

ELK — 324 B.C. Claim Units (Gold)
The Elk property, located midway between Merritt and Peachland in southern British Columbia, hosts gold-bearing vein and alteration zones. Excellent access is assured by a new highway, currently under construction nearby.

The 1988 program included acquisition of more claims, additional soil sampling, geological mapping and backhoe trenching in two areas of strongly anomalous gold soil geochemistry approximately four kilometres apart.

A total of 9,100 feet was excavated in 11 trenches exposing zones of clay alteration, with disseminated pyrite and local quartz veins, cutting granite and andesitic volcanic rocks. The northeast trending zones appear to be controlled by major, deep-rooted structures with potential for strong continuity. Gold values are associated with quartz veins and with pyritic alteration.

Backhoe trenching in 1989 will test the strike continuity of mineralized structures exposed by previous wide-spaced trenches and will explore gold geochemical targets in a new area. In addition, soil sampling will be conducted on new claims. The \$500,000 program will be funded by Placer Dome Inc.

OKA — 194 B.C. Claim Units (Gold)
The Oka property, seven miles by road from Peachland in southern British Columbia, hosts gold-bearing skarn and vein deposits.

During 1988, 20,000 feet of reverse circulation drilling in 44 holes tested five widespread areas on the property.

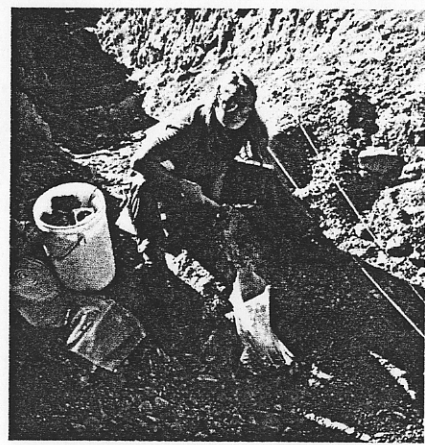
Drilling focused on downdip extensions of skarn horizons mineralized on surface, and on geochemical targets. Although thick sections of weakly mineralized skarn were encountered, the gold values were generally sub-economic. Seven of the holes returned gold values greater than 0.10 oz per ton over widths of five feet or more. Some of the better results include 0.41 oz per ton gold over five feet and 0.17 oz per ton gold over 20 feet.

Future work on the property would emphasize definition of potential high-grade gold-bearing veins. No work is planned for 1989.

DILL, BANK, WH — 133 B.C. Claim Units (Gold, Copper) Located in the vicinity of the Oka and Elk properties these three prospects were acquired as a result of the 1988 prospecting program. Geochemistry and prospecting have outlined significant anomalies and mineral occurrences. Further assessment of these acquisitions will be undertaken in 1989.

Prospecting — A program to locate base and precious metal mineralization in southern British Columbia will be ongoing for the fourth year and funded by the Company.

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Additional claims were added to the high-potential Elk gold property which will undergo extensive trenching and sampling in 1989 funded by Placer Dome.



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Top:
Excavation machinery
at work.

Bottom left:
Trench at the Elk gold
property in B.C.'s Okanagan
region.

Bottom right:
Trench sampling.

