/ton Au, 1.57 oz/ton Ag and 2.6% Cu.

On behalf of the Board

Stanley L. Beale, President

The Vancouver Stock Exchange has neither approved or disapproved the contents of this news release.



# YORKTON

NATURAL RESOURCES

FOR INTERNAL USE ONLY

**TO:** ALL BRANCHES/CIRC TO ALL RR's  
**FROM:** Doug Leishman, Research (Vancouver Branch)  
**DATE:** March 20, 1991  
**RE:** VANANDA GOLD LTD. (VAG VSE) Close March 19th \$0.50  
3.045 million shares o/s, 3.5 million fully diluted

Vananda Gold Ltd. has just released their latest drill results for their Texada Island project which is a copper-gold skarn play. Drilling is being completed in the area of the Little Billie Mine which had a recorded production of 70,000 tonnes grading 0.166 opt gold and 1.29% copper in 1951. Based on previous work a "geological resource" of 155,875 tonnes grading 0.230 opt gold and 1.89% copper was estimated to lie under the mine at the 600 Level. The objective of the current program is to upgrade this "geological resource" to a proven or probable category.

Hole T91-31 tested the target approximately 40 metres below the 600 Level and intersected 0.230 opt gold and 1.83% copper across 7.7 metres.

Results released today included drill hole T91-32 which intersected the target area at a depth from 5 to 30 metres below Level 600 and above T91-31. Three intersections were cored in T91-32 and included two intervals below the old workings. These were 2 metres of 0.823 opt gold and 1.94% copper and 20.8 metres of 0.289 opt gold and 2.45% copper.

Results from T91-33 drilled on a section 25 metres north of the above yielded 5.7 metres of 0.372 opt gold and 3.12% copper.

The significance of these assay results are that they indicate overall grade of the "geological resource" may be considerably higher than expected. It also indicates the chance to upgrade the "geological resource" to a proven or probable category is likely.

Currently Vananda are completing the 5th and final hole of this phase of the program. They anticipate a brief hiatus (7 to 10 days) while they review all assay results. The discovery of other lenses or zones of highgrade mineralization in the vicinity of the present drilling could result in the dewatering of the Little Billie mine for a more aggressive program of underground exploration. There are other target areas within their claim group to be drill tested.

I anticipate a sharp upward movement in the stock price upon the dissemination of the news regarding these latest assay results. For the risk orientated investor I recommend the purchase of Vananda Gold Ltd. from between \$0.50 to \$0.70 per share in anticipation of a much more aggressive program of exploration and development of their Texada Island property.