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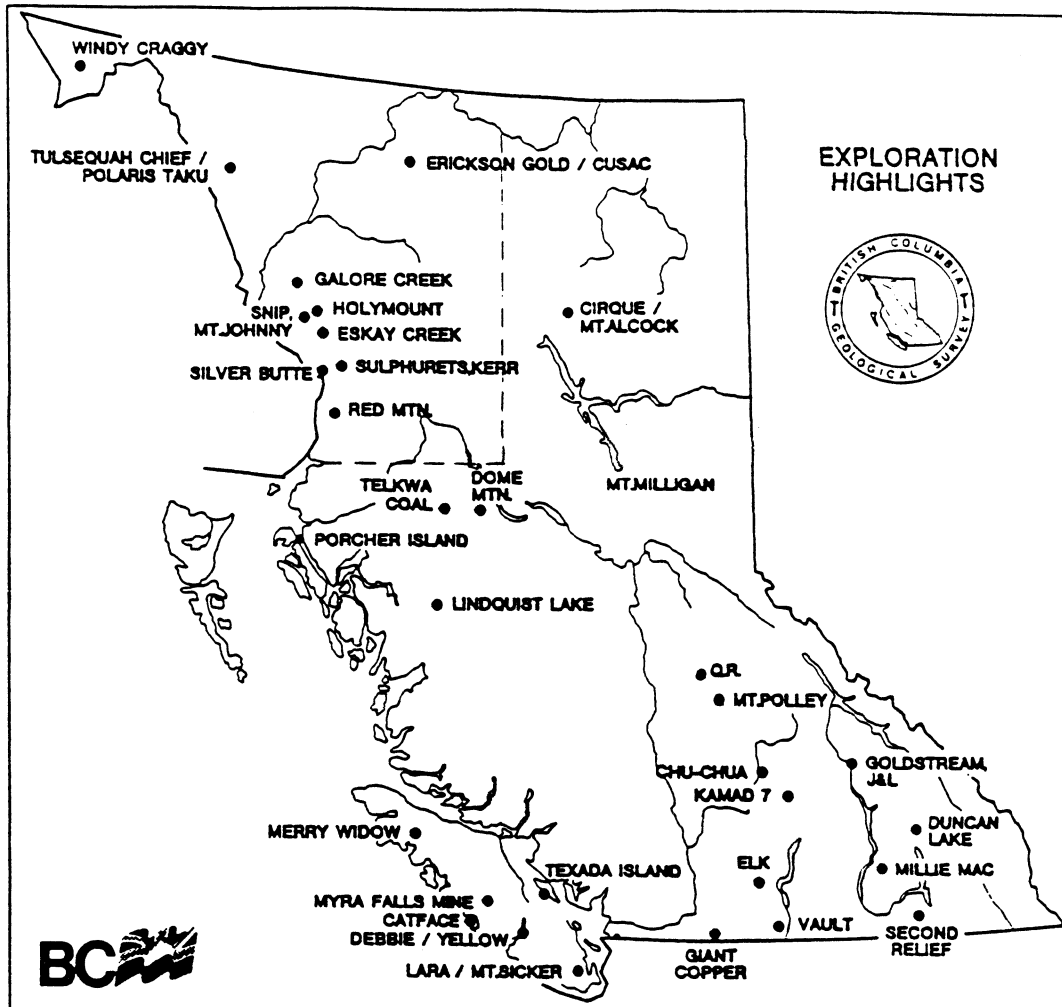
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**STIKINE ARCH AREA PLAY**

The Stikine Arch is an area that extends north from Stewart B.C. almost to the Yukon border. This area of Northwestern BC has been the main focus of gold exploration in the province over the past several years. While only Skyline's mine is currently in production, Calpine/Stikine, Snip, Newhawk are advanced stage projects that all have the near-term potential to become profitable mines. More recently, attention in the area, both by mining companies and geologists, is moving northward to include the Galore Creek/ Telegraph Creek area, eastward toward Dease Lake, and Southward toward the Toodogone area. This extended area is being referred to by some as the Golden Arch.



## **Geology**

An exciting geological picture of the mineral rich Stikine Arch is emerging through work done by various mining companies, the government of British Columbia Geological Survey, and Dr. E.W. Grove (now an independent consultant). Simply put, this area appears to have had two stages of mineralization. The first stage occurred when sulphides of Volcanic origin intruded sediments to form copper, zinc, lead and/or iron sulphide mineral deposits. The second stage was likely hydrothermal in nature when the gold precipitated into the sulphides. The results from the Calpine discovery illustrate this relationship, where relatively high grade sulphides of zinc and to a lesser extent, sulphides of lead and copper are associated with the gold; in this particular deposit high grade silver is also present. According to some geologists, the relationship between copper and gold is the most pervasive overall.

## **1990 Expectations**

Within the Stikine Arch, over \$100 million dollars worth of exploration and development work will be conducted in 1990. Cominco Ltd will be constructing mining and milling facilities on the Snip property; Calpine/Stikine is establishing mineable reserves through a program where upwards of \$15 million worth of drilling will have been expended between January 1990 and June 1990. Furthermore, the government and/or the various mining companies in the area are expected to get started on a \$12 million access road.

## **What To Do**

We believe that investors/speculators who take a position at the present time will reap substantial benefits between now and the end of 1990. It is impossible to pick a single stock in this area that is going to be the "hottest", or that already has "a proven orebody" or has "the best management" or is "well funded" or "undervalued" etc. After careful research, our group has put together a basket of Companies that are active in the area and meet, in our view, enough of the criteria necessary for success. We do not claim that the basket is definitive due to the large number of Companies that will be active in the area this season; we will likely add names to the basket as opportunities become apparent.

Therefore the strategy that is recommended is to invest in a basket of selected companies within the Stikine Arch.

**SUGGESTED BASKET OF STOCKS OF SELECTED COMPANIES  
IN THE STIKINE ARCH**

<u>Company</u>	<u>Price/ Share</u>		<u>No. of Shares</u>	<u>Total Invested</u>
AVONDALE RESOURCES INC. (AVD-V)	\$1.19	x	1,000 =	\$1,190
BARYTEX RESOURCES CORP. (BTX-V)	0.45	x	3,000 =	1,350
BIG M PETROLEUM (BIM-V)	0.43	x	3,000 =	1,290
BLUE GOLD RESOURCES (BLQ-V)	0.21	x	6,000 =	1,260
CALPINE RESOURCES INC. (CLP-V)	4.95	x	500 =	2,475
CANARC RESOURCES CORP. (CCM-V)	1.75	x	700 =	1,225
CONSOLIDATED SEA GOLD (CDE-V)	0.22	x	5,000 =	1,100
FLORIN RESOURCES INC. (FLN-V)	0.61	x	2,000 =	1,220
GIGI RESOURCES LTD. (GIG-V)	0.72	x	2,000 =	1,440
GULF INTERNATIONAL MINERALS (GIM-V)	1.54	x	1,000 =	1,540
HECTOR RESOURCES (HEC-V)	0.39	x	3,000 =	1,170
HYDER GOLD CORP. (HGI-V)	1.01	x	1,500 =	1,515
JAZZMAN RESOURCES INC. (JZM-V)	0.35	x	4,000 =	1,400
KESTREL RESOURCES LTD. (KRZ-V)	1.30	x	1,000 =	1,300
LINK RESOURCES INC. (LR-V)	0.65	x	2,000 =	1,300
NEWHAWK GOLD MINES LTD. (NHG-T)	2.80	x	500 =	1,400
PASS LAKE RESOURCES LTD. (PLJ-V)	0.77	x	2,000 =	1,440
SPRINGER RESOURCES (SPR-V)	0.55	x	2,000 =	<u>1,100</u>
				<u>\$24,715</u>

EOE

\* Market price of the above stocks are as of close of trading on March 7, 1990. Refer to appending map for property holdings.

We reiterate that this basket is not definitive, however, we believe that it includes some of the most promising companies that are participating in the Stikine Arch. We also wish to emphasize that trying to pick a single winner is, in our view, impossible. **We believe, however, that the area itself is a winner and that action taken immediately should be extremely rewarding.**

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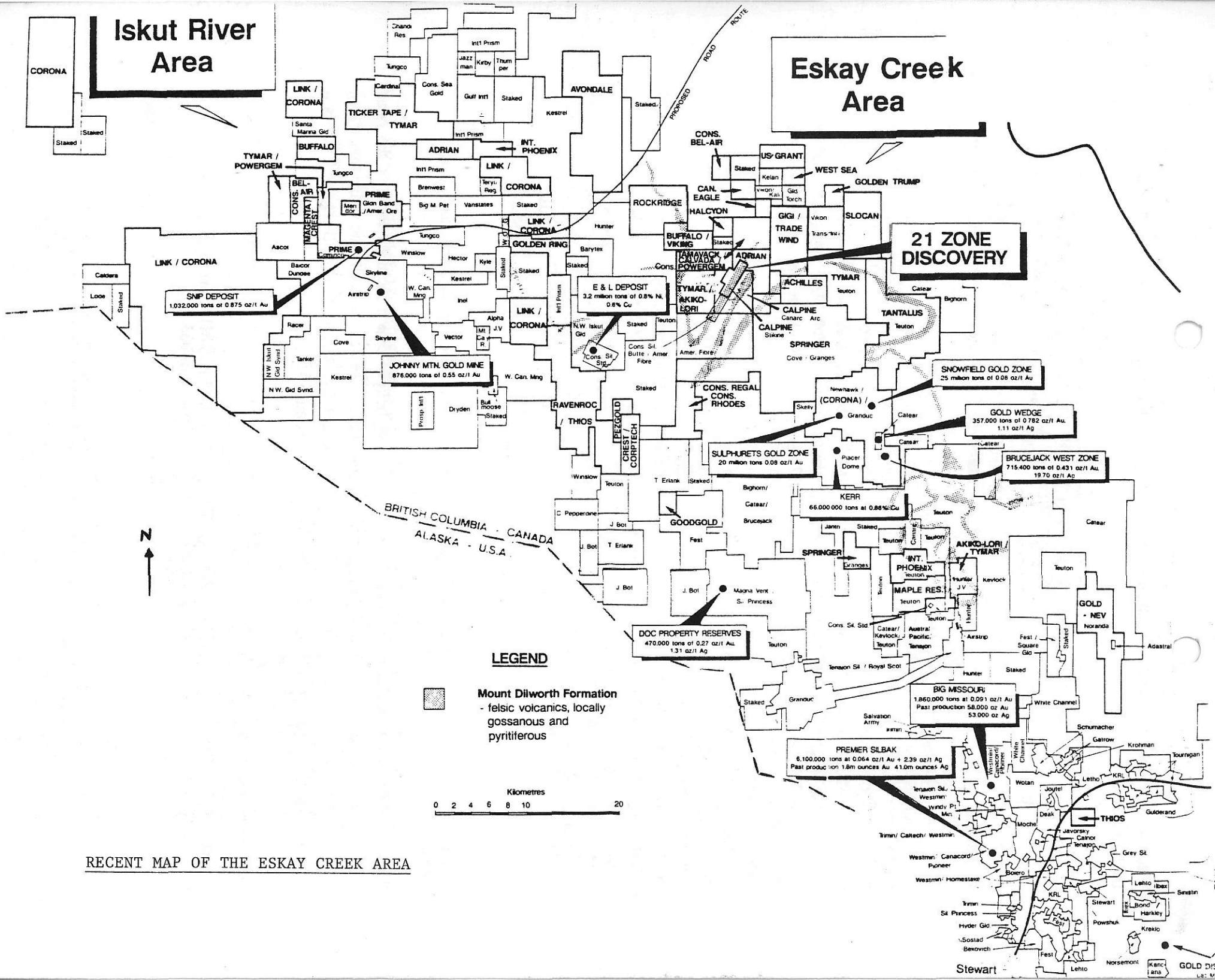
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MARCH 9, 1990

Estimates and projections contained herein are our own or obtained from our consultants. Information presented, while obtained from sources we believe reliable, is not guaranteed either as to accuracy or completeness. Yorkton Continental Securities Inc., its subsidiaries and their respective officers and directors, as well as the above named registered representatives may have a position in the securities mentioned herein and may make purchases and/or sales therein from time to time.

# Iskut River Area

# Eskay Creek Area



**21 ZONE DISCOVERY**

**SNIP DEPOSIT**  
1,032,000 tons of 0.875 oz/1 Au

**JOHNNY MTN. GOLD MINE**  
876,000 tons of 0.55 oz/1 Au

**E & L DEPOSIT**  
3.2 million tons of 0.8% Ni,  
0.6% Cu

**SNOWFIELD GOLD ZONE**  
25 million tons of 0.08 oz/1 Au

**GOLD WEDGE**  
357,000 tons of 0.782 oz/1 Au,  
1.11 oz/1 Ag

**BRUCEJACK WEST ZONE**  
715,400 tons of 0.431 oz/1 Au,  
19.70 oz/1 Ag

**SULPHURETS GOLD ZONE**  
20 million tons 0.08 oz/1 Au


**KERR**  
66,000,000 tons at 0.88% Cu

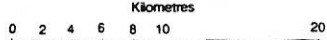
**DOC PROPERTY RESERVES**  
470,000 tons of 0.27 oz/1 Au,  
1.31 oz/1 Ag

**BIG MISSOURI**  
1,860,000 tons at 0.091 oz/1 Au  
Past production 58,000 oz Au  
53,000 oz Ag

**PREMIER SILBAK**  
6,100,000 tons at 0.064 oz/1 Au + 2.39 oz/1 Ag  
Past production 1.8m ounces Au, 41.0m ounces Ag

### LEGEND

 **Mount Dilworth Formation**  
- felsic volcanics, locally  
gossanous and  
pyriticiferous



RECENT MAP OF THE ESKAY CREEK AREA