

## RED TUSK PROJECT

Introduction

The Red Tusk property is a precious metal prospect associated with an altered mineralized horizon of a volcanic-sedimentary sequence within a pendant in the Coast Plutonic Complex. The property is owned by J.W. Liard and was optioned in 1988 by Schellex Gold Corp. of 820-650 West Georgia Street. An exploration program, which consisted of prospecting, trenching and a rock geochemistry survey was conducted on the property from August 8th to 21st, 1988 and from September 20th to October 6th 1988.

Location

The Red Tusk property is comprised of 7 claims totalling 73 units and is situated in the Vancouver Mining Division. The claims are located in the Tantalus Mountain Range of the Coast Mountains approximately 55 kilometers north of Vancouver.

Access

Access to the property is possible by water taxi from Sechelt to the Clowhom Falls logging camp and thence by logging road for 26 kilometers to the southwestern portion of the claims in the upper Red Tusk valley. Alternately, helicopter access is available from the town of Squamish.

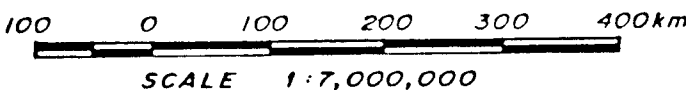
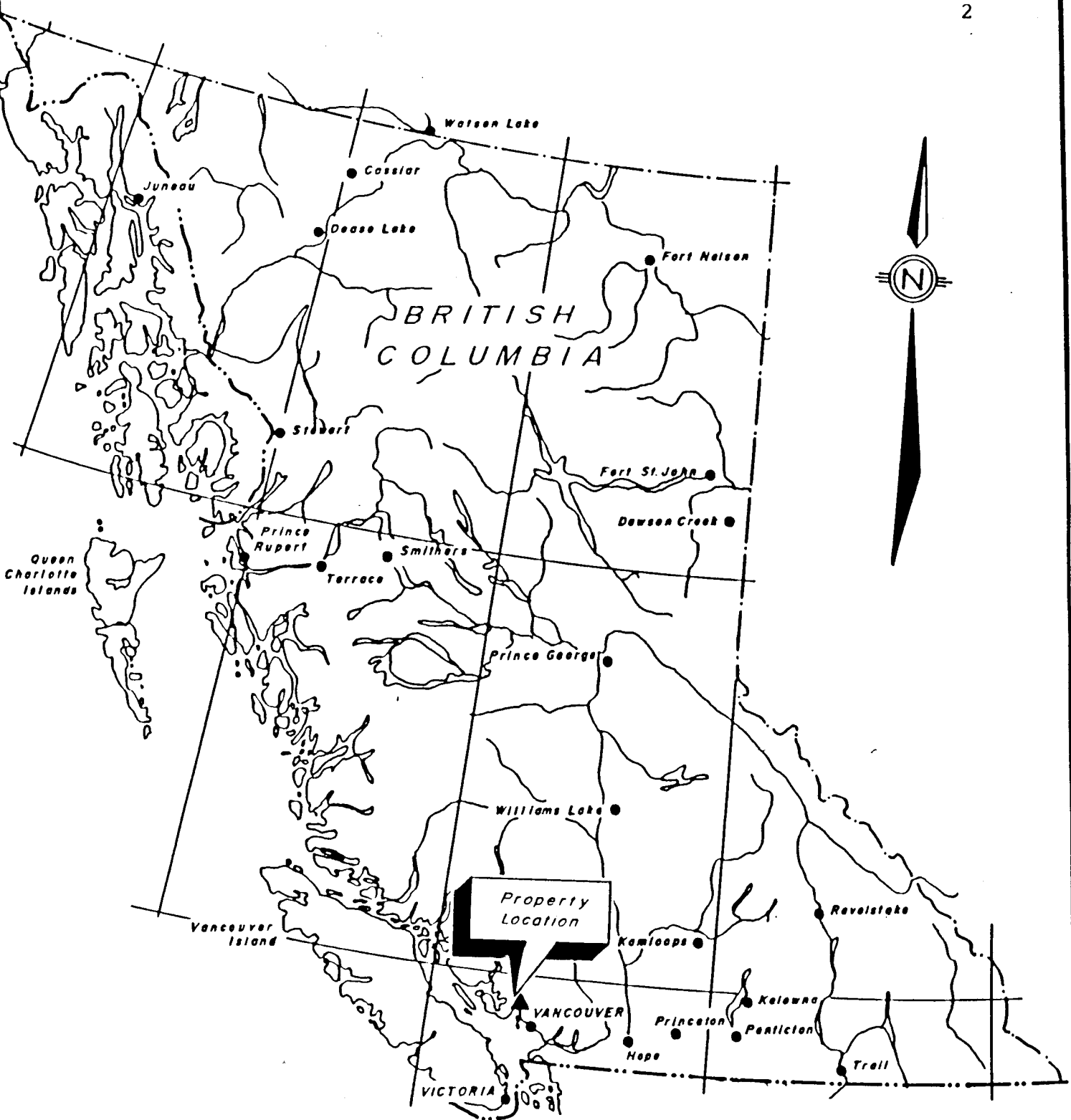
Geology

The results from the work performed to date are encouraging. The property is underlain by a marine series of sediments and mostly tuffaceous and/or brecciated felsic volcanics. Whole rock analysis indicate these calcalkaline volcanics are potassium-rich and dominantly rhyolitic in composition. This geologic setting is favourable for a volcanic-associated deposit.

Precious metal mineralization is associated with the altered siliceous rhyolite horizon in the South, North and North Extension zones which together has a strike length of approximately 2 kilometers and an average width of over 70 meters. Values up to .576 oz/ton of gold and 166 oz/ton of silver have been obtained from the North zone.

The Mavis and Cirque zones represent different exploration targets from the other zones. They are hosted in andesites and the mineralization is towards base metals as opposed to precious metal. The Mavis zone seems to be structurally controlled and is likely a result of remobilization of mineral bearing fluids along a pre-existing fault conduit. Values up to 4.5% and 7.3% of copper have been obtained from the Mavis and Cirque zones respectively.

The attached compilation map outlines the properties basic geology and highlights assays obtained from each zone. In the 1989 field season Schellex plans to spend in excess \$ 250,000 on exploring the Red Tusk project.



*Schellex Gold Corp.*  
**Location Map**  
**RED TUSK PROJECT**  
**VANCOUVER MINING DIVISION**  
**NTS: 92 G/14W**  
 December, 1988 Figure 1  
*Boo Services Ltd*

SHELLEX GOLD CORP.

Red Tusk Project

GEOLOGY & GEOCHEM. MAP

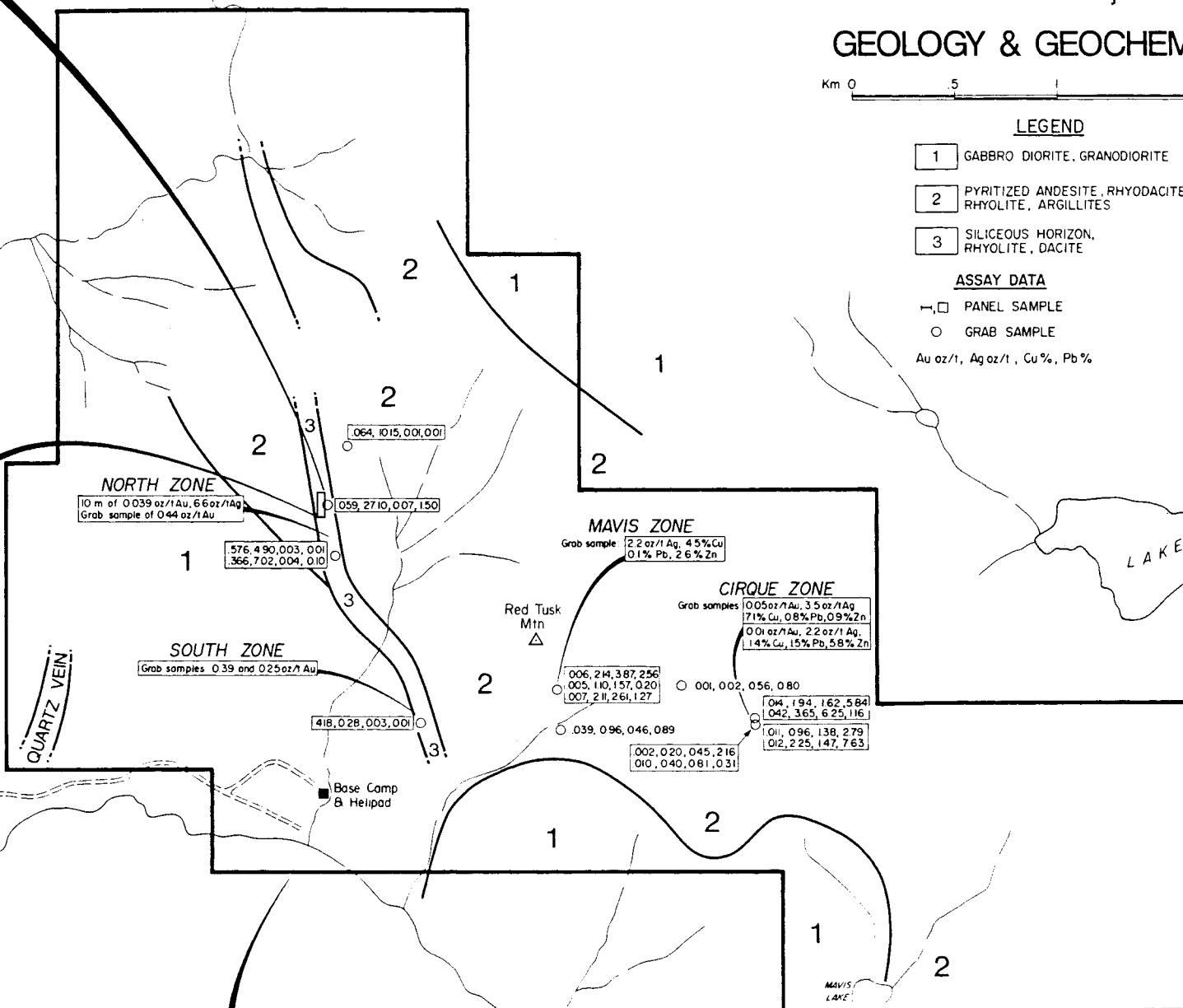
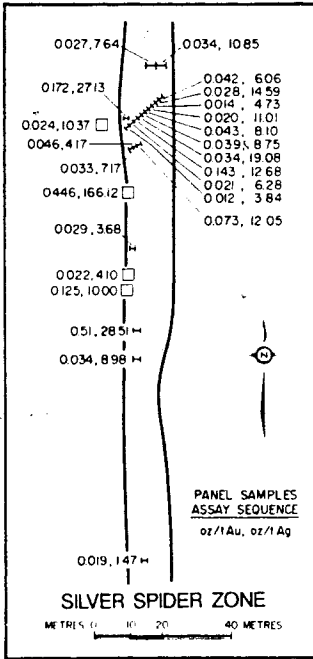


LEGEND

- 1 GABBRO DIORITE, GRANODIORITE
- 2 PYRITIZED ANDESITE, RHYODACITE, RHYOLITE, ARGILLITES
- 3 SILICEOUS HORIZON, RHYOLITE, DACITE

ASSAY DATA

- PANEL SAMPLE
  - GRAB SAMPLE
- Au oz/t, Ag oz/t, Cu %, Pb %



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NEWS RELEASE

Trading Symbol: SCE

November 24, 1988.

The board of directors of Schelllex Gold Corp. are pleased to release some initial results from Phase Two of the work program on their Red Tusk property located 55 kilometers northwest of Vancouver, British Columbia. The work program concentrated on prospecting and sampling of the Cirque massive sulphide zone and a 2.5 kilometers long gold bearing exhalite rock unit.

Prospecting and sampling along of the exhalite unit has uncovered a steeply dipping highly mineralized zone 8 meters wide by 100 meters long. The zone known as the "Silver Spider Zone", disappears under vegetation at both ends with a possible extension uncovered some 250 meters upslope. A total of 34 samples were taken over the Silver Spider zone, and submitted for analysis by I.C.P. Fire assays of these samples are pending. The following are highlights from the sampling of the zone: (Note: all values converted from ppb and ppm to a percent of oz/ton).

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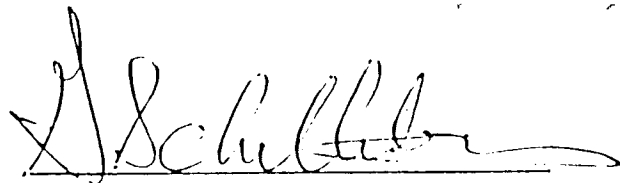
<u>Sample Type</u>	<u>Sample Number</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>	<u>Lead %</u>	<u>Zinc %</u>
1 m x 1 m panel	JH - 53	.118	5.19	0.52	0.15
1 m x 1 m panel	JH - 56	.051	7.39	0.19	
1 m x 1 m panel	JH - 54	.031	8.63	0.30	
1 m x 1 m panel	JH - 62	.071	11.19	1.35	0.20
1 m x 1 m panel	JH - 65	.189	6.39	2.64	2.70
Grab	JH - 68	.400	5.86	2.35	> 10,000 ppm
1 m x 1 m panel	JH - 72	.041	18.89	0.36	

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From the Cirque massive sulphide zone high grade copper, lead, and zinc values were obtained from a 17 meter long trench. Sixteen chip panel samples were taken from the trench with values ranging from 0.4 to 1.3% copper, .02 to 5.8% zinc and .007 to 1.54% lead, (values converted from ppm). A grab sample taken from this zone has yielded 7.1% copper, .8% lead, .9% zinc, 3.5 oz/ton of silver and .05 oz/ton of gold. The mineralized zone is approximately 30 meters wide and has been traced visually over 250 meters.

Phase One results included a float sample of barite from the North zone assaying .67 oz/ton of gold and a chip sample from the Mavis massive sulphide zone which contained 2.97% copper, .4% lead, 1.29% zinc, and 2.01 oz/ton of silver over a 1.5 meter width. Three zones have been identified as containing considerable massive sulphide mineralization: the Mavis, Mavis Lake, and Cirque zones. In addition, sampling of the exhalite rock unit over a 2.5 kilometer strike length has returned anomalous gold values over its length and contains three high grade precious metal zones called the North, South, and Silver Spider zones.

Fire assays from Phase Two will be released upon receipt.



Gary Schellenberg  
President  
Schelllex Gold Corp.

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