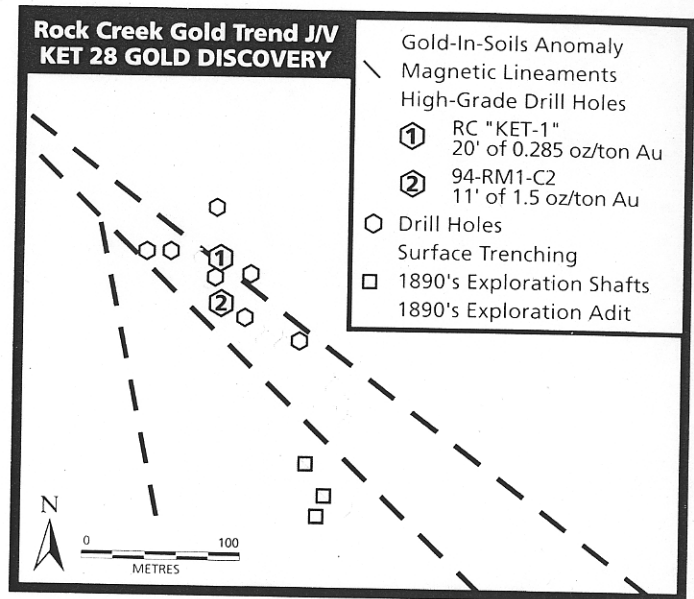


Gold City → KET 28
Ann. Rpt. 1994
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Southern British Columbia

Gold City holds a 49% interest in the Rock Creek Gold Trend Joint Venture with Phoenix Gold Resources Ltd., 51% owner and Operator, on approximately 5,000 hectares of mineral lands located near the towns of Bridesville and Rock Creek, British Columbia.

The Joint Venture lands are within the Boundary gold field lying between Republic, Washington and Hedley, British Columbia. A potentially significant gold discovery has been made on the Ket 28 claim which lies 10 kilometres northwest of the Crown Jewel deposit (containing 50 million grams of gold), 13 kilometres southeast of Camp McKinney (produced 2.6 million grams of gold) and adjacent to the Rock Creek placers (produced 153,000 grams of gold).



The Ket 28 gold discovery includes two vertical drill holes, spaced 20 metres apart, that intersected 6.10 metres grading 8.6 grams of gold per tonne, and 3.35 metres grading 52.1 grams of gold per tonne, respectively. These high-grade discovery holes and seven other holes drilled within 90 metres of the discovery holes, have multiple narrow (1 - 10 metres) gold enriched intercepts grading from 0.5 grams of gold per tonne to 4.0 grams of gold per tonne, to hole bottom at 75 metres. The discovery holes

lie near the north end of a 450 metre long northwest trending magnetic lineament, coincident with a gold-in-soils anomaly. Several hand trenches, three shallow shafts and a short adit, all circa 1890's, trace the near surface subcrop of this 50 metre wide mineralized zone. Gold mineralization in diamond drill core is associated with brecciated metasediments and metavolcanics. Gold grade is positively correlated with the degree of silicification and pyritization in the host rock. The Ket 28 gold discovery has excellent potential to be expanded



Mineral exploration drilling on Rock Creek Gold Trend Joint Venture project lands.

along strike and down dip. A two stage, success contingent, diamond drill program is planned for the fall of 1995.

The "Old Nick" claims, located just north of the U.S. border and southwest of the town of Rock Creek, contain a unique near surface sulphide deposit, with an estimated mineral inventory of 100 million tonnes grading 0.22% nickel. The deposit lies on the north flank of a buried granitic intrusive; the Ket 28 gold discovery lies on the south flank. Recent advances in nickel processing such as bio-leaching and on-site SX-EW, may have application at the Old Nick deposit.

The Caramelia project, located at Camp McKinney, has a history of exploration and gold production dating back to the 1880's. Gold City owns 100% interest in 1,150 hectares of mineral lands, including the past producing