

**RESUME OF EXPLORATION WORK CARRIED OUT BY  
KINGSVALE RESOURCES LTD. IN 1987 ON THE  
VIC GOLD PROPERTY**

To date the Company has completed a programme of road building, geological mapping, soil sampling (2300 samples), trenching (backhoe 1100 feet), prospecting and rock sampling. The claim block was increased in size from 72 units to 90 units.

Gold values in the one known vein were confirmed and ten new veins were located. Four of these new veins returned significant gold assays. The mineralization is controlled by a NE trending system of faults and shear zones up to 10 feet in width containing one or more gold bearing quartz sulphide veins 6" to 18" in thickness. The southwest part of the property is overburden covered with three geochemical trends indicating possible extension of the mineralized structures in that direction.

Five samples taken from the main shear immediately southwest of the summit averaged 0.83 opt gold across 8 inches and four samples taken 150 feet further to the southwest averaged 1.37 opt gold across 6 inches. A sample taken from the main vein on the steep face northeast of the summit assayed 0.32 opt gold across 1.3 feet. Significant assays were returned from four new veins located on the northeast part of the property as follows: 0.12 opt gold/1.3 ft; 0.44 opt gold/1.0 ft; 0.88 opt gold/8 inches; and 0.35 opt gold/9 inches.

Since the discovery of gold in the main shear zone in 1935 many attempts have been made to explore this structure on the steep east face of the mountain. However, for the first time a geological map of the area has been produced which identifies an extensive gold bearing epithermal vein system.

Gold has been found over a vertical range of 2,000 feet and the multiple vein system has a potential strike length of at least two miles. Continuing surface exploration in 1988 will concentrate on stripping and trenching of geochemical anomalies on the southwest part of the property. This will be followed by drilling on the basis of consistent ore class values established by surface sampling.