

MINERAL EXPLORATION POTENTIAL

of the

MOUNT ARMOUR PROPERTY

Kamloops Mining Division

British Columbia

for

CUTTY RESOURCES INC.

by

C.J. Westerman, Ph.D., F.G.A.C.

Consulting Geologist

December 30, 1985

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SUMMARY

The Mount Armour property, in the Kamloops Mining Division of British Columbia, is the subject of a joint venture/option agreement between Cutty Resources Inc. and Corporation Falconbridge Copper. The property is underlain by volcanic and sedimentary rocks of the Eagle Bay Formation which host the Rea Gold polymetallic massive sulphide deposit approximately 24 km to the southeast. Massive sulphides exposed at Mount Armour carry anomalous values of copper and gold. The massive sulphides are coincident with I.P. geophysical anomalies and gold-copper-zinc-lead-silver-arsenic soil geochemical anomalies. Future exploration of the massive sulphides, by drilling, holds promise for discovery of an economic polymetallic massive sulphide deposit at depth. A fault zone on the property, coincident with a gold soil anomaly and an I.P. geophysical anomaly, has exploration potential for discovery of an economic stockwork gold deposit. An integrated exploration program, including diamond drilling, is recommended to test targets on the Mount Armour property at an estimated cost of \$120,000.

## INTRODUCTION

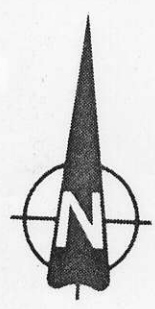
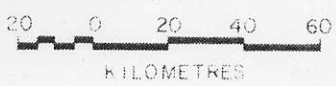
### Preamble

The Mount Armour property, located in south-central British Columbia, is the subject of an option/joint venture agreement between Cutty Resources Inc. and Corporation Falconbridge Copper. The author, acting as an independent Consulting Geologist, has been requested by Mr. James Robertson, President of Cutty Resources Inc. to review results of exploration on this mineral property and to report his findings with recommendations for future action.

The author undertook a preliminary review of data pertaining to the Mount Armour property in September-October 1985, undertook a field examination of the property on October 30th, 1985, was involved in planning and interpretation of results from geochemical and geophysical surveys undertaken in November 1985 and supervised a trenching program in early December 1985. The co-operation and assistance of Mr. James Robertson and the exploration staff of Corporation Falconbridge Copper are gratefully acknowledged.

### Location and access

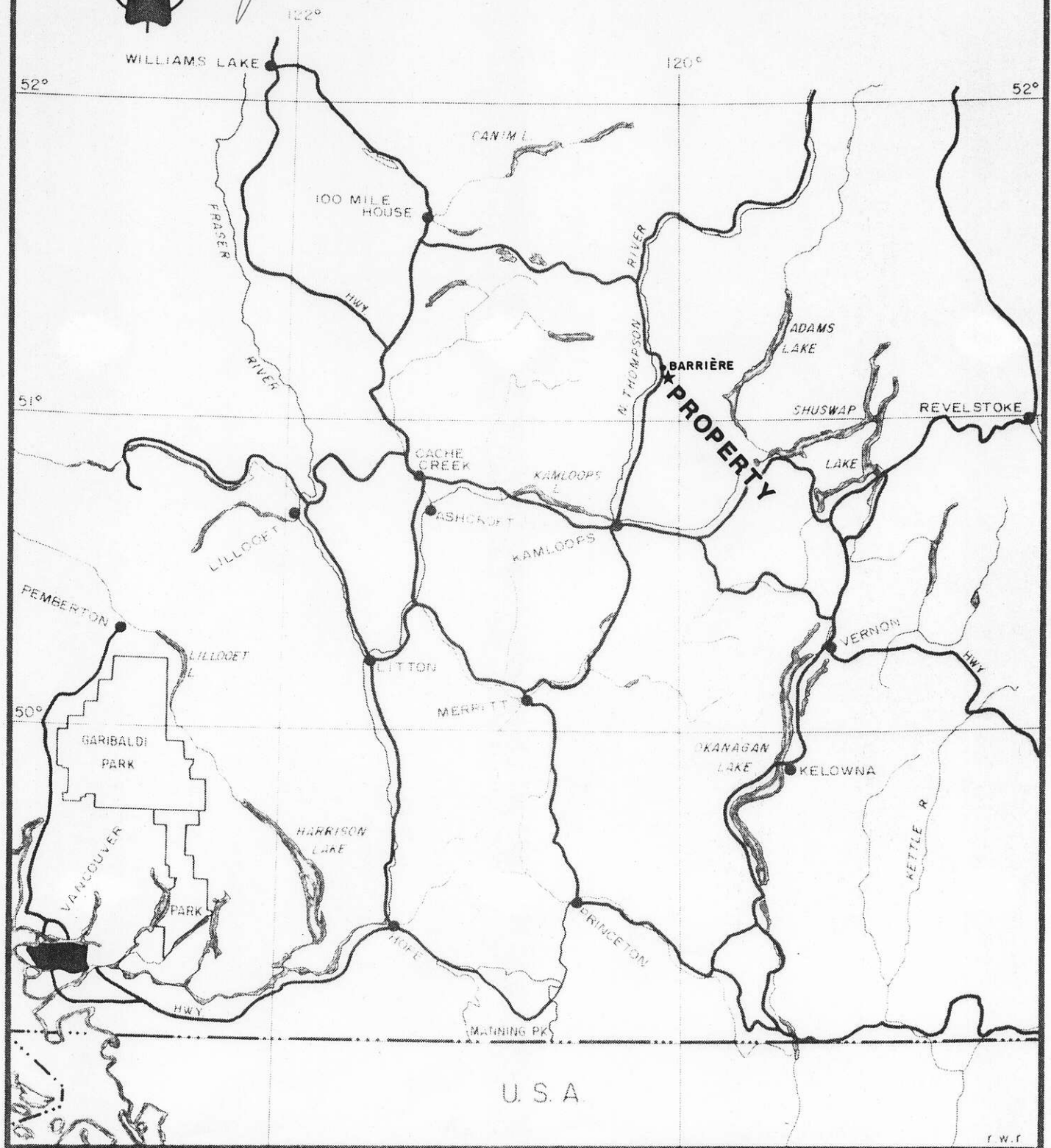
The Mount Armour property is located immediately southeast of the town of Barriere, approximately 60 kilometres north of Kamloops, in south-central British Columbia (Figure 1). The property is centred on latitude  $51^{\circ}10'N$  and longitude  $120^{\circ}06'W$  within NTS map area 92P/1E. The centre of the property lies on kilometre east of the Yellowhead Highway (Highway 5), the Canadian National Railroad mainline and a major hydroelectric power transmission line. Supplies and accommodation are available at Barriere and Kamloops. The southern and eastern boundaries of the property are serviced by high quality gravel roads. The central part of the property is accessible by dirt road and a network of old logging roads and skidder trails.



**CUTTY RESOURCES INC.**  
**MOUNT ARMOUR PROPERTY**  
KAMLOOPS M.D. - B.C. NTS:92-P-1 E

**LOCATION MAP**

BY: C.J. WESTERMAN/r.w.r. DEC., 1985 FIGURE: 1



Topography is moderate to steep with elevations ranging from 400 metres to 800 metres. Due to previous logging activity and a relatively dry climate, the area is covered largely by grassland with some Ponderosa Pine and minor second generation Spruce, Jackpine and low bush. Exploration activities can be carried out on a year-round basis.

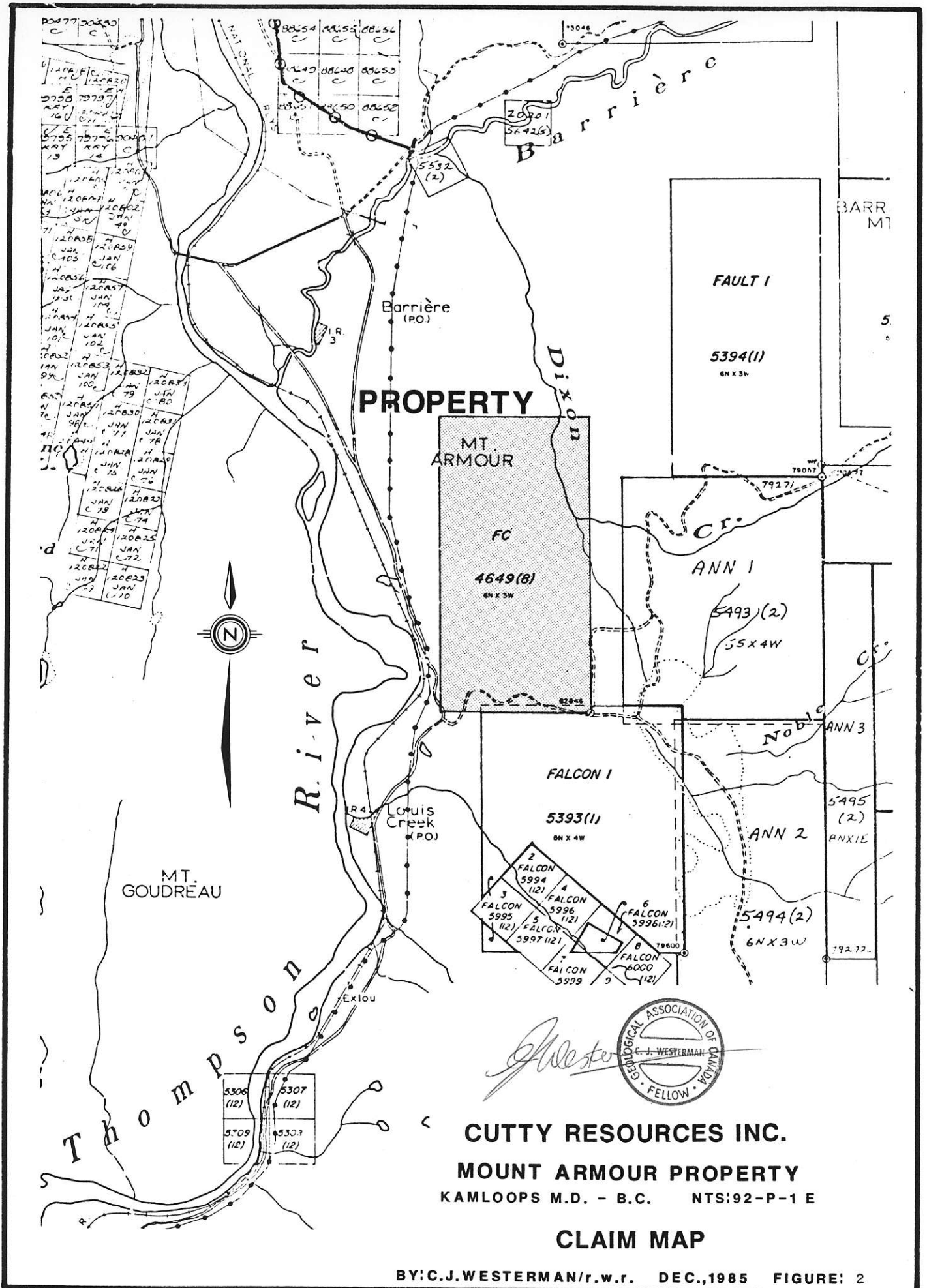
#### Property Definition

Mineral rights to the Mount Armour property are held through a single, 18 unit, M.G.S. claim staked in August 1983 by Corporation Falconbridge Copper (Figure 2). The 'FC' claim lies within the Kamloops Mining Division of B.C., was recorded on August 18th 1983 (Record No.4649) and has a current expiry date of August 18th 1986. Sufficient work has recently been performed on the property (but not yet legally recorded) to hold the claim in good standing for several years. The author is satisfied that the claim was staked validly in accordance with existing government regulations.

#### Exploration History

Massive sulphide showings on the Mount Armour property have been previously staked several times and old prospect pits and trenches probably date back to the early 1900's. Very limited diamond drilling of one of the showings was attempted by J.A. Fennell in the late 1960's with inconclusive results (Vollo, 1980). The property was staked in 1979 by Craigmont Mines Ltd. which undertook geological, soil geochemical, VLF-EM and magnetic geophysical surveys. Craigmont analysed samples for copper-lead-zinc-silver but did not analyse for gold. A 1980 report by Craigmont recommended diamond drilling but this apparently was not undertaken and the claims were allowed to lapse.

Corporation Falconbridge Copper staked the property in 1983 and in 1984 carried out an integrated program of geological mapping and litho-



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**CLAIM MAP**

geochemical sampling, centred on the old massive sulphide showings, at an approximate cost of \$17,000. In November and December of 1985 the Cutty/Falconbridge joint venture prepared 10.4 kilometres of survey grid, collected and analysed 1292 soil samples for gold, silver, copper, lead, zinc and arsenic, undertook 15 kilometres of I.P. geophysical surveys and did 136 linear metres of backhoe trending in 5 trenches.

#### References

1. N.B. Vollo, 1980, Geophysical and Geochemical Report on the AM-1 Claim for Craigmont Mines Ltd., B.C. - M.R.B. Assessment Report No. 7855.
2. A. Scott, 1985, Preliminary Interpretation of an Induced Polarization Survey on the Mount Armour Project for Corporation Falconbridge Copper. Company report dated November 13, 1985.
3. J. Oliver, 1984, Notes on Mount Armour Geology for Corporation Falconbridge Copper. Company report dated August 30, 1984.
4. V. Preto and P. Schiarizza, (1985), Geology and Mineral Deposits of the Adams Plateau-Clearwater Region, in Field Guides to Geology and Mineral Deposits in the Southern Canadian Cordillera; Geol. Soc. Am. Cordilleran Section meeting, Vancouver, May 1985, Ed. D. Templeman-Kluit, pp.16-1 to 16-11.



## GEOLOGY

### Regional Geology

The Mount Armour property lies at the western edge of a broad northerly trending belt of volcanic and sedimentary rocks of Paleozoic age named The Eagle Bay Formation. The belt is characterised by complex internal deformation and rapid lithological facies variations. It extends from Clearwater in the north to Sicamous in the south, a distance of 120 km, and has a width of up to 20 km.

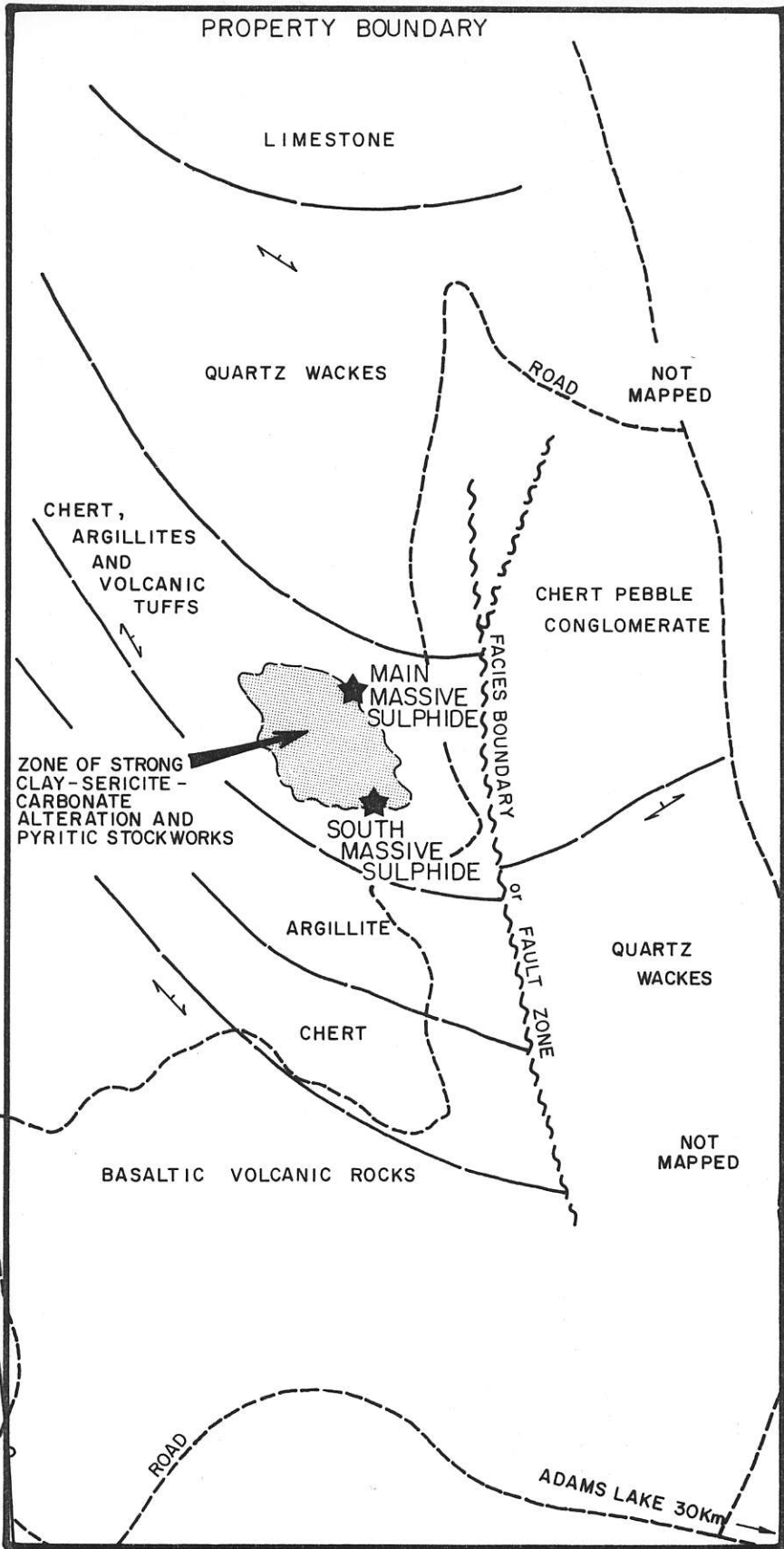
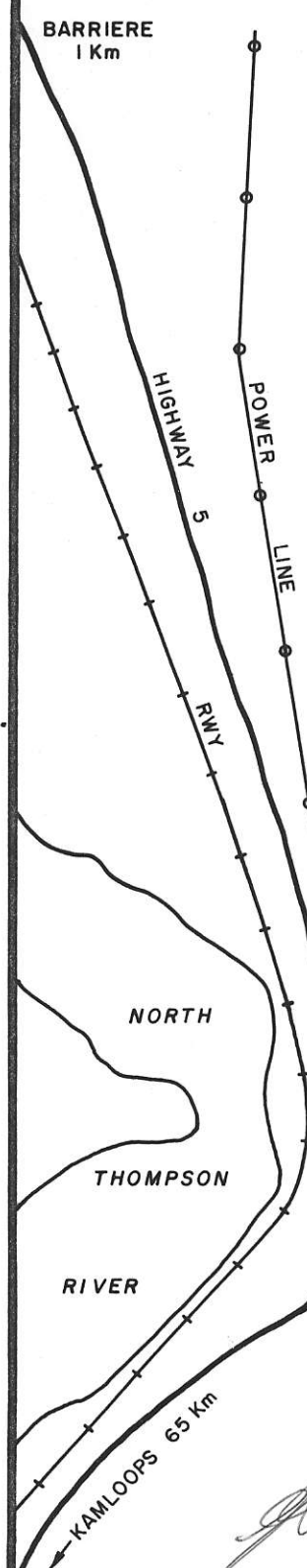
Conformable bands of massive to disseminated sulphide mineralization occur at many places in association with volcanic rocks of the Eagle Bay Formation. Some of the mineral occurrences have been known since the late 19th century but many were discovered during an intense phase of exploration in 1975-1980. Renewed interest in the area is the result of a gold bearing massive sulphide discovery made by Rea Gold Corporation in late 1983, and subsequently optioned to Corporation Falconbridge Copper. Drill indicated reserves in two lenses at Rea Gold are reported to be 120,000 tonnes grading 18.2 g/t Au, 141.2 g/t Ag, 0.85% Cu, 4.11% Zn and 3.67% Pb. Massive sulphide intersections encountered in very recent drilling appear to give promise for considerably increasing reserves at the Rea Gold property.

### Property Geology

The Mount Armour property is underlain by an apparently simple stratigraphic sequence grading from mafic volcanic flows at the base, upward through interbedded volcanic tuffs, argillites and cherts to quartz wackes overlain by limestones. These rocks have been warped into a broad syncline with a moderate plunge to the north (Figure 3). A northeast trending topographic linear feature coincides with either a major lateral facies boundary or a fault zone.



0 500  
SCALE IN METRES



*Handwritten signature*



**CUTTY RESOURCES INC.**  
**MOUNT ARMOUR PROPERTY**  
KAMLOOPS M.D. - B.C. NTS:92-P-1 E  
**GEOLOGY**

BY: C.J. WESTERMAN/r.w.r. DEC., 1985 FIGURE: 3

Mafic volcanic rocks at the base of the succession are medium grained basalts, locally pillowed, and some possible sub-volcanic intrusions. The unit is in excess of 400 metres thick and extends south of the property boundary.

Interbedded cherts, argillites and volcanic tuffs in the central part of the property are the subject of current exploration activity. Resistant chert beds produce the majority of outcrop but may not - in fact - be the majority component of this unit. The cherts vary from thick bedded to ribbon banded and characteristically exhibit internal brecciation with rehealing by secondary quartz vein networks. The argillites and tuffs are universally metamorphosed to phyllites and complexly interbanded. Argillites tend to be more dominant in the lower portions of the unit whereas tuffaceous rocks are more abundant towards the top. Tuffaceous lithologies vary from dark green chloritic units, of probable basaltic to andesitic composition, to silver-grey sericitic units which may, in part, have dacitic compositions. A general paucity of quartz in the felsic units suggests, however, that they may actually be more highly altered equivalents of original andesitic composition.

Massive outcrops of quartz-wackes and a distinctive chert pebble conglomerate are present in the eastern half of the property. These lithologies are at the same structural level as the interbedded cherts, argillites and tuffs but occur to the east of a prominent topographic linear which trends north-northeast. Geophysical evidence suggests the linear may be a complex fracture zone. A rapid westward reduction in chert pebble size, however, suggests a complex lateral facies change and there may not have been a great deal of actual movement on the fracture zone.

The northern part of the property is underlain by medium to thin bedded quartz wackes overlain by a massive grey limestone and limestone cobble breccia. The latter has been interpreted by previous workers as a classical reef and fore-reef environment.

Two fold styles are exhibited by rocks on the Mount Armour property. Tight to isoclinal folds plunging northwesterly at 30-40° are present in

banded cherts in cliff exposures on the western side of the property. These folds are most probably an early phase compatible with regional structures and are probably related to a strong phyllitic foliation, sub-parallel to composition banding in other lithologies. A later broad synform is best demonstrated by gradual changes in the early foliation and by distribution of major lithologic boundaries. Small scale folds of this generation are rare but, when present, are upright structures plunging to the north at 40-50°. Where the upright fracture/crenulation cleavage of the second generation intersects the phyllitic foliation of the early generation it produces a lineation plunging northerly at 40-50°.

Major faults and fracture zones are not immediately apparent at Mount Armour. Geophysical and lithological evidence suggest, however, that a series of parallel north-northeast trending fractures traverse the property. Limited topographic evidence suggests a steep easterly dip for these fracture zones.

#### MINERALIZATION AND ALTERATION

The Mount Armour property has exploration potential for discovery of two types of economic mineral deposits. There is potential for discovery of a volcanogenic, polymetallic, massive sulphide deposit and also for discovery of a fracture-stockwork type gold deposit.

Massive sulphide mineralization has been discovered at two localities in the central part of the property. At both locations the sulphides are comprised of pyrite and pyrrhotite with minor chalcopyrite. The sulphides occur mainly as a massive, fine grained banded variety up to about 1-2 metres thick with banding conformable to host rock lithological banding. Irregular masses of coarse grained sulphides have a partial fragmental texture. Very minor quartz occurs with the sulphides and is clearly a late, cross cutting, irregular vein feature.

The massive sulphide showings are approximately 300 metres apart

and occur at different stratigraphic levels. The upper - or Main - showing is exposed in pits along a strike length of about 20 metres. It is underlain by strongly sericitized phyllitic tuffs which contain 5-10% blebby disseminated iron oxides and carbonates. The showing contains anomalous values in copper and gold as determined by Falconbridge rock chip samples.

<u>Sample length</u>	<u>Au(ppb)</u>	<u>Cu(ppm)</u>
1.0 metres	290	370
0.9 metres	360	220
0.7 metres	470	960
1.2 metres	110	700

Two panel-chip samples taken by the author from the western edge of the showing and representing only the basal portion returned the following results.

<u>Sample size</u>	<u>Au(ppb)</u>	<u>Cu(ppm)</u>
3.0 x 0.5 metres	249	460
3.0 x 1.0 metres	185	380

A trench 75 metres south of the Main showing exposes a 6 metre wide brecciated stockwork zone of intense iron-manganese oxide development. The stockwork is stratigraphically below the massive sulphide showing and may represent a feeder zone.

The lower - or South - showing, as sampled by Falconbridge returned 170 ppb Au and 890 ppm Cu across 1.9 metres. The showing is an isolated pit in which dark argillite can be seen underlying the massive sulphide but surrounding rock exposure is sparse. A quartz-pyrite stockwork - which would be in the stratigraphic footwall of the massive sulphide - is exposed in a cliff face 100 metres northwest of the showing.

Trenching of a strong chargeability high anomaly suggests the

presence of a third stratigraphic horizon of massive sulphide. The trench is 150 metres north of the Main showing and exposes an intense ferricrete hardpan at the bedrock surface. Overburden above the hardpan contains rounded clasts of iron oxides after fine grained massive pyrite. Four samples by the author across the ferricrete surface returned the following values.

<u>Sample length</u>	<u>Au (ppb)</u>	<u>Cu (ppm)</u>
3 metres	141	542
3 metres	46	558
3 metres	220	290
3 metres	148	600

Exploration potential for discovery of a stockwork related gold deposit is indicated primarily by geophysical and geochemical evidence. This potential will be discussed in the next section.

#### GEOPHYSICS AND GEOCHEMISTRY

Craigmont Mines Ltd. undertook broad scale surveys of the central part of the Mount Armour property in 1979. Soil sampling indicated a broad zone of anomalous copper-lead-zinc values roughly coincident with the area of sulphide showings. An EM-16 survey indicated several weak northwest trending linear anomalies. A magnetometer survey failed to produce any coherent anomalies.

The Cutty-Falconbridge joint venture have undertaken more detailed soil geochemical and I.P. geophysical surveys in the area of the massive sulphide showings. The surveys indicate 6 zones of anomalous response (Figure 4, Table 1) in an area approximately 1000 metres long (N-S) and 450 metres wide (E-W). Geochemical soil anomalies are statistically defined by values greater than: 120 ppm Cu, 25 ppb Au, 1.5 ppm Ag, 90 ppm Pb, 750 ppm Zn, 30 ppm As.

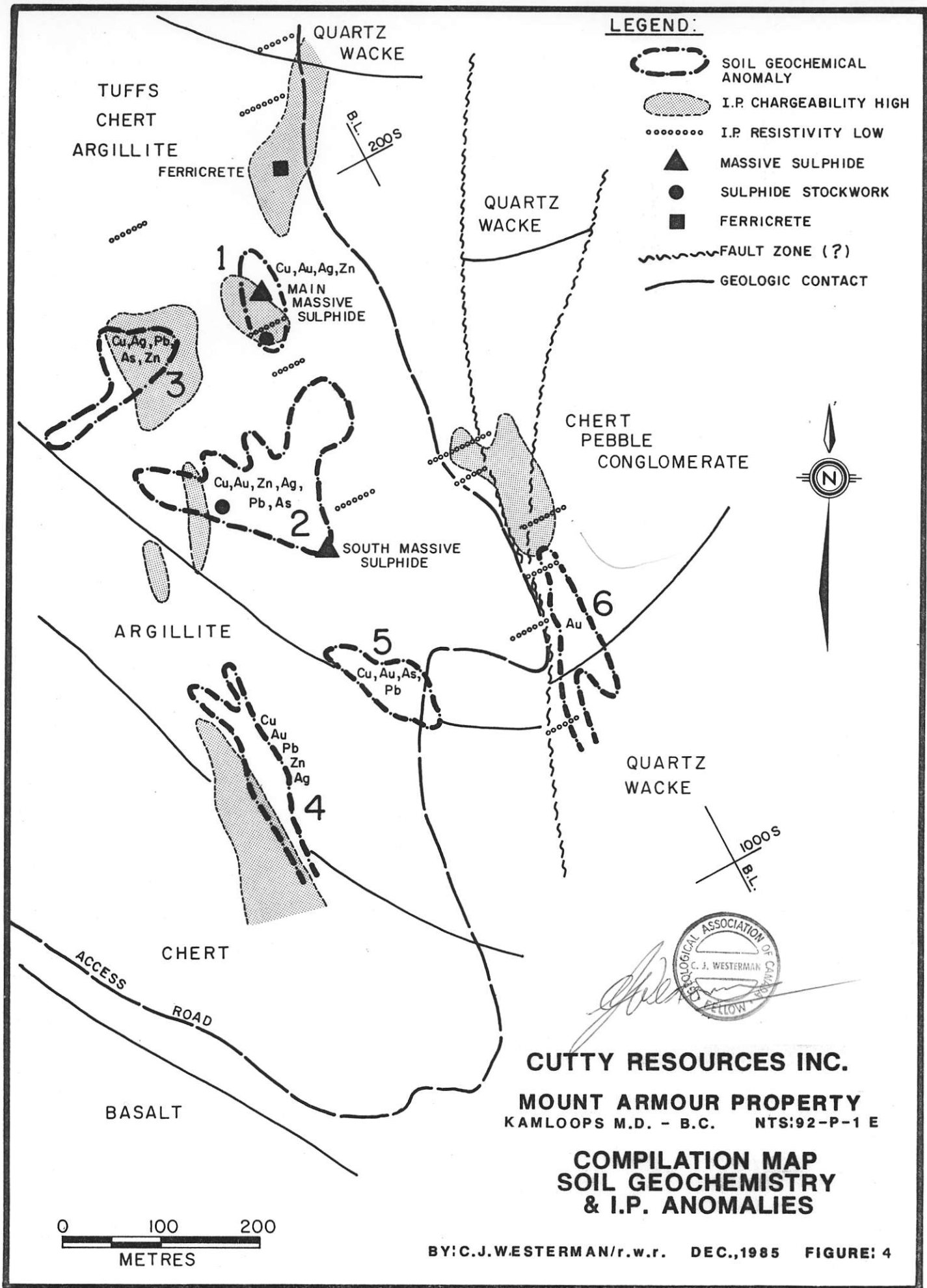


TABLE 1

Anomalous Zones

Zone	Soil geochemical high values						Chargeability	Resistivity
	Cu	Au	Ag	Pb	Zn	As		
	ppm	ppb	ppm	ppm	ppm	ppm		
1	499	2230	5.6	-	623	-	Coincident	Coincident
2	232	1700	3.3	296	871	81	Flanking W	Flanking E
3	168	-	2.2	158	4210	35	Flanking S	Flanking N
4	364	385	1.7	545	884	-	Flanking W	-
5	244	65	2.1	121	-	-	-	-
6	-	940	2.1	-	-	-	Flanking N	Coincident

Zone 1 corresponds at its southern end with the Main massive sulphide showing. It is characterised by coincident Cu-Au-Ag-Zn anomalous values in soils and a shallow I.P. chargeability high 300 metres in length, flanked in part on its western edge by a zone of I.P. resistivity lows. Zone 2 is a broad area (150m x 100m) approximately coincident with the South massive sulphide showing and an adjacent quartz pyrite stockwork. The zone has coincident soil geochemical anomalies in Cu-Au-Ag-Zn-Pb-As. It is flanked to the west by a zone of IP chargeability highs and to the east by an irregular zone of IP resistivity lows. It is possible that the apparent break between Zones 1 and 2 may be due to an area of deeper overburden.

Zone 3 is a small anomalous area of Cu-Ag-Pb soil values flanked to the east and south by a broad zone of anomalous zinc responses and an I.P. chargeability high. Zone 4 - in the southwest of the survey grid - is characterised by a strong linear I.P. chargeability anomaly flanked to the east by discontinuous Cu-Au-Zn-Pb-Ag soil geochemical anomalies. Zone 4 is 200 m long and is open to the south. Zone 5 is an irregular Cu-Pb-Au-Ag soil geochemical anomaly which lacks any geophysical response.

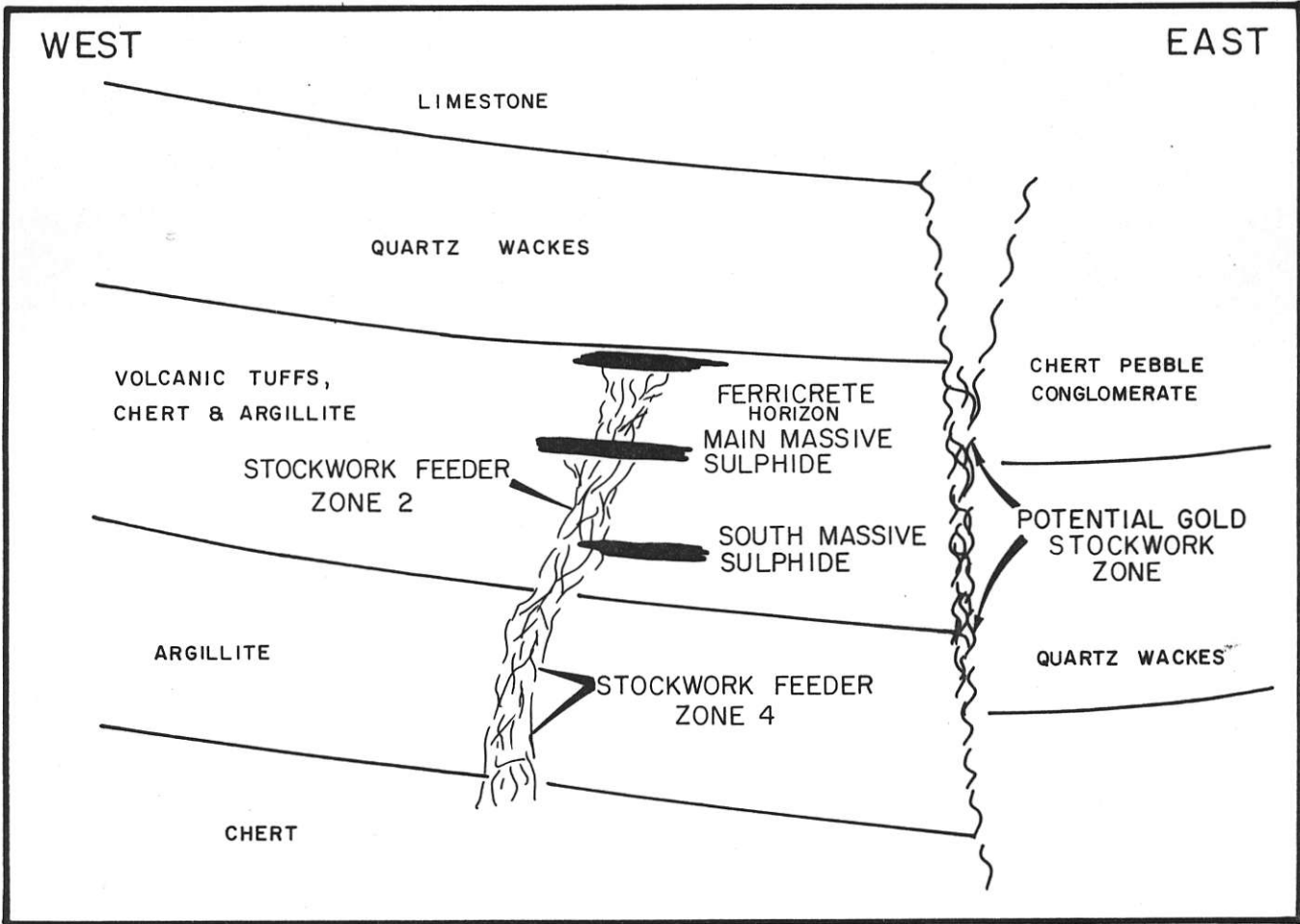


Zone 6 is a strongly anomalous gold soil geochemical response which is coincident with a strong linear I.P. resistivity low flanked to the north by an I.P. chargeability high. The zone is coincident with a strong topographic linear feature and a rapid rock type change that may represent a fault. Zone 6 is open to the south. Rock exposures flanking this zone are fractured and weakly brecciated chert pebble conglomerate which locally have a strong limonitic iron oxide coating. Two rock chip samples returned 26 ppb Au and 1 ppb Au across 1 metre sample lengths, results which are obviously inconsistent with the much higher values of up to 940 ppb Au from soil samples. This zone may have potential for discovery of a gold stockwork deposit at depth within the indicated fault structure.

#### CONCLUSIONS

The area of interest on the Mount Armour property is underlain by interlayered volcanic tuffs, argillites and cherts of the Eagle Bay Formation of Paleozoic age. These rocks are host to economically significant copper, gold, zinc, silver and lead massive sulphide deposits elsewhere in the region. Two - and possibly three - massive sulphide horizons have been discovered at the Mount Armour property to date. The massive sulphides are dominantly pyrite and pyrrhotite but are associated with strong soil geochemical anomalies in copper, gold, zinc, lead, silver and arsenic. Current evidence suggests that the massive sulphides are part of a series of stacked lenses within the stratigraphy that may share a common feeder-stockwork zone (Figure 5). A zone of strong clay-sericite-pyrite alteration surrounding the massive sulphide showings is typical of such mineralising systems.

Continued exploration of the down-dip extent of the massive sulphide showings has potential for discovery of an economically significant copper-zinc-lead-gold-silver massive sulphide deposit. Such deposits are often underlain by a copper-gold enriched portion of the stockwork-feeder zone which also represents an attractive exploration target at Mount Armour.



**CUTTY RESOURCES INC.**

**MOUNT ARMOUR PROPERTY**

KAMLOOPS M.D. - B.C. NTS:92-P-1 E

**SKETCH SECTION  
EXPLORATION TARGETS**




The postulated fault-fracture zone, along the eastern edge of the area of current interest, is a significant feature because of the associated gold-soil anomaly (Zone 6). Continued exploration - both along strike and at depth - of this zone is warranted on the basis that it may host an economically significant gold-quartz vein stockwork deposit.

#### RECOMMENDATIONS

Continued exploration of the Mount Armour property is warranted. It is recommended that the soil geochemical and I.P. geophysical surveys be extended to the southeast of the current grid in order to close off anomalies present in this region. A program of backhoe or bulldozer trenching and rock sampling is recommended to better define drill targets in the areas of existing anomalies. It is further recommended that a program of 800 metres of NQ diamond drilling in approximately 14 holes be undertaken. The purpose of this drilling will be to explore - at relatively shallow depth - the down dip extent of the massive sulphide showings and to test for gold mineralization along anomalous zone No.6. It is estimated that the total cost of the recommended program will be \$120,000.

Successful results from this initial drilling program may prompt a recommendation for more extensive drilling. The uncertainty of predicting the necessary scope of a phase 2 drill program, however, precludes such a recommendation at the present time.

December 30 1985  
Vancouver, B.C.

  
C.J. Westerman, Ph.D., F.G.A.C.  
Consulting Geologist

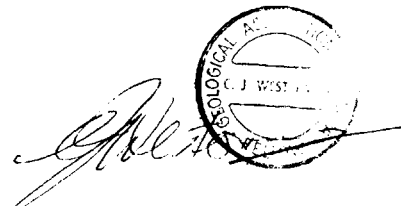


CUTTY RESOURCES INC.

MOUNT ARMOUR PROPERTY

COST ESTIMATE FOR RECOMMENDED PROGRAM

1. Geochemical soil survey: 500 samples @ \$18 per sample	\$ 9,000.00
2. I.P. survey: 6 days @ \$1,000 per day	6,000.00
3. Trenching: 3 days at \$1,000 per day	3,000.00
4. Diamond Drilling: 800m NQ at \$100 per metre	80,000.00
5. Analyses: 150 rock geochemistry @ \$20 per sample	3,000.00
100 rock assays @ \$40 per sample	4,000.00
6. Salaries: Geologist 30 days at \$250/day	7,500.00
7. Accommodation and meals	1,000.00
8. Travel and freight	2,000.00
9. Engineering, drafting, report preparation	3,500.00
10. Government fees	1,000.00
	<hr/>
	TOTAL
	\$120,000.00
	<hr/>



December 30th 1985  
Vancouver, B.C.


C.J. Westerman, Ph.D., F.G.A.C.  
Consulting Geologist

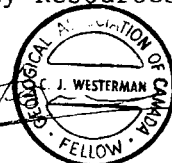
CERTIFICATION

I Christopher John Westerman, hereby certify that:

1. I am an independent Consulting Geologist with office at 790 Handsworth Road, North Vancouver, British Columbia, V7R 2A1.
2. I am a graduate of London University, England with the degree of Bachelor of Science in Geology (1967); of the University of British Columbia with the degree of Master of Science in Geology (1970) and of McMaster University, Ontario with the degree of Doctor of Philosophy in Geology (1977).
3. I am a Fellow in the Geological Association of Canada (F.525) and a member of the Canadian Institute of Mining and Metallurgy.
4. I have practised my profession in North America since 1967, having worked as employee and consultant for several International Mining Corporations and Junior Resource Companies.
5. I have not, directly or indirectly, received or expect to receive any interest, direct or indirect, in the properties of Cutty Resources Inc., or Corporation Falconbridge Copper or any affiliates, or of any property within a radius of ten kilometers of the subject property, or beneficially own, directly or indirectly, any securities of the companies or of any affiliates.
6. This report is based upon a personal examination of all available company and government reports pertinent to the subject property, upon a field examination of the property on October 30th, 1985 and upon personal supervision of a trenching program undertaken December 6th - 11th, 1985.
7. I consent to the use of this report in, or associated with the filing of, a prospectus or statement of material facts by Cutty Resources Inc.

December 30th, 1985  
Vancouver, B.C.

  
C.J. Westerman, Ph.D., F.G.A.C.  
Consulting Geologist



custom milling arrangement by the initial Bell Creek ore. Such an arrangement could accelerate the commencement of commercial production to January 1987.

At the Mikwam project, which is located in the Casa Berardi goldbelt, work included 12 trenches and two diamond drill holes. One of the trenches to bedrock yielded 1.3 ounces gold per ton across 7.6 feet, which is located about 300 feet from a diamond drill hole that returned 0.5 ounces gold per ton over 5.1 feet, plus additional lower grade intercepts.

On October 14th, CSA Management Limited, our largest and controlling shareholder agreed to sell a 50.1% interest in Consolidated CSA Minerals Inc. to Pamour Inc. The purchase price was \$1.70 per share, which was based on the market price at the time the agreement was signed. Pamour will assume the management of the company. Pamour has an experienced mining management team and is the owner of gold custom milling facilities in the Timmins camp, the location of the Bell Creek mine. Over the next 12 months Pamour will cause the company to spend at least \$2,000,000 exploring and developing its gold properties.

In the last 28 months, the company has grown considerably. The involvement of Pamour, with its strong mine management skills should insure the continued growth and development of the company. CSA Management will retain a 30% interest in the company and will have two seats on the board of directors.

**Cutty Resources Inc** CUY  
Shares issued: 1,550,001 Dec 22 close: \$1.00  
News Release

Mr. James Robertson reports:

Corporation Falconbridge Copper has informed Cutty Resources Inc. that a diamond drilling program totalling 412 meters in five holes has been completed on Cutty's 18 unit Mount Armour property near Barriere, B.C. The drilling was designed to test coincident geological/geophysical/geochemical targets identified as a result of earlier work undertaken by the company and CFC.

Two holes, 150 feet apart, intersected massive sulphide exhalite horizons up to 28 feet thick, grading up to 0.29% copper and 4.1% zinc over 4 feet. Another hole, drilled to test a broad IP anomaly, intersected pyrite/sphalerite/chalcopyrite stringer mineralization grading up to 0.66% zinc and 0.06% copper over 3.3 feet. This stringer mineralization may be associated with the massive sulphide mineralization intersected in holes 1 and 2.

The two remaining holes, drilled to test coincident IP/soil geochemical zones, failed to explain the anomalies.

The results of the program are now under review by the company and CFC to determine exploration plans for the property in 1987. CFC holds the option to participate on a 50% working interest basis in future exploration programs.

**Dasher Resources Ltd** DSR  
Shares issued: 5,225,073 Dec 23 close: \$2.05  
Private Placement

The VSE has accepted for filing documentation with respect to a private placement of 89,342 flow-through shares at a price of \$3.25 per share to 18 placees.

**Devran Petroleum Ltd** DVP  
Shares issued: 5,478,428 Dec 23 close: \$1.05  
News Release

Mr. James Wade reports:

The company announces the acquisition by its newly formed subsidiary of all of the conventional oil and gas interests of Onexco Oil & Gas Ltd. in Ontario for \$1,675,000. Financing was arranged and guaranteed by Agassiz Resources Ltd. which has acquired a 20% working interest in the Onexco interests.

The company will pay Agassiz a finder's fee and will issue shares as a bonus in consideration of Agassiz guaranteeing a loan to the company of \$1,450,000. The company has an option, and under certain circumstances will be required, to purchase Agassiz' 20% interest on or before June 1988 for cash or shares.

This acquisition provides Devran with oil production of 150 net barrels per day. The Consumers Gas Company Ltd. of Toronto is the operator of the venture in which Pembina Resources Limited of Calgary is also a partner. All transactions are subject to regulatory approval.

**Discovery Gold Explorations Ltd** DYG  
Shares issued: 2,445,807 Dec 23 close: \$1.45  
Private Placement

The VSE has accepted for filing documentation with respect to a private placement of 60,000 shares at a price of \$1.24 per share to Artemisa Jones with non-transferable share purchase warrants entitling the placee to purchase up to 60,000 shares at \$1.48 per share to November 6, 1987.

**DK Platinum Corporation** DKP  
Shares issued: 1,829,254 Dec 19 close: \$0.35  
Acquisition

The VSE has accepted for filing an agreement dated March 4, 1986 between the company and C.C. Halliday pursuant to which the company has an option to acquire the H&H mineral claims, Similkameen mining division, B.C. Consideration is minimum work programs, 100,000 shares, of which 25,000 are due forthwith and 17% net profit interest in the claims.

**Edgewater Resources Ltd** EGW  
Shares issued: 1,904,000 Dec 23 close: \$2.60  
Private Placement

The VSE has accepted for filing documentation

with respect to a private placement of 750,000 shares at a price of \$1.50 per share to 12 placees with non-transferable share purchase warrants entitling the placees to purchase up to 375,000 shares at \$1.75 per share for a one year period.

**Fibrequest International Ltd** FBQ  
Shares issued: 13,221,285 Dec 23 close: \$2.20  
Private Placement

Mr. Ronald Philp reports:

The company announces that the private placement previously announced to provide the company with a total of \$1 million consisting of the sale of 206,667 shares at a price of \$3.75 per share did not close due to the recent price change in the company's shares.

Negotiations are continuing to complete a private placement based on current price levels to raise the \$1 million.

**Fleck Resources Ltd** FLK  
Shares issued: 3,654,601 Dec 23 close: \$2.70  
News Release

Mr. John McGoran reports:

Fleck announces satisfactory progress on the Pardee township property near Thunder Bay, Ontario, which is under option from Great Lakes Nickel Ltd.

To date approximately 1500 drill core samples have been assayed at Lakefield Research's Peterborough, Ontario laboratories, representing about 50% of the total to be done under the current work program. These samples are being systematically analyzed for copper and nickel as well as platinum metals, which were largely overlooked when the property was extensively drilled in the late 1960s.

Mr. Dennis Buchanan, professor of mining geology at Imperial College, London, England, and who has extensive experience of the Bushveld complex in South Africa, visited the property during November and in his report to Fleck, Dr. Buchanan states that the sulphide and chromite horizons are similar to those found associated with the Platreef deposit of the Bushveld complex in South Africa.

Over the past few weeks 7 new diamond drill holes, totalling 2846 feet have been completed, mainly to further evaluate near surface sections, with a view to determining the viability of the deposit to large scale open pit mining.

This program is being financed by the way of flow-through private placement of 106,157 shares at \$4.71 per share, for a total of \$500,000 from MVP Exploration and Company Limited Partnership.

**Frobisher Resources Ltd** FBR  
Shares issued: 3,090,828 Dec 23 close: \$0.63  
Private Placement

The VSE has accepted for filing documentation with respect to a private placement of 400,000 flow-through shares at a price of \$0.50 per share