

Star Property

- 5 miles southwest of Nelson, BC
 - 50/50 JV ie Lectus spends \$400,000 on Ryan property, Ryan spends \$400,000 on Lectus' Gold Eagle #3 claim.
- Lectus has optioned their interest to Reymont Resources
Lectus has back in at feasibility; can obtain 50% of Reymont's interest by funding 25% of exploration expenditures. Reymont reserves right to purchase shares in Lectus.

- consists of 24 Crown Grants, 8 RCG's, ~~12~~¹⁴ 2-post, 11 fractions and 4 MGS claims (77 units)

History

- pre 1960 small amount of mining from Star, Alma N, Eureka
- 1930-1960's exploration drilling near Star, Eureka
- 1969 2 DDH by Cannon Exploration
- 1982 located for US Borax by Knox, Kaufman
- 1984 Ryan optioned Finley crown grants, additional claims optioned staked
- Ryan carried out geochemical, geophysical surveys, trenching, 15 angle ^{rotary} reverse circulation drill holes
Large gold anomaly, in places with associated copper and silver values was outlined.

Geology

Property is underlain by metamorphosed intermediate to basic volcanics (chlorite schist) and interbedded volcaniclastics (chlorite schist) of the and Quartz diorite.

Mineralization occurs as disseminated pyrite, chalcopyrite (primarily) within volcanic units, associated with fault zones and within fractures in the intrusive rocks.

- ① disseminated sulphides in Rosland Volcanics
- ② fracture veins with sulphides in Star pluton
- ③ northerly trending structures (stronger faulting & silicification)
(with high grade intersections from drilling)

Alma N silicified zones along faults cutting chloritic schists

Star fracture controlled sulphides ^{in qtz diorite} lower sulphides than Alma N in volcanics but higher copper values, snuffs of gold (possible oxide copper-gold)

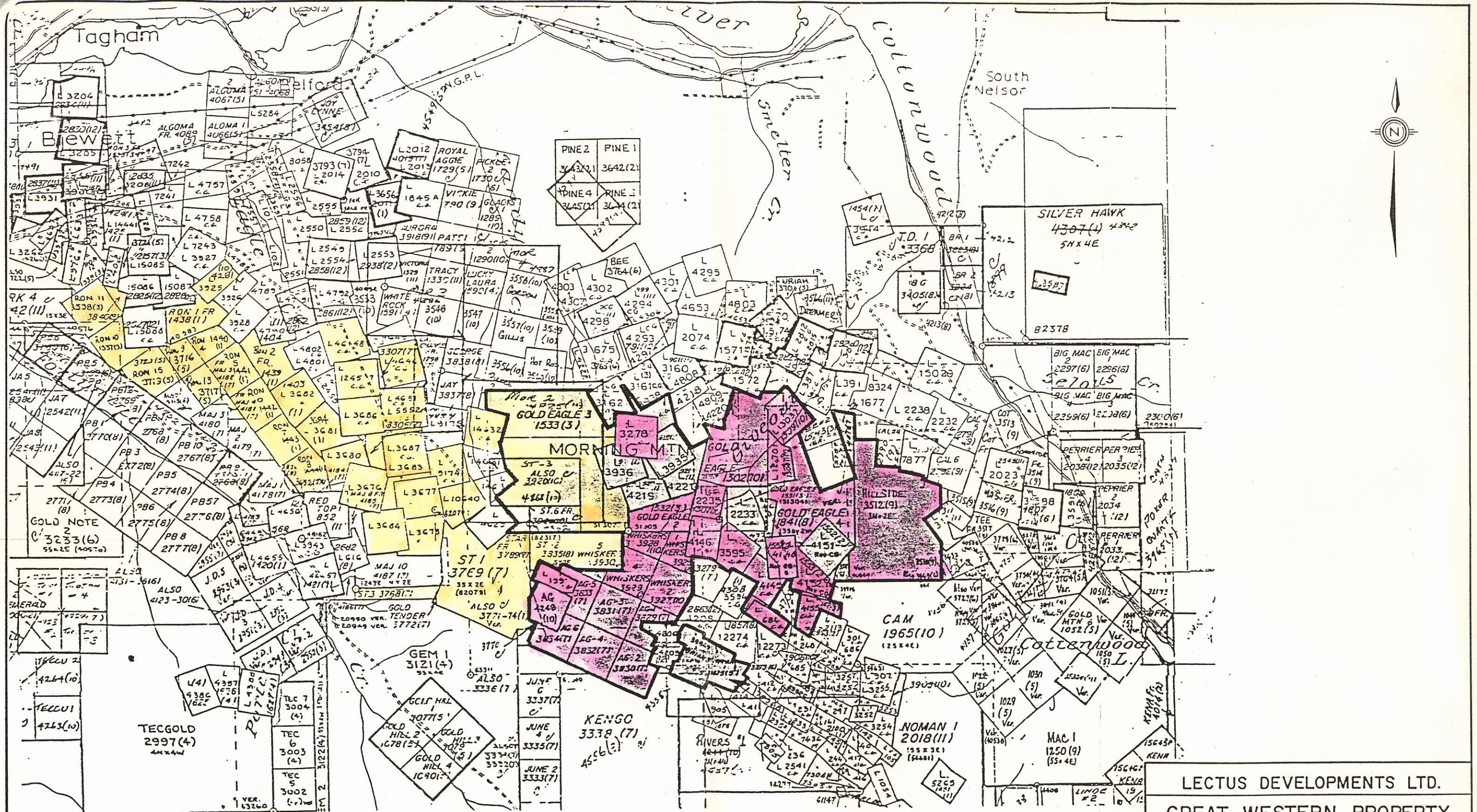
Eureka not clear but 1950's attempt made to mine Cu-Ag-Au deposit localized in irregular fault zones ^{within} fractured, sulphide-bearing qtz diorite.
Dadler says Eureka is replacement mineralization within limestone lenses assimilated by diorite intrusion

Comments

~~the~~

Broad gold geochem and IP anomalies present.
Most consistent mineralization appears to be within the metamorphosed volcanics adjacent to quartz diorite intrusions.

I don't think that there is much room in this deal right now!



GIVEOUT (GREAT WESTERN) } (GOLDEAGLE 3 INCL IN BOTH)
 STAR



LECTUS DEVELOPMENTS LTD.		
GREAT WESTERN PROPERTY		
NELSON MINING DIVISION, B. C.		
CLAIM MAP		
SEARCHLIGHT RESOURCES INC.		
DATE: DECEMBER, 1987	SCALE: 1:40,000	FIGURE No. 2

REPORT TO SHAREHOLDERS

March 23, 1988



530 - 355 Burrard Street
Vancouver, B.C. V6C 2G8

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Fax: (604) 687-0913

The past two years of work have brought Lectus to the beginning of an exciting and profitable future for the shareholders.

At the Great Western project near Nelson, B.C. we are at the threshold of proving 800,000 tons of 0.1 ounces per ton (OPT) gold, suitable for quarry open pit mining. After completing our next drilling program, a feasibility study may be considered. The mineralized zone is open to both north and south as well as depth. The far western end of our Nelson property has been committed to a joint venture with U.S. Borax's Canadian subsidiary Ryan Resources Ltd. In turn our interest in this joint venture has been optioned to Reymont Resources Ltd. who have committed to provide funding to feasibility stage. At that time Lectus can back into the joint venture for a 50% interest in Reymont's interest by paying 25% of the costs incurred by the joint venture. This relieves Lectus from dilution in obtaining a position in an extremely advantageous project. Whilst work to date has been minimal, results have been very rewarding. The potential here is for a very large open pit mine, in the order of 50,000,000 tons grading 0.055 OPT gold.

Historically the Nelson area has seen many small high grade mines. The information we are developing makes a very large, low grade open pit mine a very distinct possibility.

In Arizona at the Cave Creek project 30 miles from Phoenix, we are working to have the property in production by late Summer with a target of 1,000 ounces gold per month.

A review of last falls work program on the Casa Berardi, Quebec property by Nelson W. Baker, P. Eng. recommends a further exploration program to explore the polymetallic potential exposed by the last work program.

In Oklahoma our joint venture partner expects to commence drilling on the gas leases in April of this year. At current natural gas prices this project should generate \$150,000 per annum in cash flow for Lectus.

With the prospect of gold production in late summer from the Cave Creek project in Arizona, the feasibility study for a small mine on the Great Western Project at Nelson and the prospect for cash flow from the Oklahoma gas acreage Lectus will be elevated into a producing company with earnings.

LECTUS DEVELOPMENTS LTD.

A handwritten signature in black ink, appearing to read 'Roy W. Robinson', is written over the typed name.

Roy W. Robinson
President

0913rwr.rpt



GOLD EAGLE #3 / STAR PROJECT

Lectus Developments Ltd. is pleased to announce the formal signing of a joint venture agreement with Ryan Exploration Company Ltd. Ryan is a 100% owned subsidiary of U.S. Borax & Chemical Corporation (U.S. Borax) which is a wholly owned subsidiary of Rio Tinto Zinc Corp. PLC (RTZ) of Great Britain. Ryan and Lectus must each spend \$400,000 over a period of three years on each other's properties, (the Gold Eagle #3 and the Star property which are contiguous, see map) in order to earn a 50% interest. A joint venture will be formed with Ryan as operator after the interests are earned. An initial \$400,000 drilling program is now being planned for this summer.

Lectus has agreed to vend the Lectus/Ryan agreement and the Gold Eagle #3 claim into a private company, Reymont Resources Ltd. ("Reymont"). Reymont has agreed to fund the project. When presented with a feasibility study, Lectus has sixty (60) days in which to back into the joint venture by paying 25% of Reymont's incurred exploration expenditures for a 50%

interest. In return Reymont receives an option to purchase 1 million common shares of Lectus at \$1.50 by March 04, 1991, 1 million common shares of Lectus at \$2.50 by March 04, 1992 and a further 1 million shares at \$3.50 by March 04, 1993 on the condition that Lectus elects to back-in for 50% of Reymont's interest. This agreement has been approved by the Vancouver Stock Exchange but remains subject to shareholder approval. Reymont is arranging to raise at least \$400,000 in flow-through funds to start the work program on the Star project this fiscal year.

The general geological picture appears to be an unusual coincidence of porphyry, contact and stratabound type gold-copper-silver mineralization localized along the southern and south eastern margins of a dioritic stock in contact with Rossland formation volcanic and sedimentary rocks. Drilling along the trend has encountered broad sections of anomalous to low grade gold enclosing narrower sections of medium to high grade gold. The accompanying map shows the drill hole locations and the primary geophysical targets with proposed drill hole locations.

THE FOLLOWING LIST SHOWS SIGNIFICANT DRILL HOLE ASSAY RESULTS TO DATE.

ALMA N ZONE				
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton
DH-S 3 incl	85	205	120	0.090
	95	115	20	0.221
	170	185	15	0.169
DH-S 4	345	350	5	0.174
DH-S 5 incl OR	90	245	155	0.126
	125	140	15	0.151
	225	230	5	2.760
	225	245	20	0.720
DH-S 6 incl	225	500	275	0.015
	495	500	5	0.16
DH-S 7	50	225	175	0.016
	175	200	25	0.028
DH-S 7A	20	245	225	0.213 ppm
DH-S11	80	115	35	0.032
	295	320	25	0.138

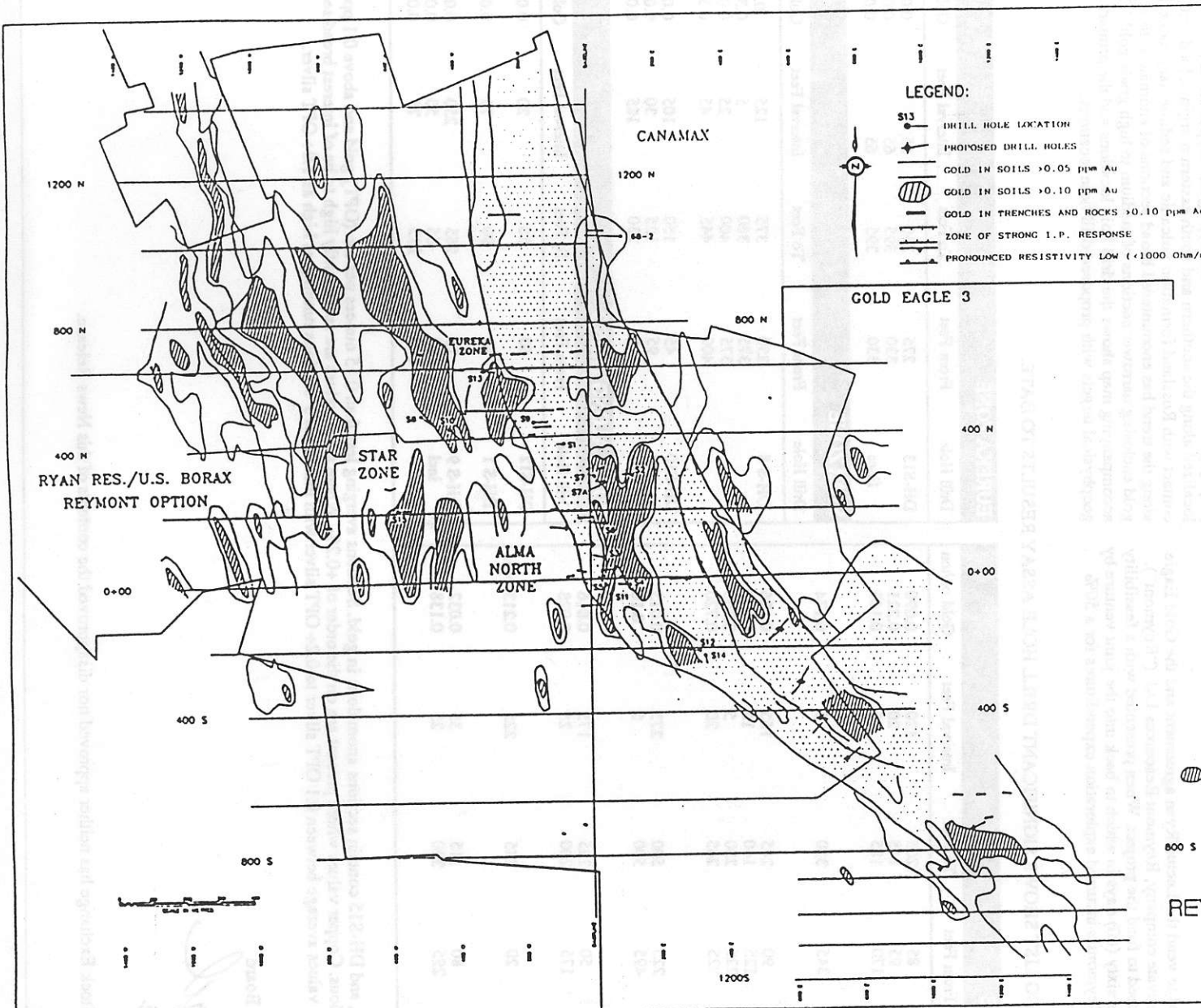
EUREKA ZONE				
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton
DH-S13 fines	275	330	55	0.016
	330	395	65	0.028
	330	395	65	0.042
STAR ZONE				
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton
DH-S 8	250	375	125	0.02
	375	380	5	0.315
	375	400	25	0.082
	400	445	45	0.316 ppm
DH-S10 incl OR	45	150	105	0.048
	95	125	30	0.093
	45	230	185	0.035
HOLES ALONG TREND				
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton
DH-S12	60	80	20	0.036
DH-S 1	17	90	73	0.014
DH-S 9 incl	15	265	250	0.016
	15	65	50	0.025
	140	215	75	0.025

DH-S2, DH-S14, and DH-S15 contain sections anomalous in gold. Sections averaging less than 0.15 ounces per ton (OPT) gold and above 0.1 ppm are treated as anomalous. Copper values where present are on the order of +0.2%. Where silver values are sufficiently high to be of interest broad sections tracking the gold values average between 0.1 OPT silver to 0.2+ OPT silver with individual 5' sections running as high as 1.0+ OPT silver.

On Behalf of the Board

S.R. Ford, P. Eng.
Director

The Vancouver Stock Exchange has neither approved nor disapproved the contents of this News Release.



ASSAY INTERVALS

ALMA NORTH ZONE					
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S 3	85	205	120	0.090	
	incl	95	115	20	0.221
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Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S13	275	330	55	0.016	
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STAR ZONE					
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton	
DH-S 8	250	375	125	0.02	
	incl	375	380	5	0.315
		375	400	25	0.082
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DH-S10	incl	45	150	105	0.048
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REYMONT/U.S. BORAX JOINT VENTURE
STAR PROJECT
COMPILATION MAP

Lectus Developments Ltd.

Executive Summary

Project: Star Property / Gold Eagle #3, Nelson, B.C.
A Lectus - Reymont - U.S. Borax Joint Venture

*Same block of claims
2.5-3 km from
Sweat*

Holdings

U.S. Borax's Star Property and Lectus/Reymont's Gold Eagle #3 are contiguous.

Expenditures for 1988

Lectus/Reymont will spend \$400,000 on U.S. Borax's Star Property over 3 years to earn a 50% interest. U.S. Borax will spend \$400,000 over 3 years to earn a 50% interest in Gold Eagle #3. A joint venture will be formed when both groups complete these expenditures. Asarco will retain a 3% NSR in the Gold Eagle #3.

Work That Led to Discovery

Geochemical and geophysical surveys carried out by U.S. Borax and Asarco have indicated an extensive gold anomaly associated in places with copper and silver. Drilling (15 reverse circulation holes) on the Star Property has confirmed these findings. All 15 holes encountered anomalous gold values. Twelve of the fifteen holes have mineralized sections of sufficient grade and width to be of economic interest.

Geology

A large IP anomaly (+2,000m. x 200m.), coincident with a high gold geochemical anomaly, passes all the way through both properties from north to south along their common boundary, and continues on to the south.

Trenches and drill holes have indicated a very thick stratabound area of mineralization containing pyritized silicified felsic volcanics. The one area of outcrop (+100m.) of this anomalous zone is reported to assay between .015-.05 (Kaufman) and .05-.10 (Salazar).

The overall picture seems to consist of a thick arcuate band of mineralized volcanics (stratabound?) coming from the southeast and eventually dissipating into a dioritic intrusive which is also mineralized.

Economic Geology and Drilling Highlights

Three northerly trending structures along a strike length in excess of 3,600 ft. have been recognized: the Alma N., the Star, and the Eureka. Gold grades in these structures are enhanced relative to the surrounding anomalous areas over widths of tens to hundreds of feet.

Drilling has identified mineralized zones that contain narrow high grade sections (+5 ft. of .25 OPT gold to 1.0 OPT gold), medium width medium grade sections (+.09 OPT gold to .20 OPT gold over 15 ft. and .10 OPT gold over 100 ft.) and broad low grade zones including a possible 300 ft. of .03 OPT gold with significant copper and silver values.

GOLD EAGLE #3 / STAR PROPERTY
 DRILL HOLE SUMMARY REPORT APRIL 20, 1988

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EUREKA ZONE

Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton
DH-S13	275	330	55	0.016
	330	395	65	0.028
finest	330	395	65	0.042

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