

## Executive Summary

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

### 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.

## Drilling Highlights

### Alma N Zone

Hole #3 cut a twenty-foot thickness averaging .219 OPT gold from 95 ft. to 115 ft. in the hole, including a five-foot thickness grading .517 OPT gold, and a deeper intercept from 170 ft. to 185 ft. averaging .169 OPT gold. The whole interval from 85 ft. to 205 ft. (120 ft.) averages .09 OPT gold.

One hundred fifty feet south of Hole #3, Hole #5 hit an uncut 155 ft. section from 90 ft. to 245 ft. which would average .126 OPT gold. This is heavily influenced by a five-foot section (225 ft. to 230 ft.) running 2.76 OPT gold. Included are a ten-foot section (125 ft. to 135 ft.) of Hole #5 which ran .168 OPT gold, and an 85-foot section (90 ft. to 175 ft.) which averaged .056 OPT gold.

Hole #11, which is one hundred fifty feet south of Hole #5, intersected thirty-five feet (80 ft. to 115 ft.) averaging .032 OPT gold, and a twenty-five foot section (295 ft. to 310 ft.) averaging .138 OPT gold, including fifteen feet of .201 OPT gold and five feet of .495 OPT gold.

Hole #6, which is three hundred feet north of and offset somewhat to the west of Hole #3, intersected 275 ft. averaging .015, including five feet of .16 OPT gold.

Information taken from earlier reports indicates that trenching and crosscutting in the vicinity of Hole #5 encountered forty feet averaging .17 OPT gold.

### Star Zone (.65 km. NW of Alma N):

Two holes, #8 and #10, cross-sectioned a fairly large geochemical anomaly within a larger zone of interest, and indicated a possible true width of 300 ft. grading .03 OPT gold. The best intersection was in Hole #10 from 45 ft. to 150 ft. averaging .048 OPT gold, .33% copper, and .13 OPT silver. This includes a thirty-foot section (95 ft. to 125 ft.) averaging .093 gold, .68% copper and .22 OPT silver.

### Eureka Zone

This zone has the most prominent mention in the literature of the early 1900's. Approximately 10,000 tons of copper-gold-silver ore were produced at that time. Diamond drilling in the 1950's encountered values including 8 ft. of .40 OPT gold when the property was being explored for copper.

Hole #13 of the present program, located 150 ft. from the old working, encountered 65 ft. in the bottom of the hole (330 ft. to 395 ft.) averaging .0278 OPT gold, .15 OPT silver and .165% copper. This hole was subject to very heavy water flows causing a severe loss of fines. Assays of fines from this same interval were .042 OPT gold, .27 OPT silver and .28% copper including the last five feet which assayed .18 OPT gold, 1.5 OPT silver and .33% copper.

## Recommendations

Favourable drilling results on the Alma N, Star, and Eureka mineralized zones warrant a follow-up. Fill-in, extension and deep drilling will be required to adequately test the Alma N zone, and reconnaissance drilling will be required to explore the Star and Eureka areas. The vast area of anomalous IP response occupying the largely overburden-covered valley of Sandy Creek, east and southeast of the above-mentioned known mineralized zones, remains a practically untested target. The thick section of mineralized volcanoclastics exposed within the southeastern portion of the response area, is a promising target as is its northwesterly projection.

Core drilling as well as angle rotary holes will be necessary to test the various targets. The Lectus/Reymont/Borax budget of \$400,000 on the Star Project and \$400,000 on the Gold Eagle #3 will cover this program.

# LECTUS DEVELOPMENTS LTD.

## Executive Summary of Progress through 1987

- PROJECT:** Give Out Creek; Nelson, B.C.
- TARGET:** Sulphide quartz carbonate gold veins in volcanics and syenite
- HOLDINGS:** 80 units with a combination of Crown Grants, modified grid and two post stakings. Further negotiations are underway for the optioning of more land.

### WORK THAT LED TO DISCOVERY:

The area was extensively explored in the past starting in the late 1800's. Significant production in silver and copper was achieved in the Silver King Mine adjoining to the south of Lectus (220,000 tons 3.4% copper and 20.0 oz. silver) and in gold at the Athabaska, Venus, Juno and California mines to the north (approximately 75,000 oz. gold from 100,000+ tons). Lectus acquired almost all of the intervening ground through options and joint venture (Asarco) in 1984-85, and began a program under G. Salazar S., P. Eng., consisting of IP, geochemical, mapping and prospecting (plus check work on previous Asarco data).

A large shear zone (+6,000 feet x 600 feet) with pyrite and quartz carbonate mineralization was detailed and seven targets were identified. Mr. Salazar chose No. 3 for an initial hole based on IP and geochemical surveys. The site was moved 30 meters westward after discovery of a sheared mineralized zone while preparing to move a drill in. DDH 86-1 (the discovery hole) intersected 4.94 meters averaging 0.182 gold including 0.70 meters of 0.86 gold.

### INFERRED ECONOMIC POTENTIAL:

Total expenditures through January 1988 are \$578,000. Ten thousand feet of diamond drilling have been completed (6 holes in 1986 and 21 holes in 1987).

At the discovery site, a continuous zone of mineralization has been partially defined over a two hundred foot length. Using a weighted average of 0.18 OPT gold, 100,000 tons may be inferred to a depth of 200 feet. An additional 100,000 tons grading in excess of 0.04 gold may also be inferred. This shoot is open to depth and lies in a strong NW-SE chargeability anomaly coincident with a prominent gold geochemical high that has a continuous strike length of 1,800 feet.

Trench K7, 200 feet to the south, has yielded 5 meters of 0.210 gold, 2 meters 0.138 gold, 1.5 meters of 0.309 gold, and 212 meters of 0.062 gold. Another trench in the current program has exposed a wide zone of fine pyrite with quartz stringers immediately adjacent to the west and parallel to the K7 zone. This new zone is described in the literature as carrying values across 28 feet (8 feet of 0.28 OPT gold and 20 feet of 0.1 OPT gold).

Drilling in this area could rapidly double the inferred reserves. The last hole of 1987 encountered this zone at 300 feet in the hole (0.094 gold over 4 feet). One hundred and sixty feet to the north, hole 87-15 cut 10 feet of 0.095 gold. Hole 87-5, 500 feet north of 87-15, cut one foot of 0.14 gold, plus numerous sections of lower grade.

The terrain at the discovery zone has a 280 foot elevation change along strike. This, plus the near vertical attitude of the mineralization, make open pit quarry mining an option. The low grade zones that parallel the better material could be mined cheaply, and an average grade of 0.1 gold could be maintained by sorting in the pit.

The discovery zone has been intersected by drilling over a total length of 860 feet. The area where the work has been concentrated is bounded on the north by the Poje Tunnel (1 oz.gold across 3 feet by Murton in 1987) and the Starlight Tunnel on the south (0.5 oz.gold, 1 oz.silver over 6 feet by Salazar 1987). A total distance of 3,000 feet of strike length, containing a strong IP response and anomalous gold in soils, remains on the Lectus property, and requires detailed exploration.

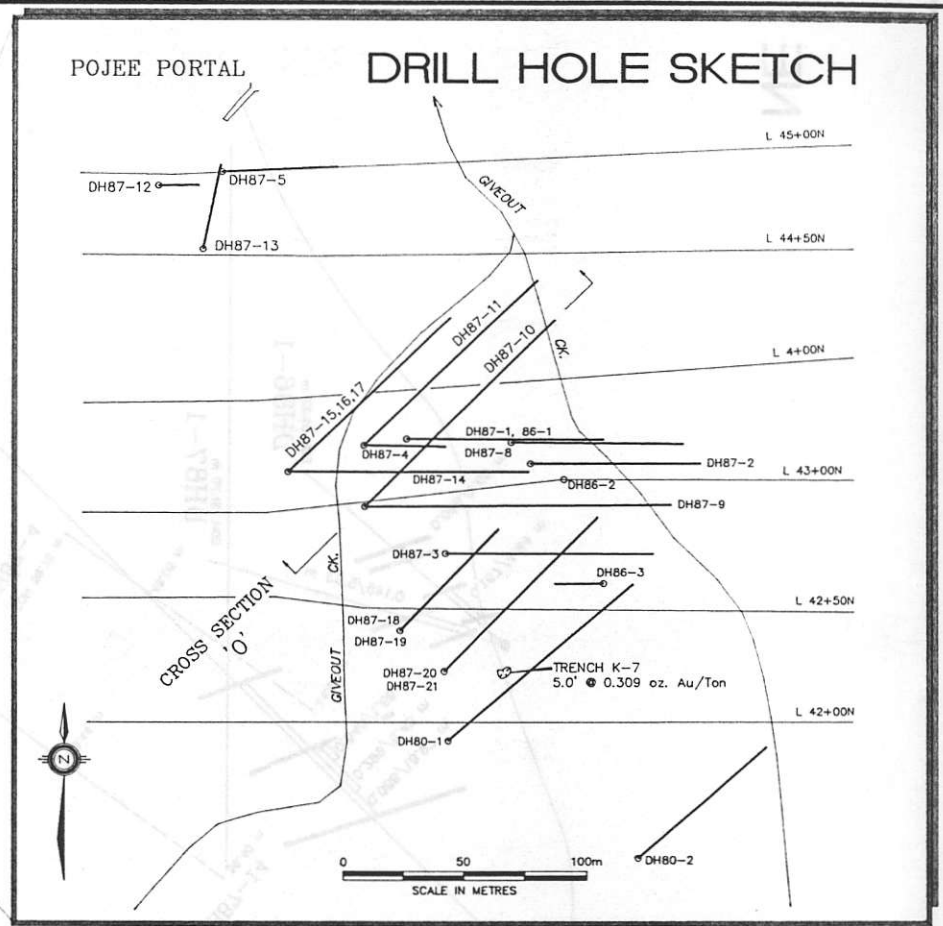
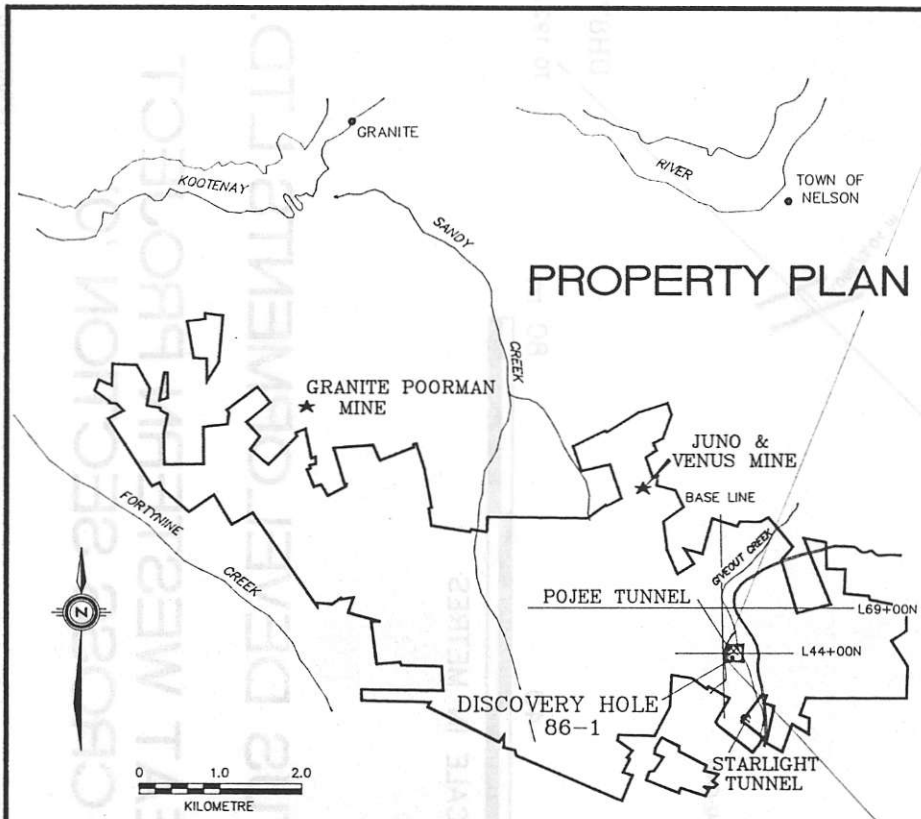
The geologic setting of gold mineralization on this property is similar to the neighbouring producers (including Granite Poorman [174,000 tons 0.37 oz.gold]). A new discovery of high grade gold (0.75 oz. gold over a mineable width for a strike length of 200 feet) exists within an envelope of medium and low grade material. The high grade zone has been encountered in six holes.

### **RECOMMENDATIONS:**

Further exploration should be undertaken to increase present reserves in the immediate discovery zone area. The drill-indicated mineralized zone is open to the north, south and to depth. Testing along strike of the anomalous trend should continue with attention being paid to the high grade sections in the Poje and Starlight tunnels. The object should be to indicate a threshold reserve in mineable ounces for production consideration.

The K2 trench zone has an immediate potential of an additional 25,000 ozs. to shallow depth. The probability is excellent for the discovery of other high grade zones in the Give Out Creek shear zone. Further attention should be paid to some of the lower grade zones that have open pit potential such as those encountered in holes 86-4 and 87-6.

The newly joint-ventured Alma N. discovery, larger and higher grade than the discovery zone, should enhance the possibility of achieving the minimum ounces (75,000 to 100,000). At the same time that these programs proceed neighbouring properties should be examined as possible acquisitions.



**HIGH GRADE ASSAY RESULTS**

WITHIN THE TYPE A HIGHER GRADE ZONES, MINEABLE WIDTHS OF HIGH GRADE HAVE BEEN ENCOUNTERED:

DH. No.	WIDTH IN FEET	oz/ton GOLD	DH. No.	WIDTH IN FEET	oz/ton GOLD
DH86-1	5.6	0.469	DH87-4	0.3	0.650
	1.7	0.248	DH87-6	0.2	0.594
DH87-1	0.6	0.364	DH87-9	1.9	1.154
	6.7	0.300	DH87-10	6.2	0.730
DH87-3	1.3	0.224			
	3.5	0.142			
	2.0	0.577			
	2.8	1.715			
	1.0	0.523			
	0.7	0.238			
	0.5	0.214			
	1.2	0.426			
	1.0	0.206			

THESE GOLD GRADES CONFIRM THE POTENTIAL OF A HIGH GRADE DEPOSIT.

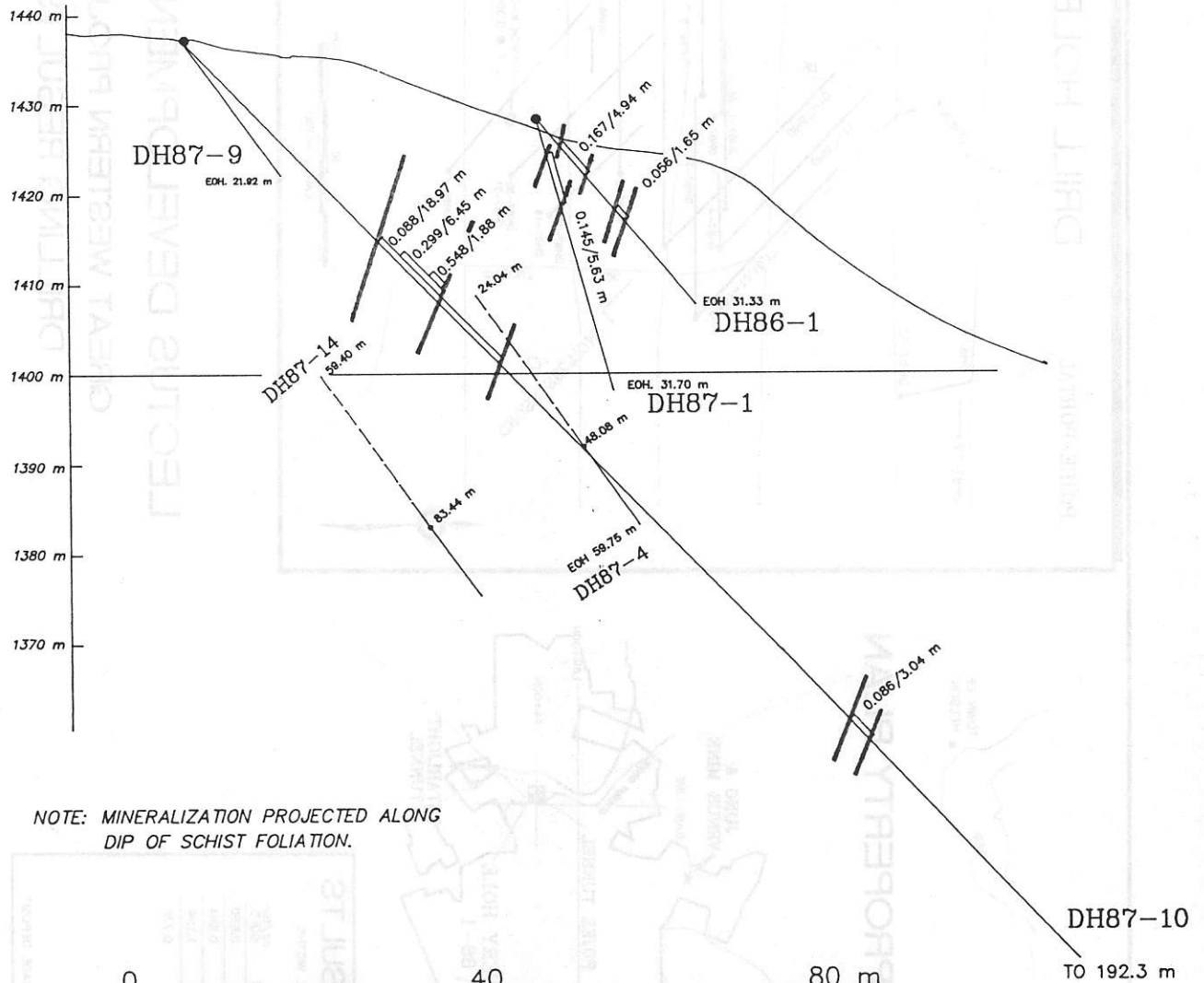
**LECTUS DEVELOPMENTS LTD.  
GREAT WESTERN PROJECT  
DRILLING RESULTS**

FEBRUARY, 1987

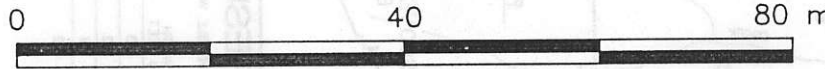
Prepared By RNR MINERAL GRAPHICS LTD.

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SCALE IN METRES

**LECTUS DEVELOPMENTS LTD.**  
**GREAT WESTERN PROJECT**  
**CROSS SECTION '0'**

FEBRUARY, 1988

Prepared by: RWR MINERAL GRAPHICS LTD.

January 14, 1988  
Trading Symbol LDV (V)



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

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#### NEWS RELEASE

The company has completed the 1987 exploration work in the Giveout Creek area in our the Great Western group of properties located 7 km south of Nelson, B.C. The excellent assay results support the theory that a high grade gold discovery has been made. Significant gold values have been intercepted in every one of the 21 drill holes drilled this season. The length of the drilled area is 800 feet and has tested to a depth of 300 feet. The gold mineralization has been found in the centre of the 1500 foot wide, highly altered shear zone adjacent to the Silver King stock.

Further assay work on the turn of the century trenching work on the North Star claim south of the discovery hole has identified another mineralized vein which has a grade of 0.309 oz of gold per ton over a 4.9 foot width.

The company is planning on defining the shape of the ore shoots by further surface trenching and in-fill diamond hole drilling.

Mr. Peter Dasler, M. Sc., Project Geologist of Searchlight Resources is predicting that each ore shoot will contain an average of 30,000 tons of high grade ore. To date approximately five ore shoots have been drill intersected and one has been discovered in the above mentioned existing trench and another grading of 0.50 oz per ton gold over 6.5 feet was found in the Starlight mine.

The geochemical information strongly suggests a significant number of additional ore shoots will be discovered in the two thousand foot strike length between the Starlight mine and the discovery hole.

The most significant diamond drill results from the last three holes designed to test the ore shoots at depth is a 4.8 foot intersection of 0.094 oz per ton gold at the 371 foot level in drill hole 87-21. This intersection lies almost directly below drill hole 87-3 where values of 0.577 oz per ton gold over 2.0 feet and 1.715 oz per ton gold over 2.8 feet were discovered in the 56 to 65 foot depth range. This confirms the vertical extension of the ore for 1.71 feet of 0.25 oz per ton gold was intercepted in drill 86-1 at 420 feet, a 6.17 foot intersection of 0.730 oz per ton gold at 124 feet in drill hole 87-10, a 1.9 foot intersection of 1.154 oz per ton gold at 133 feet in drill hole 87-9 and a 10.0 foot intersection of 0.095 oz per ton gold at 205 feet in drill hole 87-15.

The company has instructed the geologist to prepare a report which will outline the ore reserves and average grade contained in discovery area. This report will be available February 15, 1988 and the reserve calculations will be announced.

..... OVER



Mr. Peter Dasler, M. Sc., defines the discovery as follows: "The exploration program by Lectus on the "Discovery Zone" has found and defined high grade quartz vein mineralization within a large northwesterly trending shear system. The zone of mineralization is open to depth and along strike."

The company has reached an agreement with Pacific Regency Marketing Ltd. to settle outstanding accounts in an aggregate amount of \$30,800 by issuing 34,222 shares value at a deemed price of \$0.90. This agreement is subject to the approval of B.C. regulatory agencies.

On Behalf of the Board

A handwritten signature in black ink, appearing to read "S.R. Ford". The signature is written in a cursive, flowing style.

S.R. Ford, P. Eng.  
Director

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



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**NEWS RELEASE**

March 29, 1988  
LDV (VSE)

The Company has recently carried out a trenching program at its Give Out Creek gold discovery on the Great Western property near Nelson, B.C. The program was designed to test soil geochemical gold and I.P. anomalies south of the area diamond drilled prior to Christmas. The trenching assay results clearly showed the mineralized stockwork extends 755 feet south east of discovery Drill Hole 86-1. Trench K7 was opened up and resampled and found to confirm the same high grades found last fall. This high grade exposure along with the results in trench K9 will be a focus in the drill program scheduled to start after spring breakup. The assay results of the trenching program are as follows:

Trench	Over Width /Meter	Cumulative Values		
		Gold oz/ton	Copper %	Silver oz/ton
K-2SW	Grab Sample	0.402	1.350	1.880
K-2SW	over 0.30	0.089	0.910	2.040
	OR			
K-2SW	over 0.15	0.160	1.550	3.560
K-3SW	over 1.70	0.034	0.013	0.102
K-5	over 1.50	0.054	0.065	0.204
	OR			
K-5	over 1.00	0.072	0.032	0.227
K-6	over 0.80	0.030	0.009	0.073
K-7	over 0.75	0.446	0.017	0.882
	OR			
K-7	over 1.80	0.224	0.099	0.538
K-7	over 1.60	0.044	0.057	0.113
K-8	over 0.80	0.076	0.003	0.134
K-9	over 2.80	0.035	0.004	0.085

... over ...

The Vancouver Stock Exchange has approved the 3 million share option for Reymont Resources Ltd. taking over the financial responsibility to develop the Star Property to the feasibility level in a Joint Venture with Ryan Exploration Ltd., a 100% owned subsidiary of U.S. Borax. Reymont has received a report from Peter Dasler, M. Sc., recommending a \$400,000 work program which includes trenching, I.P. and drilling to confirm the previously announced excellent results received from U.S. Borax.

The Board of Directors has instructed management to seek a listing on the Toronto Stock Exchange.

On Behalf of the Board

A handwritten signature in black ink, appearing to read "S.R. Ford". The signature is written in a cursive, slightly slanted style.

S.R. Ford, P. Eng.  
Director

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

0918news.rls

REPORT TO SHAREHOLDERS

March 23, 1988



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

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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 dark 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 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
	170	185	15	0.169
DH-S 4	345	350	5	0.174
DH-S 5	90	245	155	0.126
incl	125	140	15	0.151
	225	230	5	2.760
OR	225	245	20	0.720
DH-S 6	225	500	275	0.015
incl	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	275	330	55	0.016
	330	395	65	0.028
finer	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	45	150	105	0.048
incl	95	125	30	0.093
OR	45	230	185	0.035

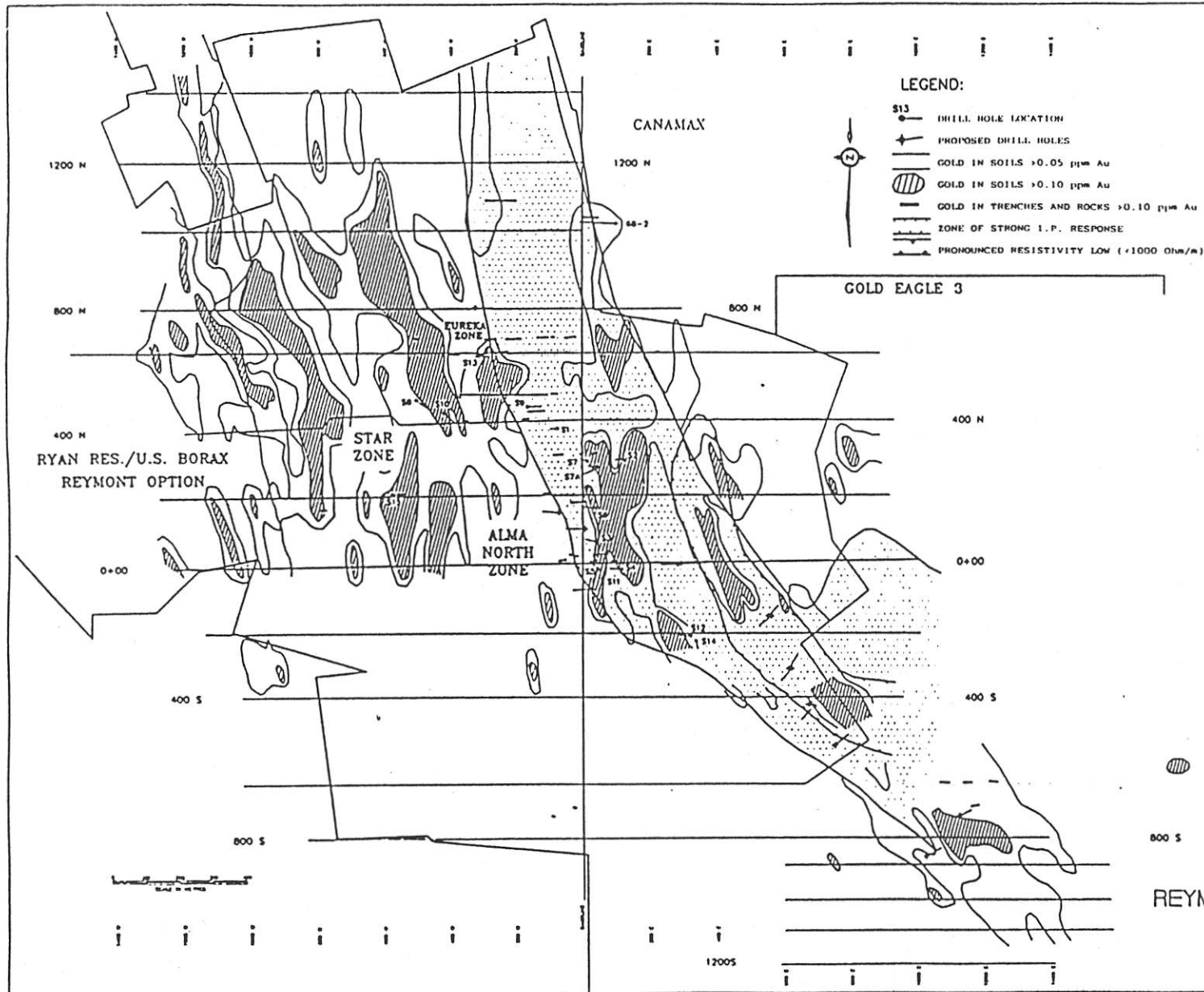
HOLES ALONG TREND				
Drill Hole	From Feet	To Feet	Interval Feet	Gold oz/ton
DH-S12	60	80	20	0.036
DH-S 1	17	90	73	0.014
DH-S 9	15	265	250	0.016
incl	15	65	50	0.025
	140	215	75	0.025

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

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**ASSAY INTERVALS**

ALMA NORTH ZONE					
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	incl	95	115	20	0.221
		170	185	15	0.169
DH-S 4	345	350	5	0.174	
DH-S 5	90	245	155	0.126	
	incl	125	140	15	0.151
		225	230	5	2.760
	OR	225	245	20	0.720
DH-S 6	225	500	275	0.015	
	incl	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	275	330	55	0.016	
		330	395	65	0.028
	incl	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	45	150	105	0.048	
	incl	95	125	30	0.093
	OR	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	15	265	250	0.016	
	incl	15	65	50	0.025
		140	215	75	0.025

**REYMONT/U.S. BORAX JOINT VENTURE  
STAR PROJECT  
COMPILATION MAP**

January 14, 1988  
Trading Symbol LDV (V)



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Mr. Peter Dasler, M. Sc., Project Geologist of Searchlight Resources is predicting that each ore shoot will contain an average of 30,000 tons of high grade ore. To date approximately five ore shoots have been drill intersected and one has been discovered in the above mentioned existing trench and another grading of 0.50 oz per ton gold over 6.5 feet was found in the Starlight mine.

The geochemical information strongly suggests a significant number of additional ore shoots will be discovered in the two thousand foot strike length between the Starlight mine and the discovery hole.

The most significant diamond drill results from the last three holes designed to test the ore shoots at depth is a 4.8 foot intersection of 0.094 oz per ton gold at the 371 foot level in drill hole 87-21. This intersection lies almost directly below drill hole 87-3 where values of 0.577 oz per ton gold over 2.0 feet and 1.715 oz per ton gold over 2.8 feet were discovered in the 56 to 65 foot depth range. This confirms the vertical extension of the ore for 1.71 feet of 0.25 oz per ton gold was intercepted in drill 86-1 at 420 feet, a 6.17 foot intersection of 0.730 oz per ton gold at 124 feet in drill hole 87-10, a 1.9 foot intersection of 1.154 oz per ton gold at 133 feet in drill hole 87-9 and a 10.0 foot intersection of 0.095 oz per ton gold at 205 feet in drill hole 87-15.

The company has instructed the geologist to prepare a report which will outline the ore reserves and average grade contained in discovery area. This report will be available February 15, 1988 and the reserve calculations will be announced.

..... over

Mr. Peter Dasler, M. Sc., defines the discovery as follows: "The exploration program by Lectus on the "Discovery Zone" has found and defined high grade quartz vein mineralization within a large northwesterly trending shear system. The zone of mineralization is open to depth and along strike."

The company has reached an agreement with Pacific Regency Marketing Ltd. to settle outstanding accounts in an aggregate amount of \$30,800 by issuing 34,222 shares value at a deemed price of \$0.90. This agreement is subject to the approval of B.C. regulatory agencies.

On Behalf of the Board

A handwritten signature in cursive script, appearing to read "S.R. Ford".

S.R. Ford, P. Eng.  
Director

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





530 - 355 Burrard Street  
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PRESS RELEASE

March 15, 1988

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Effective March 14, 1988 Canarim Investment Corporation Ltd. (the "Agent") agreed to act as the Company's agent for the sale of up to 500,000 units at \$0.56 per unit. Each unit consists of one common share and one warrant to purchase an additional common shares at \$0.66 within one year. The Agent expects to close the private placement within the next 30 days. The commission payable to the Agent may be paid in shares of the Company rather than in cash.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'John V. Koonce', is written over a horizontal line.

John V. Koonce  
Director

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



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March 14, 1988  
LDV (V)

**NEWS RELEASE**

The Board of Directors of Lectus Developments Ltd. (Lectus) are please to announce a property option Letter of Intent with Ryan Exploration Company Ltd. (Ryan). Ryan is a 100% owned subsidiary of U.S. Borax & Chemical Corporation (U.S. Borax) of Los Angeles, California which is in turn a wholly owned subsidiary of Rio Tinto Zinc Corp., PLC. (RTZ) of Great Britain. A portion of the Star Group of properties has been optioned from a group who are required to approve the possible assignment of interest. This final approval is expected shortly and Ryan will, in turn, execute the agreement.

Lectus is required to spend \$400,000 on Ryan's Star Group over a period of 3 years in order to earn a 50% working interest. Ryan must spend \$400,000 on the Gold Eagle No. 3 Claim of Lectus in order to earn a 50% interest in that group. A Joint Venture, with Ryan as operator, will be formed after the interests have been earned. The Star Group, which consists of 67 units, is contiguous with the western boundary of the Gold Eagle No. 3 Claim, a 9 unit group.

The Gold Eagle No. 3 Claim is part of a claim block in which Lectus earned a 51% interest from Asarco Exploration Company of Canada Ltd. (Asarco). Asarco has agreed to give Lectus a 100% interest in the Gold Eagle No. 3 Claim in exchange for a 3% Gross Proceeds Royalty.

Ryan has carried out soil geochemical, magnetometer and induced polarization (IP) surveys on the Star Group which were followed by a program of 15 reverse circulation drill holes, each at a 45 degree angle. Significant results of the drill program are as follows:

**ALMA N. ZONE**

<u>DH-S3</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	95	100	5	0.521
	100	105	5	0.108
	105	110	5	0.125
	110	115	5	0.113
OR	95	115	20	0.221
	155	160	5	0.176
	170	175	5	0.153
	175	180	5	0.229
	180	185	5	0.130
OR	170	185	15	0.170

**ALMA N. ZONE (con't)**

<u>DH-S4</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	345	350	5	0.174

<u>DH-S5</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	125	130	5	0.183
	130	135	5	0.157
	135	140	5	0.112
OR	125	140	15	0.151
	225	230	5	2.760

<u>DH-S6</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	495	500	5	0.160

<u>DH-S7A</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	220	225	5	0.078

<u>DH-S11</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	300	305	5	0.499
	305	310	5	0.077
	315	320	5	0.073

**Adjacent to Zone**

<u>DH-S12</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	65	70	5	0.066

**EUREKA ZONE**

<u>DH-S13</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	295	300	5	0.080
	330	335	5	0.041
	335	340	5	0.080
	340	345	5	0.061
	345	350	5	0.041
	390	395	5	0.111

**Adjacent to Zone**

<u>DH-S1</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	17	90	73	0.014

<u>DH-S9</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	60	65	5	0.088
	210	215	5	0.129

STAR ZONE

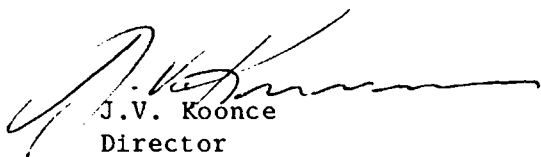
<u>DH-S8</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	275	280	5	0.061
	320	325	5	0.057
	375	380	5	0.278

<u>DH-S10</u>	<u>From (ft)</u>	<u>To (ft)</u>	<u>Intervals (ft)</u>	<u>Gold Oz/Ton</u>
	50	55	5	0.064
	60	65	5	0.082
	70	75	5	0.074
	95	100	5	0.070
	100	105	5	0.171
	105	110	5	0.067
	110	115	5	0.038
	115	120	5	0.109
	120	125	5	0.112
OR	95	125	30	0.095

The most prominent untested target in this season's program is a large IP anomaly, approximately 6,000 feet by 600 feet, that straddles the border between the Star Group and the Gold Eagle No. 3 Claim. This anomaly is stronger than any other on the Star Group and is coincident with a high gold, silver and copper geochemical anomaly.

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. 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. This agreement has been submitted to but not approved by the Vancouver Stock Exchange.

On Behalf of the Board

  
J.V. Koonce  
Director

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

0902news.rls



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PRESS RELEASE

MARCH 7, 1988

Lectus Developments Ltd. (the "Company") announces its intention to grant the following employees' and directors' stock options at a price of \$0.64 per share, being the average closing price of the Company's shares on the 10 trading days prior to March 4, 1988:

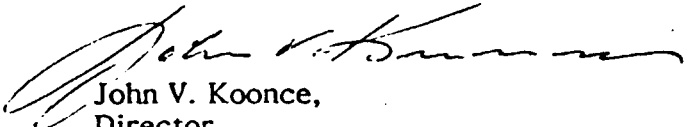
<u>Employees</u>	<u>Number of Shares</u>
Roy William Robinson	115,000
Stanley Robert Ford	115,000
Dorothy Smith	<u>10,000</u>
	240,000

<u>Directors</u>	<u>Number of Shares</u>
Edwin Frederick Grobler	25,000
Frederick August McGonigle	<u>25,000</u>
	50,000

The options will be exercisable over a five (5) year period and are subject to the approval of the Vancouver Stock Exchange and, in the case of the directors' options, are also subject to shareholders' approval.

ON BEHALF OF THE BOARD

  
John V. Koonce,  
Director

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

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March 02, 1988  
LDV (V)

### NEWS RELEASE

The Company has received a report on its 1987 exploration program completed on the Dieppe II, a 55 unit property, located contiguous to the Golden Knight/Inco property in the Casa Berardi area of Quebec. The results of the exploration program are very encouraging and Nelson Baker, P. Eng. recommends further exploration work to test the gold and base metal potential.

The seven hole diamond drilling program all had pervasive carbonization throughout most of the rock units and anomalous (400 ppb) gold in DH87-01 and anomalous copper (411 ppb) and zinc (381 ppb) in DH87-02.

Mr. Nelson Baker, P. Eng. interpreted the results as a positive indication, the property is geologically well situated for either hydrothermal-type gold deposits (Agnico-Eagle) or Kuroko-type base metal deposits. As well the magnetic low area occupying the northwest corner of the property may reflect an underlying accumulation of felsic volcanics (ie: a possible dome) and thus the fringes of this dome may be an excellent environment for Agnico type gold accumulation.

The next stage of exploration work will be announced shortly.

This report has been accepted by management and will be presented to the Board of Directors for their approval of the next stage of exploration.

On Behalf of the Board

A handwritten signature in cursive script, appearing to read 'R.W. Robinson', is written over a horizontal line.

R.W. Robinson  
President

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

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February 8, 1988

**NEWS RELEASE**

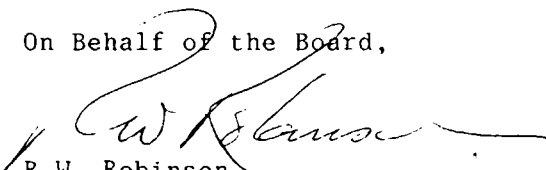
LDV (VSE)

Lectus Developments Ltd. has just received a report from Gui Salazar S., P. Eng. on a recent prospecting program on the Stump Lake property located north of Merritt, B.C. and west of the old Stump Lake mine.

G. Salazar S., P. Eng. reports that the highlight of the program was the discovery of a quartz-chalcedony breccia zone which assayed at 0.116 oz gold/ton upon initial sampling and 0.190 oz gold/ton the second time around. These samples come from a vein of up to 30 centimeters true width, which as well as numerous other veinlets and brecciated zones appear restricted within a lahar or agglomeratic horizon of at least 4.0 meters thickness which dips gently to the west.

Lectus has an agreement with Saturn Energy & Resources Ltd. whereby they can jointly earn a 50% interest in this property from Goldbrae Developments Ltd. by funding a \$1.5 million exploration program.

On Behalf of the Board,



R.W. Robinson  
President

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

0857news.rls



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PRESS RELEASE LDV (V)

MAY 25, 1988

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Lectus Developments Ltd. (the "Company") announces that the employee stock option granted to a director of the Company on February 13, 1986 in the amount of 30,000 shares of the Company, exercisable at a price of \$0.50 per share, has been cancelled and that a director's stock option will be granted to the same director in the amount of 137,000 shares of the Company exercisable over a period of five (5) years at a price of \$0.46 per share, being the average closing price of the Company's shares within the ten (10) trading days immediately preceding today's date.

The option is subject to the approval of the Vancouver Stock Exchange and the shareholders of the Company.

ON BEHALF OF THE BOARD

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

Roy W. Robinson,  
President

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

0987new.drs





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### NEWS RELEASE

April 26, 1988  
LDV (Vcr)

The company reports that the private placement referred to in the News Release dated March 15, 1988 has been reduced from 500,000 units to 250,000 units.

The agent reports that this private placement is now complete and the placement closed.

On Behalf of the Board

A handwritten signature in cursive script, appearing to read 'R.W. Robinson', is written over a horizontal line.

R.W. Robinson  
President

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

0955news.rls



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LDV (VCR)  
April 14, 1988

## NEWS RELEASE

The Company has a 24.5% interest in the Cave Creek gold mining property at Carefree, Arizona. The Company, along with its joint venture partners, Baden Explorations Ltd. and Keld'or Resources Inc., has completed Phase I of a program recommended by Searchlight Resources Ltd. in their report of September 1987.

The calculations and a key ore reserve drawing prepared by Amselco have been obtained. The site has been surveyed and all survey data on drill holes, location of property boundaries, location of existing pads, ponds and equipment and stopes have been plotted. The site has been flown and detailed topographic maps have been prepared.

Amselco carried out a deep drilling program and channel sampled the extensive stopes and adits; they computed reserves of 400,000 tons of .060 oz per ton gold. Their percussion drilling program gave an average recovery of 0.023 oz per ton gold. The average of 20 surface samples in the mine area is 0.047 oz per ton gold.

A nineteen hole reverse circulation drilling program was carried out prior to Christmas 1987 and the assay results, as completed by Bondar-Clegg in Vancouver, confirmed the presence of ore grade gold.

The average recovery grade is 0.023 oz/ton gold over 295 feet which equals what Amselco recovered in their 1980 drilling programs. The recent drilling program also located a new ore zone to the north of the Amselco work.

The joint venture group has engaged a two man team of mining professionals to carry out Phase II of the Searchlight report recommendations. The group is on site and will be responsible to prepare a prefeasibility study with the intent to place the property back into production this summer. The estimated rate of gold production is 1,000 ounces per month. The joint venture is negotiating with groups to supply a gold loan which will fund the development and working capital requirements.

On Behalf of the Board,

A handwritten signature in cursive script, appearing to read 'S.R. Ford'.

S.R. Ford, P. Eng.  
Director

The Vancouver Stock Exchange has neither approved nor disapproved the contents of this news release.