

Suite 600 - 750 Cambie Street \* Vancouver, B.C., V6B 5E5 \* Telephone: (604) 682-7677 \* Facsimile: (604) 682-0089

June 10, 1997

882399 Dominion Creek 934/60 934 133 Via Fax: 250.565.6771

S-) Jomin

Mr. Jeff Burrows Chair, Prince George LRMP c/o Ministry of Forests 2000 South Ospika Blvd. Prince George, B.C. V2N 4W5

Dear Sirs:

## RE: WOLVERINE RM2 #48

It has come to our attention that the subject wilderness area is proposed at the Northeast corner of Bowron Park. The Southwest end (headwaters of Littlefield Creek) of this proposed wilderness area straddles the Isaac Lake Fault, a geological feature with significant mineral potential. Gold City Mining Corporation and Applied Mine Technologies Inc. have staked mineral claims in the area, based upon geochemical maps provided by the Geological Survey of Canada and the B.C. Geological Survey Branch (1985 and 1987), as a part of their Domin Property. I consider the precious and base metals discovery on Dominion Creek in 1986 by Nathen Kencayd, Prospector, to be the most significant in the Cariboo Region since the discovery of the lode gold deposits on Cow and Island Mountains in the late 1800's.

We respectfully request that the LRMP committee give consideration to keeping the proposed new wilderness area boundary outside of the Littlefield Creek drainage.

For complete information on the mineral potential of the Isaac Lake Fault in the areas of Littlefield Creek and Dominion Creek please communicate directly with Bob Lane, District Geologist Frince George Region, as we have kept him informed of our staking and exploration activities in the subject area.

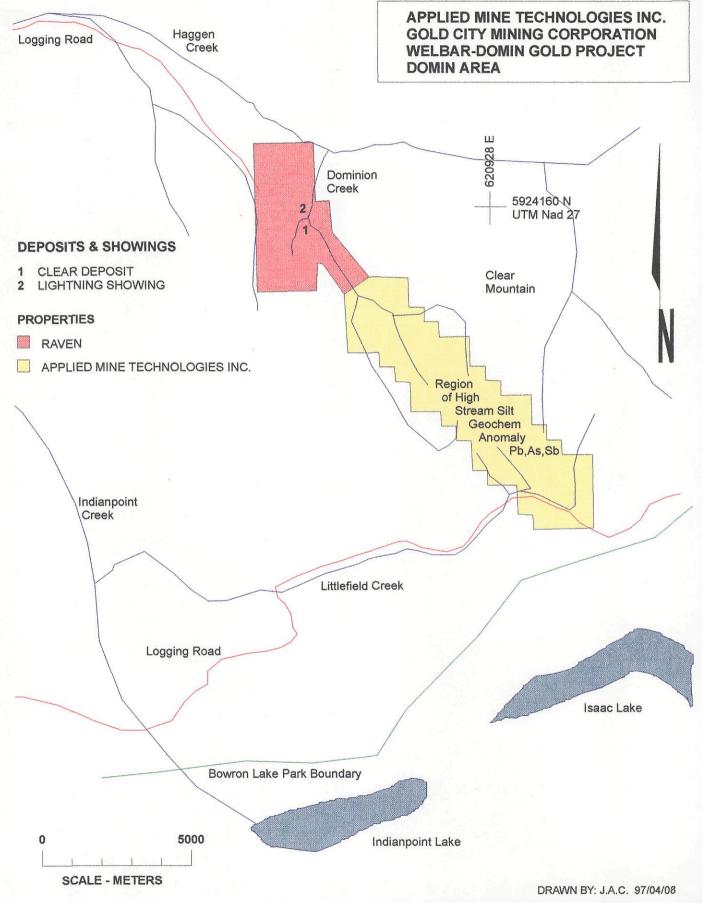
Yours truly,

Gold City Mining Corporation

John A. Chapman, B.Sc., P.Eng., FCIM President & C.E.O.

cc. David Pow and Bob Lane, Energy and Minerals Division (fax: 250.565.6015)
 Stephen Kocsis, Geological Consultant (fax: 250.992.9570)
 Alan Raven, Prospector (fax: 250.563.6270)
 Bob Baldock, President, Applied Mine Technologies Inc. (fax: 604.488.0180)

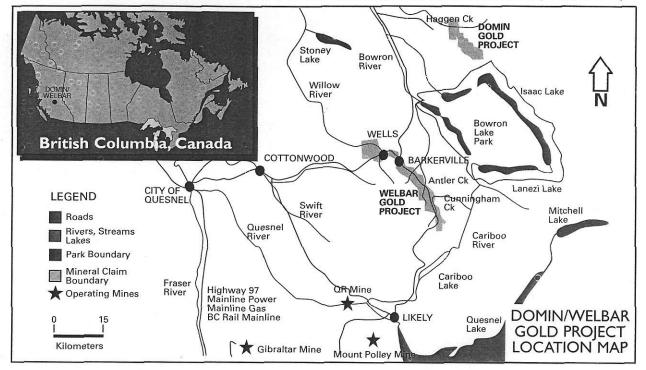
-> DOMIN



# THE BUSINESS OF GOLD CITY MINING CORPORATION: GCP is a resource company principally engaged in the exploration and development of gold and silver properties in British Columbia, Canada

## LOCATION:

BRITISH COLUMBIA, CANADA. Situated near Wells and Barkerville, 80 km east of Quesnel, a major resource city.



## **PROJECT DESCRIPTION:**

**FAMOUS CARIBOO GOLD FIELDS.** This is the largest mineral land holding ever assembled (640 claim units, 15,500 hectares) in the Cariboo Gold Field region. The WelBar and Domin SE/NW trending parallel structures display very similar mineralogy and geology supported by soil sample, diamond drilling and bulk sampling programs.

## HISTORY:

HISTORICAL PRODUCTION OF 3.25 MILLION OUNCES of lode and placer gold have been produced from the Gold Field since discovery in the year 1860. Four lode gold mines have produced 1.25M ounces of gold from 2.74M tonnes of ore. Several small high grade gold deposits and significant gold showings have been identified in the Gold Fields. The Clear Deposit in the Domin Gold Project is a recent (1980's) gold-base metals discovery on Dominion Creek, 43 km northeast of Wells.

## JOINT VENTURE:

APPLIED MINE TECHNOLOGIES & GOLD CITY MINING. Applied Mine Technologies Inc. (AMT) can acquire a 50% interest in the Domin Gold Project and has an option to earn up to a 50% interest in the WelBar Gold Project from Gold City Mining Corporation. AMT is Operator for mill design, construction, operation and processing. Gold City Mining Corporation (GCP) is Operator for feasibility, exploration and mining.



Suite 600 - 750 Cambie Street, Vancouver, B.C., V6B 5E5 Tel: (604)682-7677 Fax: (604)682-0089

#### PROGRAM PLAN:

#### MODULAR MOBILE 200 TONNE PER DAY TREATMENT PLANT

IS PLANNED BY AMT to carry out a series of 10,000 tonne test mining/processing trials in the immediate region. Samples of ore types will be subject to metallurgical test work by AMT at their Metallurgical Laboratory to provide specific process and design data for a proposed centralized treatment plant for the region. Depending on complexity of the treatment regime, patented AMT technologies may be incorporated in the flow sheet to allow treatment of the sulfides and recovery of both the precious and base metal values. AMT has aggregate expenditure commitments of \$2.5M in optioned stages which will be directed toward development drilling, trenching and metallurgical test work on known gold deposits and gold showings; 25% will be dedicated to search for new deposits.



#### PROPOSED OPERATIONS:

DDH #	FROM (meters)	TO (meters)	INTERVAL (meters)	GOLD (grams/t)	SILVER (grams/t)	Pb & Zn (% combined)
2	22.3	24.3	2.0	4.0	18.4	0.9
2	56.5	60.1	3.6	16.6	4.2	nil
7	15.5	17.6	2.1	4.8	1.7	0.2
12	16.5	18.5	2.0	4.0	28.7	2.6
13	22.7	29.3	6.6	24.7	42.0	4.3
13	47.9	52.4	4.5	15.4	25.2	3.0
16	2.8	12.8	10.0	10.4	26.6	2.3
23	25.2	28.2	3.0	5.3	12.1	1.5
28	23.6	25.6	2.0	12.2	34.8	3.3
45	103.5	105.5	2.0	8.6	1.4	0.2

Typical Gold Enriched Vein

The Domin Gold Property is an important and recent addition to the WelBar Gold Project which is centred on the famous Cariboo Gold Fields. Diamond drilling was conducted by a major mining company on the Domin Gold Property in the mid 1980's, returning some impressive near-surface gold and base metal intersections in the Clear Deposit. Included is a tabulation of mineralized intersections 2.0 metres or greater in width and grading 4.0 gpt gold or greater.

**PRE-FEASIBILITY STUDIES COMPLETE IN 1997**; feasibility in early 1998; and permitting 1997/98. Includes surface mining at several ore deposits and hauling ore to the centrally located mobile plant using extensive network of existing logging roads. These operations are to provide operating/metallurgical data for the central plant design and cash flow to the co-venturers.



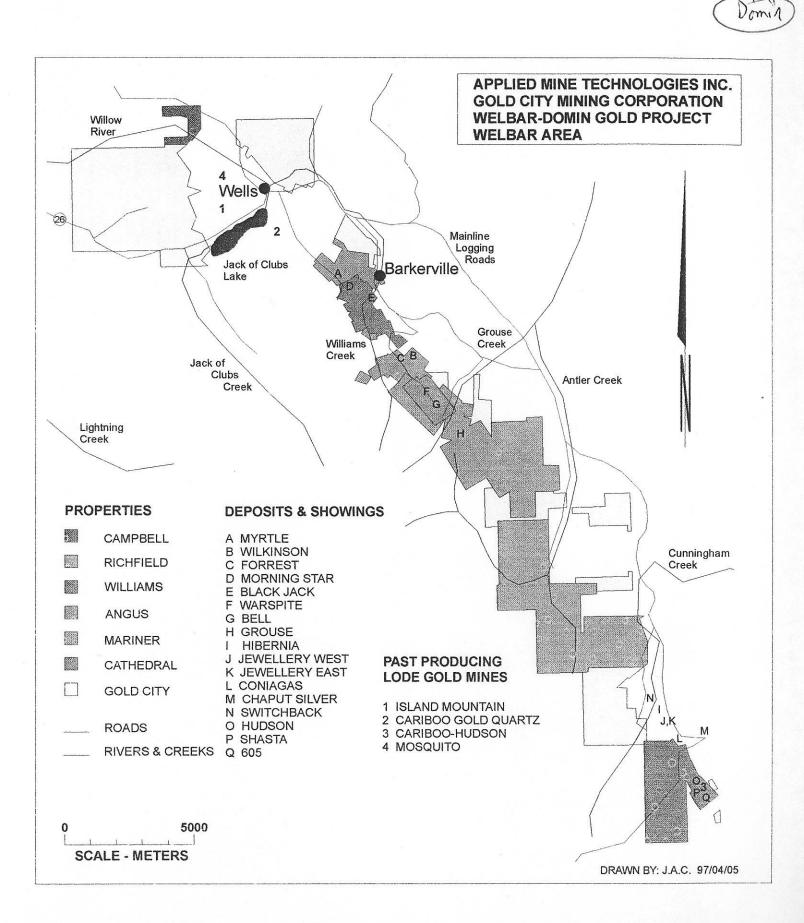
Suite 600 - 750 Cambie Street, Vancouver, B.C., V6B 5E5 Tel: (604)682-7677 Fax: (604)682-0089



## GOLD CITY MINING CORPORATION (VSE:GCP) WELBAR/DOMIN GOLD PROJECT

## FACT SHEET March 1997

Joint Venture:	<b>enture:</b> Applied Mine Technologies Inc. (AMT) acquired a 50% interest in the Dor Gold Project from Gold City Mining Corporation (GCP). AMT has the opt to earn up to a 50% interest in GCP's WelBar Gold project. GCP is Operator for feasibility, exploration and mining while AMT is Operator for mill design, construction and processing.						
Location:	Centered in the famous Cariboo Gold Fields, 80 km east of Quesnel, a major resource city, in Central British Columbia, Canada						
Gold Production:	Historical production in the Cariboo Gold Fields is 1.25 million ounces of lode gold and 2.0 million ounces of placer gold						
Gold Metallurgy:	The four past producing lode gold processing plants treated 2.74 million tonnes of ore using whole-rock cyanide leaching with Merrill-Crowe precipitation; gold recoveries exceeded 90 percent						
Land Package:	Domin: 151 mineral claim units (3,750 hectares)						
	WelBar: 489 mineral claim units (11,700 hectares)						
	This is the largest mineral land holding ever assembled in the Cariboo Gold Fields						
Mineral Inventory:		Domin	WelBar				
-	Measured & Indicated	38,000 t at 13.3 gpt Au	85,000 t at 14.5 gpt Au				
	Inferred	25,000 t at 13.3 gpt Au	55,000 t at 14.5 gpt Au				
Exploration Targets:	Several identified near surface high-grade gold-mineralized quartz structures as well as geophysical and geochemical anomalies. Also, potential does exist for large tonnage low-grade gold deposits.						
Exploration (1997):	<ul> <li>(a) 75% of expenditures toward development drilling and trenching on known gold deposits in order to bring resource to reserve status, and (b) 25% of expenditures searching for new deposits</li> </ul>						
Proposed Operations:	Subject to successful completion of prefeasibility (1997), feasibility (early 1998) and permitting (1997/98), surface mining in shallow open pits at several deposits and hauling ore to a centrally located mobile modular mill and processing plant utilizing existing extensive logging road network						
Environment:	Quesnel Highlands, Special Management Area, recognized by B.C. Provincial Land Use Act as an active logging and mining region						
Infrastructure:Mainline power and natural gas, industrial and social services a Quesnel (population 8,300). Thousands of kilometres of loggir radiate out from Quesnel, many toward and into the Cariboo G The mining town of Wells (population 350) is located in the Go							



-> Welbar

MAY-07-1997 08:44

MINING GROUP



SCHROETER

MEMORANDUM **GOLD CITY MINING CORPORATION** 

> Dominion CK. 28 LANE 495

P.01

604 682 0089

DATE: MAY 6, 1997 TO: FILE FROM: JOHN CHAPMAN

#### RE: DOMIN GOLD PROPERTY, CARIBOO MINING DIVISION

It is my opinion that the Domin Gold Property, located 43 kilometers north-northeast of Wells, is one of the most promising gold discoveries (1986) made in the Cariboo Region of British Columbia since discovery of the Cariboo Gold Quartz and Island Mountain deposits in the 1890's. The Clear (South) and Lightning (North) Zones have been drilled and indicate economic potential for open-pit and/or underground mining. These Zones are worthy of follow-up close-spaced and deep drilling as well as exploration/development via a horizontal adit. In addition there are several very strong stream silt geochemical anomalies (stronger than in streams at the known Zones and containing the same metals: Pb, As, Sb, Au) and float sulfide boulders on strike with the Isaac Lake fault for about 13 kilometers to the southeast from the Clear Zone. Also, Noranda's soil geochemical survey has a strong open-ended lead anomaly at its southeast extremity - pointing in the direction of the elevated metal values in stream silts. These anomalies must be from undiscovered lode sources as they are up-ice (glacial) and up-stream from the Clear Zone.

It is informative to know that the reason for Noranda "leaving" the property was because of a closure of all their Northern and Central B.C. operations in 1988 following the October 1987 stock market crash and negative changes to flow-through tax rules. Their funding had come from Murray Pezim and he had run out of "horsepower" under the adverse conditions stated (see attached March 31, 1997 communication with Ron MacArthur).

Following are comments from Noranda's exploration team in their summary reports on public open-file with the British Columbia Geological Survey Branch and comments from Dr. K.V. Campbell to Noranda in an internal report:

Now "in change" of exp/n for Noranda Toxonto

(1) M.J. Savell and L. Bradish conclude in their October 1987 report on the Domin Gold Property, "The exposed structures display economic grades and widths. The potential for locating similar structures elsewhere on the Property is excellent".

- (2) M.J. Savell in his March 1988 report on the Property recommends, "It is considered that there is still excellent potential of finding enough small, high grade ore shoots to justify underground development". Mr. Savell went on to recommend a next phase program of \$529,000 including: structural interpretation, diamond drilling, geological and geochemical surveys, trenching and road building.
- (3) K.V. Campbell, Ph.D. was retained to undertake the structural interpretation and make recommendations regarding further exploration/development. In his report of

2

August 1988 to Noranda Dr. Campbell states, "Significant precious and base metal mineralization is found both in quartz veins along the 155 fault and in some silicified sections of argillaceous limestone". Dr. Campbell goes on to recommend preferred drill hole orientations and comments on vein intersections by prior drilling along the 155 fault, "An examination of these profiles reveals that the subvertical 155 fault and quartz vein zone widens with depth, from about 2 meters on surface to possibly as much as 6 meters". He goes on to state, "Given the high grades that are locally present I would have no hesitation in recommending a short (200 meter) exploration adit along the 155 fault, collared at a level 50 meters below the surface of the 1A vein".

Despite these positive conclusions and recommendations from its staff geologists and geological consultants Noranda dropped its option on the Property in 1988, for the reasons stated.

The strong association of the Domin mineralized Zones to the Isaac Lake fault (traceable for more than 30 km. northwest and 70 km southeast of Domin) and the further association of elevated metal values to the fault for more than 20 km along its surface trace at Dominion and Littlefield Creeks, suggests that the fault is deep-seated and was/is a conduit for metal rich hydrothermal solutions circulating from intrusive(s) or as a result of strong regional metamorphism. The rocks at the Domin Zone are competent enough (calcareous argillites and limestones) to have fractured when faulted (and folded) creating dilation zones for quartz flooding (fracture filling) and metal deposition. Also, the carbonate content is known to create favourable EH and PH conditions for gold deposition from enriched hydrothermal solutions. The known metals-in-silt anomalies appear to correlate with major cross faulting along the Isaac Lake fault axis. Exploration should be focused along the fault in areas where there is coincident structural preparation (fracturing/brecciation by faulting and folding) with calcareous rocks - especially where ductile cap rocks (hydrothermal solution "trap") such as phyllites exist.

John A. Chapman, P.Eng. President & C.E.O, Gold City Mining Corporation

Attach.

cc. Bob Baldock, President, Applied Mine Technologies Inc.

ł

÷

## MEMORANDUM

#### DATE: MARCH 31, 1997 TO: FILE FROM: JOHN CHAPMAN

## RE: DOMIN GOLD PROPERTY, NOTES OF MEETING

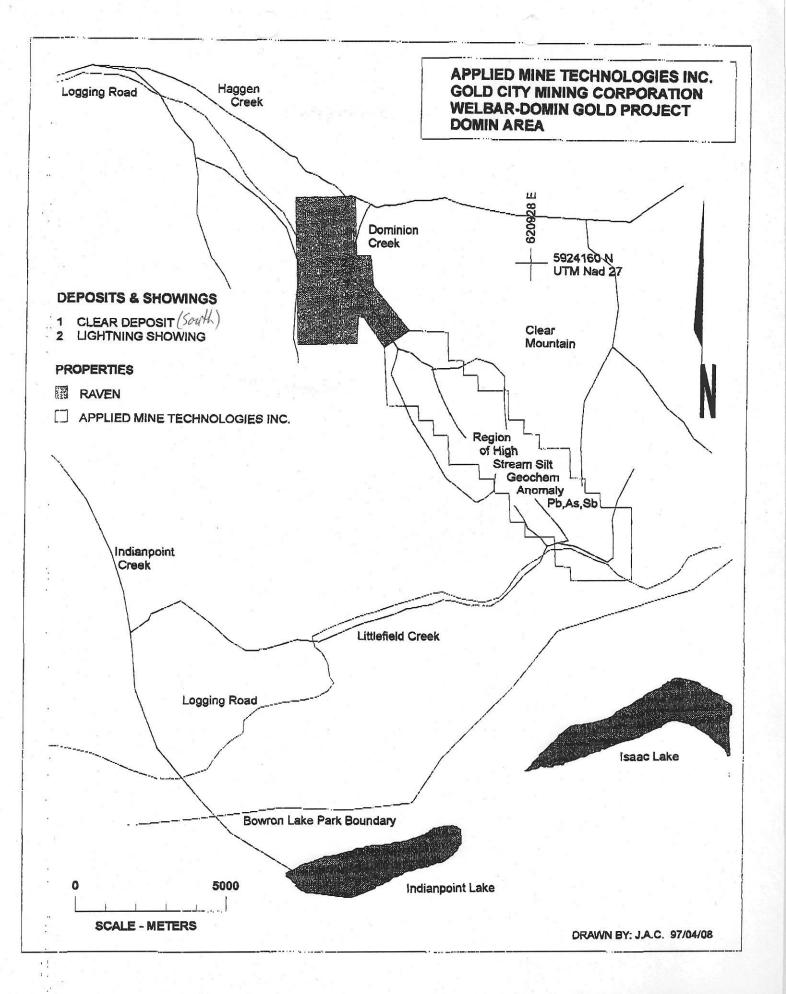
I spoke with Ron MacArthur, Exploration Manager, Noranda Exploration Company Ltd. today regarding Noranda's 1986/87/88 exploration work on the subject Property. Ron was the Manager, Northern B.C., at the time and the Project (known then as the Dominion Creek Project) was under his direct management from Noranda's Prince George office.

Ron related how Noranda had decided in the mid 1980's to join forces with Murray Pezim on exploration of grass-roots gold projects. Murray was "hot" from his Hemlo success and he handled the financing (mainly flow-through), through his junior companies, and Noranda managed the exploration. The Project on Dominion Creek was one of five that Ron had under his management from 1986 to 1988 in Northern B.C., that were being funded by Murray.

The initial stage drilling on the Project yielded results that were good enough to cause some of Noranda's senior people to recommend the driving of an adit into the mineralized zone (then known as the South Deposit - we have changed the name to the Clear Deposit). They located several possible portal locations that would give about 100 meters of "back" in the deposit area. However, Ron preferred to conduct drilling and surface exploration rather than spend the funds available on only underground work, and convinced his superiors to allow him to keep drilling and prospecting.

While Noranda was drilling the Property they had crews conducting: (1) soil geochemical programs near the Deposit, and (2) stream silt surveys over a broader region along the Isaac Lake fault. Ron confirmed that the B.C. government was so impressed by the results (lead, arsenic and antimony which are pathfinders for gold) from their 1984 regional silt geochemical program along the Isaac Lake fault, that they actually returned and took more samples along Dominion Creek and Littlefield Creek in 1986. He recalled that the 1986 work confirmed and extended the 1984 anomalies. Ron indicated that Noranda's work on the headwaters of Dominion and Littlefield were done as a 100% Noranda program and the results are not in the public domain. He said that it was difficult prospecting the area as there is a lot of iron carbonate float that is very rusty in appearance but does not carry any precious metals. The pyritic quartz that does contain gold weathers a slightly different rusty colour in soils and rock and experience differentiating this from the iron carbonates is important in making prospecting time as effective as possible.

Ron indicated that Murray Pezim ran out of horsepower financing so many programs (in weakening equity markets and a change to less favourable flow-through rules by Revenue Canada) and Pezim and Noranda decided to "wind-up" their venture in 1988, dropping the options on all the Northern B.C. properties under Ron's management, including Dominion Creek. Noranda turned their attention back to exploring for bulk tonnage copper/gold porphyries.



MINING GROUP

604 682 0089

P.01

May 2, 199

# Gold City Mining Corporation

Suite 600 - 750 Cambie Street \* Vancouver. B.C., V6B SE5 \* Telephone: (604) 682-7677 \* Facsimile: (604) 682-0089

Mr. David Pow, District Manager Energy, Mines, and Resources Ministry of Employment and Investment 3990 - 22<sup>nd</sup> Avenue Prince George, BC V2N 3A1 for your for

Dear Sir:

## Re: Welbar-Domin Gold Project - Notices of Work - Ground Exploration

Please find enclosed the Notices of Work applications for the Domin, Downey, Coulter, Richfield, Williams, Angus, Mariner, and Cathedral mineral properties, including supporting maps, claim lists, relevant news releases, and a reference map showing the location of all of the Welbar area mineral properties. These applications have been prepared by Sandy Sveinson, B.A., B.A.Sc., consultant on the Welbar-Domin Gold Project and reviewed and approved by myself.

As outlined in the individual Notices of Work, the 1997 exploration programs have been divided into three phases. Phase 1 programs include: (1) prospecting; (2) rock, silt, and soil sampling; (3) ground geophysics (target definition); (4) hand trenching; and (5) excavator trenching; as follow-up work to Gold City's 1995 airborne geophysical surveys, geochemical surveys, and diamond drill programs. The proposed 1997 Phase 2 diamond drilling and Phase 3 reverse circulation drilling programs will be based on positive results from the Phase 1 programs. Because the drill programs are contingent on results from the Phase 1 programs, we have not yet determined specific drill site locations, type and size of drill rigs, water supply requirements, and waste treatment requirements. Phase 1 programs will run from June 1" to July 31", with Phase 2 and 3 programs extending from mid July to December  $31^{4}$ .

It is our intention to use the extensive network of existing forest service, mine and exploration roads and trails for access to exploration sites. Where necessary, roads may be upgraded for access. Not more than 300 metres of open trench will remain exposed at any one time. Reclamation of trenches will include backfilling, levelling, and re-seeding with range grass. All personnel will be accommodated in the town of Wells.

As you are already aware, Gold City Mining Corporation, Applied Mine Technologies Inc. and International Wayside Gold Mines Ltd. have agreed to undertake a mineral deposit study of the historic Wells-Barkerville camp this year through the Geoscience Partnership Program with the B.C. Ministry of Employment and Investment. Chris Ash, Project Geologist with the Geological Survey Branch, will be in charge of the study, which will involve a two man crew working in the field for at least one month during the summer, followed by office-based research, report, and map production.

The appointment of a Project Manager for the Welbar-Domin Gold Project will be announced within the next few weeks. In the meantime, please contact Sandy Sveinson or myself if you require any further information.

Yours truly, Gold City Mining Corporation

John Chapman President and C.E.O.

Encl.

cc. Property Holders Applied Mine Technologies Inc. Chris Ash

TOTAL P.01

DOMINU

## Gold City Mining Corporation VSE:GCP

## NEWS RELEASE

MARCH 25, 1997

FOR IMMEDIATE RELEASE



Vancouver, B.C.: Management of Gold City Mining Corporation reports the acquisition of 2,650 hectares of newly staked mineral lands adjoining the Domin Gold Property northeast of Wells, British Columbia, Canada. The Property now totals 3,750 hectares in an area including the known Clear gold deposit (formerly known as the South deposit), extending 2 km northwest and 14 km southeast along the Isaac Lake fault. Gold City and Applied Mine Technologies Inc. (AMT) have the right to earn 100% interest in the Domin Property, on a 50/50 basis, subject to a 2% NSR royalty. At this time AMT is providing all project funding.

The Clear deposit has a strong lead-sulfide (galena) association and is hosted in quartz-filled splay fractures adjacent to a major southeast aligned structure called the Isaac Lake Fault. A 1984 B.C. Government Regional Geochem Survey identified a southeast trend of elevated (95th percentile) lead-arsenic-antimony (Pb-As-Sb) concentrations in stream sediments collected across an extensive area that coincides with the location of the Isaac Lake Fault on the Property. The Clear deposit is located on the northwest part of the Property and is not believed to be the source of elevated Pb-As-Sb concentrations identified in upstream and up-ice (late Wisconsin Glaciation) sediments to the southeast. The Property now covers a 16 km long, mostly unexplored, portion of the Isaac Lake Fault

The companies plan to spend \$350,000 at the Property during the Summer and Fall of 1997. About 70% of the budget will be allocated to upgrading and expanding the Clear deposit's known mineral inventory (37,500 tonnes grading 13.5 gpt Au), and 30% will be applied towards a geosurvey exploration program involving the search for new deposits.

###

For further information contact: GCP: John Chapman or Alan Campbell at 604.682.7677 AMT: Bob Baldock or Peter Willcocks at 604.488.0100

**VSE:GCP** 

## **Gold City Mining Corporation**

## **NEWS RELEASE**

February 4, 1997

### FOR IMMEDIATE RELEASE

### OPTION AGREEMENT, DOMIN GOLD PROPERTY WELBAR GOLD PROJECT, WELLS, BRITISH COLUMBIA

Vancouver, B.C.: John Chapman, President, Gold City Mining Corporation, is pleased to announce the signing of an option agreement on the Domin Gold property, with its owner, a Central B.C. Exploration Contractor. Gold City has the right to earn a 100% interest in the Property, subject to a 2% NSR royalty, by conducting approximately \$100,000 in mineral exploration over the next five years, and by paying the owner \$520,000 cash and 200,000 Common shares, over the same period. An independent third party is entitled to receive a finder's fee on the transaction, within VSE guidelines.

The Property, located north of Wells, British Columbia, is an important addition to Gold City's 11,600 hectare WelBar Gold project which is centered on the famous Cariboo Gold Fields. Diamond drilling was conducted by a major mining company on the Domin Gold property in the mid 1980's, returning some impressive near-surface gold and base metal intersections. Following is a tabulation of mineralized intersections 1.0 meter or greater in width and grading 4.0 gpt gold or greater:

DDH #	FROM	TO	INTERVAL	GOLD	SILVER	Pb & Zn
	(meters)	(meters)	(meters)	(grams/t)	(grams/t)	(% combined)
2	22.3	24.3	2.0	4.0	18.4	0.9
2	56.5	60.I	3.6	16.6	4.2	nil
6	17.0	18.9	1.9	16.6	27.2	2.1
7	15.5	17.6	2.1	4.8	1.7	0.2
12	16.5	18.5	2.0	4.0	28.7	2.6
13	22.7	29.3	6.6	24.7	42.0	4.3
13	47.9	52.4	4.5	15.4	25.2	3.0
15	24.1	25.6	1.5	10.7	35.1	4.8
16	2.8	12.8	10.0	10.4	26.6	2.3
17	9.6	10.6	1.1	4.6	16.1	1.6
21	[4.1	15.4	1.3	44.2	2.4	1.2
23	25.2	28.2	3.0	5.3	12.1	1.5
26	30.9	31.9	1.0	6.9	2.1	nil
28	23.6	25.6	2.0	12.2	34.8	3.3
29	21.3	22.3	1.0	24.9	69.3	4.8
34	18.0	19.2	1.2	19.9	91.5	8.6
34	23.8	24.8	1.0	9.3	24.0	3.5
45	103.5	105.5	2.0	8.6	1.4	0.2

Additional mineral claims are presently being staked to cover prospective areas adjacent to the Project.

The Domin Gold property will be included in a preliminary feasibility study presently being conducted on the development of several high-grade gold deposits within the WelBar Gold project, to be served by a centrally located mill and processing plant.

###

For further information contact: John Chapman or Alan Campbell at 604.682.7677