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BEAVIS
&

OTHER PROPERTIES

BYG Res.
1987 Ann. Rpt.

Atlin, B.C.

The company has under option a 57 claim property near Atlin, B.C., (140 km south of Whitehorse, Yukon). A 170 foot shaft on the property dating from the early 1900's was de-watered, and this exposed workings on two levels, one at 65 feet and one at 120 feet. Two parallel veins were exposed in the workings which assayed 0.311 and 0.19 oz/tonne gold over 3.9 and 4.0 foot widths; 1.96 oz/tonne gold over 1.9 feet, and 0.465 oz/tonne gold across 4.0 feet. This work was followed up by a surface geochemical survey and bulldozer and excavator trenching on surface along the strike extensions. The main zone, known as the Beavis, now has a strike length of at least 500 meters (1640 feet). Trench assays from this and from a number of parallel veins are 0.473 oz/tonne gold over 0.60 meters (2.0 feet), 0.389 oz/tonne gold over 0.45 meters (1.5 feet), 0.656 oz/tonne gold over 2.3 meters (7.5 feet), and 0.120 oz/tonne gold over 0.55 meters (1.8 feet).

The geochemical survey identified a new zone 500 meters (1640 feet) north of the shaft. This zone was cut by two trenches which assayed 0.144 oz/tonne gold over 0.30 meters (1.0 feet), and 0.511 oz/tonne gold over 1.25 meters (4.1 feet). Results are being studied and additional work is planned for the 1988 season.

Carcross, Yukon

In October the company acquired an option to earn a 60% interest in two key mineral claims on Montana Mountain near Carcross, Yukon. These claims contain the underground workings of an old producing mine known as the Arctic. Production from the Arctic in 1968-69 was 51,200 tonnes of ore with an average grade of 0.28 oz/tonne gold and 8.3 oz/tonne silver which only represented approximately 70% of the proven grades. This property is felt to have potential for existing reserves plus interesting exploration possibilities.

The Future

With no debt, adequate working capital, and diversified property exposure, your company is well positioned to participate in the exciting future for mining in the Yukon and northern B.C. The 1988 programme for the main property at Mt. Nansen should concentrate on the Brown McDade orebody. Closer spaced diamond drilling (33 meter centres as compared to the current 100 meter spacing) will provide detailed tonnage calculations, confirm the oxidized ore cut off depth, and facilitate pit design work and mine planning. Additional metallurgical test work will reveal the most advantageous processing method, which could be heap leaching, vat leaching, or a combination of both. Contact with various government agencies was authorized last fall by Chevron to reduce regulatory delays. Your management feels that production from the Brown McDade zone can provide the base on which the other surface and underground orebodies can be developed to production in a systematic, economical and profitable way.

ON BEHALF OF THE BOARD



T.J. Donaldson,
President

February 3rd, 1988