

LEVON

Rec'd Aug 7/84
092J

820347

In January 1983 Mr. Louis Wolfen, President of Levon Resources Ltd., announced a joint venture agreement with Veronex Resources Ltd. The agreement called for Veronex to further develop the Congress Property, carry out a feasibility study, and place the property into production. Veronex will earn a 50% interest in the property by spending one million dollars on the property over three years.

Phase One of this exploration program is completed. Dr. Robert Seraphim has recommended the commencement of Phase Two.

Mining records reveal that the Bridge River Valley — one of the most famous gold mining regions in Canada since the 1860s — has produced some of the richest strikes ever. Two of the better known mines, the Bralorne and Pioneer mines, produced gold for over forty years. Eight million tons of ore were mined, yielding over 4.1 million ounces of gold with an average grade of 0.52 (over U.S. \$1.6 billion at today's prices). Silver production was almost one million ounces. The mines are scheduled to resume development in late 1984.

The Congress Property, originally discovered in 1915, is only nine miles from the Bralorne and Pioneer mines. The Congress Vein has more than 5,000 feet of underground development on five levels.

Numerous geological and engineering reports describe mineralized occurrences within Levon's Bridge River and Oro Groups. Both Groups are included in the Levon-Veronex joint venture, but exploration is now focussed on the Bridge River Group, where seven veins are known to exist — the Congress, Howard, Paul, Silver Shear, Bluff, New, and Hidden Veins.

The Bridge River Group consists of 66 units in Located Mineral claims and 8 Crown Granted claims, five miles east of the town of Gold Bridge and adjacent to the Carpenter Lake highway. The Oro Group comprises 24 Located units, thirteen miles south of Gold Bridge, and is also accessible by road. All 98 units are located in the Lillooet Mining Division, 100 air miles north of Vancouver.

The rocks in this area are a series of sediments and volcanics overlain by greenstone and other formations of the Triassic Age. Regional geology is primarily linear mineralized areas with deepseated, near-vertical fault zones known as the Cadwallader shear. Mineral deposits follow the trend of these fault zones and rock types. Quartz forms more than 90% of the vein material. The internal structure of the veins show structures indicating repeated movement. Ore occurs in shoots within these veins and has averaged 3-6 feet in width.

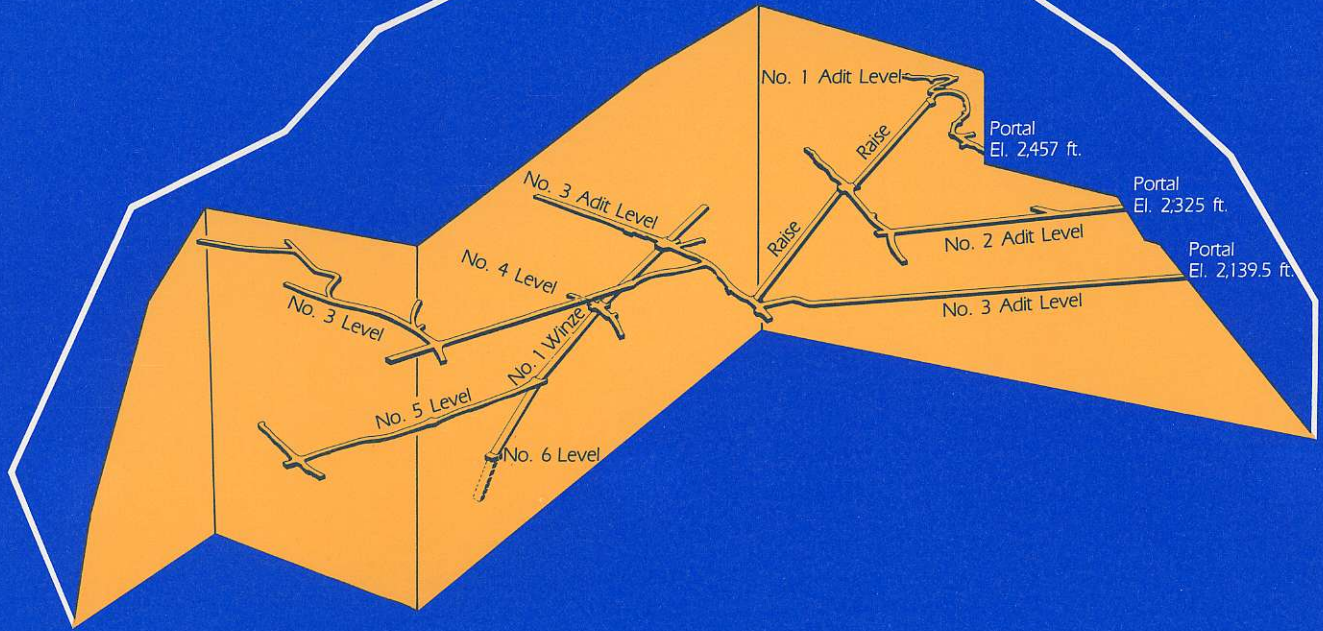
Underground drilling for bulk sampling, and deep drilling from surface, have tested the extension of the ore body at depth. The diamond drill program to determine the size and grade of the Howard Zone showed the zone to continue to at least 600 feet below the Howard tunnel with grades in three intercepts ranging from a high 0.9 to a modest 0.15 ounces per ton across a 3½ feet width.

Further drilling disclosed two shoots. One averaged 0.47 ounces gold across 6.75 feet for 66 feet in length and the other averaged 0.4 ounces gold across a 2 feet width for 35 feet. The faulted offset of the vein system was located to the north of previously located mineralization, with intercept values up to 0.809 across 12 feet.

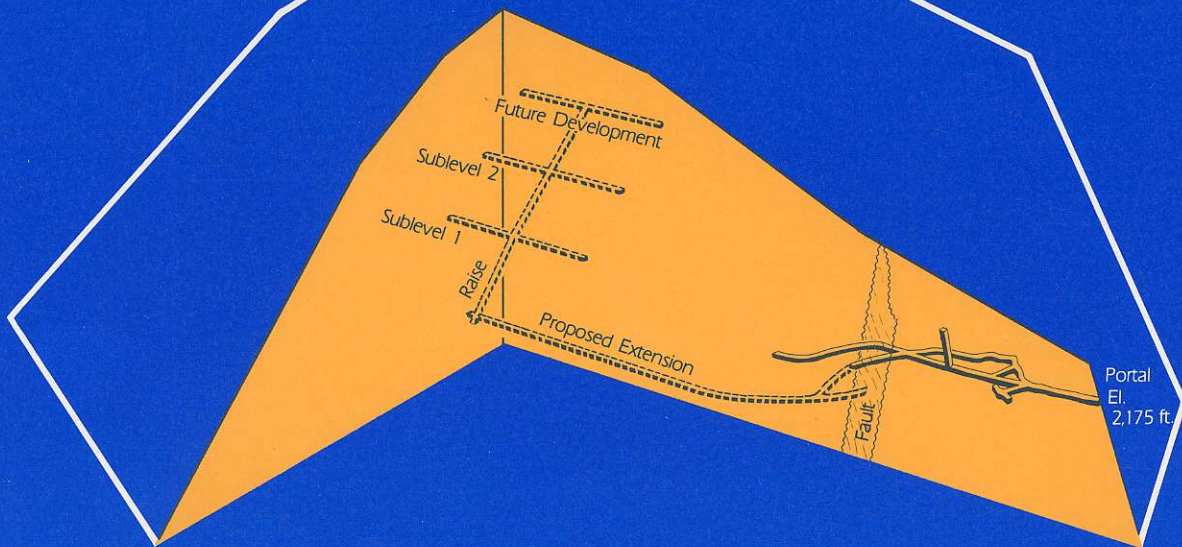
In March 1984 drilling had extended the Howard Vein over 3,000 feet. Dr. Seraphim recommended a \$700,000 program to tunnel and block the drill-indicated reserves. Management has reconciled up to 500,000 tons of proven drill-indicated and possible ore over the years by different engineers and geologists. The current program is expected to delineate additional tonnage to warrant construction of a mill. The Congress and Howard Veins not only appear to extend northerly, but indeed might link with mineralization intercepted by recent drilling.

**Congress Property
Bridge River Mining District
British Columbia**

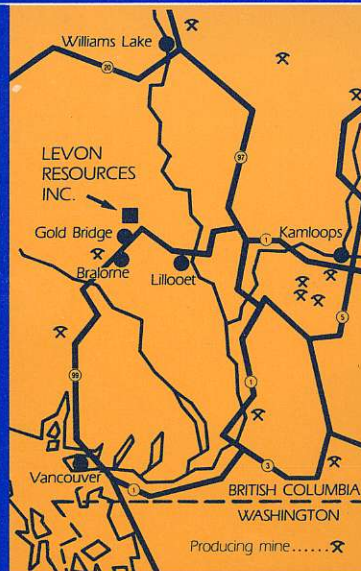
Congress Vein



Howard Vein



LEVON



Officers & Directors

Louis Wolfin, President

Lewis Dillmann, Director

Thomas Gelfand, Director

Bruce Horatio Sung, Director

Douglas Llewellyn Hawley,
Director

Sandra Roy, Secretary

Mr. Wolfin is also President of Avino Mines Ltd. and is a director of Veronex Resources Ltd. Mr. Dillmann is President of Veronex Resources Ltd.

Vancouver Stock Exchange

Trading symbol — LVN

Shares outstanding

1,369,600

Head Office

1040-609 Granville Street

P.O. Box 10354, Pacific Centre

Vancouver, B.C.

Canada

V7Y 1G5

(604) 682-3701