

March 14, 1989

LUCKY COON AND ASHTON PROSPECTS
SIRIUS RESOURCE CORPORATION

Sirius Resource Corporation is currently involved in litigation with Southlands Mining re the Eureka Resources Frasergold property east of Quesnel. This is the best property in which they have an interest - a new gold zone in volcanics was discovered here in late 1988.

Neither of the two properties submitted, the Lucky Coon or the Ashton copper-gold project are considered to be of interest for the following reasons.

Lucky Coon - Kamloops Mining Division

This property is situated east of Adams Lake and is accessible by logging road.

The Lucky Coon is an old prospect on which considerable work has been done over the past 20 years. This work has included minor open pit mining and 3100 metres of diamond drilling in 45 holes.

The property is underlain by Paleozoic Eagle Bay Formation volcanics and sediments which host massive sulfide deposits nearby including Homestake, Rea Gold and Samatosum. Sulfide mineralization on the Lucky Coon includes four zones containing pyrite, galena and sphalerite exposed in trenches and pits over an apparent strike length of 4 km.

All of the known zones have been trenched and drilled with mixed results. Available data suggest that the Golden Eagle zone has the only remaining potential but as the drill plan and summary results indicate, this is marginal at best.

Rather than a massive sulfide environment, this appears to be a vein or shear zone type deposit. The only similarity to Westmin (as per press release) is the fact that the sulfide lenses indicated by drilling are hosted by rhyolite.

Best silver-lead-zinc values are contained in narrow (0.6m) core lengths within a shallow dipping rhyolitic unit which attains a maximum thickness of 6m within the 200 by 100 metre area drilled. Better grades are dependent on 15-45 cm sections of heavy sulfide mineralization.

There is some evidence that the rhyolite may be increasing in thickness down-dip but this is speculative at best.

Sirius holds the Lucky Coon under option from Adams Exploration Ltd. by which they can earn a 75% interest by making option payments of \$100,000 (\$40,000 paid) by the end of 1990 and incurring \$1.5 million in exploration expenditures (\$500,000 spent to date).

Ashton Copper-Gold Project- Cariboo Mining Division

This prospect includes several alkaline porphyry stocks adjacent to the Eureka Peak Frasergold property 50 km east of Horsefly. Previous investigation of copper potential was carried out by Amax and Umex.

This is a grass-roots situation which appears to be entirely predicated on the discovery of gold mineralization (0.117/4.3m; 0.321/1.3m) in volcanics on the Frasergold property immediately east of the Ashton property boundary.

There is little or no hard data presented other than a report prepared by Umex in the early 1980's. Tonnage and grade figures for similar geological environments - ie. Stikine Copper, Cariboo Bell, Afton, make for interesting reading.

Sirius has a 50% interest in the Ashton project - terms and conditions not stated.

