

metla
885368

PRIME EQUITIES INC.

Newsrelease

March 15, 1991

No. 7

Trading Symbol: VSE-GAK

GALICO RESOURCES INC.

GALICO OPTIONS METLA PROPERTY FROM COMINCO

Further to its news release of March 7, 1991, Galico Resources Inc. ("Galico") is pleased to report that an agreement with Cominco Limited ("Cominco") has been reached whereby Galico has been granted an option to acquire an undivided 60% interest in the Metla Property. Galico can earn this interest by issuing an aggregate 150,000 shares of its share capital to Cominco and by incurring aggregate exploration expenditures of \$1.1 million before June 30, 1994. In addition to the schedule of expenditures, Cominco will receive options to purchase up to 150,000 shares of Galico at prices between \$3.00 and \$5.00 per share, prior to June 30, 1994. Galico will be Operator during its earn-in and during any subsequent Joint Venture stage. The agreement is subject to regulatory approval.

The Metla Property is located roughly midway between the Galore Creek and Tulsequah areas of northwestern British Columbia. The property lies 15 miles northwest of the Golden Bear Mine, a gold producer managed by the Golden Bear Operating Company, which is serviced by an all-weather road originating at the village of Telegraph Creek.

The Metla Property is comprised of the 20-unit METLA Claim, owned 100% by Cominco; there are no underlying royalties. The claim is underlain by interbedded volcanic and sedimentary rocks of the Triassic Stuhini Group. Numerous plugs and stocks of intrusive gabbro, diorite and pyroxenite outcrop within the zone. Hydrothermal breccia bodies, containing highly altered fragments of country rock in a fuchsite-carbonate matrix, cross-cut all major rock formations. The breccia bodies appear to host sulphide mineralization, and are notably most sulphide-rich along their margins. This style of mineralization has not been previously reported in the region.

Exploration by Cominco on the METLA Claim from 1988 to 1990 located a large zone of gold and base metal-bearing boulders, approximately 5,500 feet long and up to 900 feet wide, spanning 600 feet in elevation. Within this larger zone are six areas where mineralized boulders are concentrated. Detailed prospecting and trenching has located mineralization in outcrop at several of these locations. Horizontal loop EM (HLEM) and magnetometer surveys have detected four high priority conductors coincident with two of the six targets. None of these targets have been drilled.

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The boulder areas have been extensively mapped and partially sampled. Fire assay results have been reported for those samples which were analysed by geochemical methods and exceeded 2,000 ppb gold.

Target A is the highest priority prospect, marked by the occurrence of abundant heavy sulphide boulders and a strong EM anomaly. Assay results for 20 samples report an average grade of 0.632 oz/ton, ranging from 1.291 to 0.152 oz/ton. Base metal assays as high as 7.40% zinc, 2.06% copper, and 1.81% lead are also reported.

Target B is the next priority prospect, marked by heavy sulphides in both boulders and outcrop, plus a coincident EM anomaly. Assay results for 32 boulders averaged 0.271 oz/ton gold, ranging from 0.863 to 0.094 oz/ton. Seven assays for zinc averaged 4.65%, with five lead assays averaging 2.06%.

Target C is a limited area of mineralized boulders and outcrops with disseminated to massive sulphide mineralization. Assays for eleven boulders averaged 0.274 oz/ton gold, ranging from 1.704 to 0.094 oz/ton. Base metal assays report up to 13.97% zinc, and 1.33% lead.

Target D is the site of the original prospecting discovery, comprising an extensive area of sulphide-rich boulders and mineralization in outcrop. Average assay grade based on 41 samples is 0.194 oz/ton gold, ranging from 0.495 to 0.040 oz/ton. Seven zinc assays average 1.71%.

Target E is a 1100-foot long accumulation of mineralized boulders and isolated outcrops. Forty-nine samples fire assayed for gold average 0.225 oz/ton, ranging from 0.920 to 0.050 oz/ton. The average zinc grade, based on 41 assays, is 5.04%. Zinc assays values are up to 15.85%, while lead assays are up to 11.87% and copper up to 2.85%. Target E is also of interest owing to its high reported silver values, averaging 9.06 oz/ton from 29 samples.

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Target F is a bedrock exposure of a "bedding-parallel vein", 680 feet long averaging one foot thick. A very limited amount of sampling has been undertaken, with geochemical analytical results detecting up to 3,000 ppb gold. Up to 11.20% zinc and 6.90% lead have been reported from chip samples.

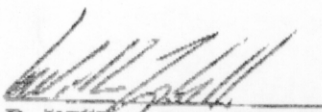
In addition to the previously mentioned targets, numerous other boulder trains and geophysical anomalies are present on the Metla Property which are as yet untested.

The high quality of the existing geological database means the Metla Property is ready for drilling at the start of the 1991 field season. A program of diamond drilling and geophysical surveying is planned to begin as soon as field conditions permit; because of the large number of high priority targets to be drilled, Galico anticipates it will complete the \$1.1 million expenditure requirements for the 60% earn-in this year.

Galico has also staked eighteen claims totalling 360 units (approximately 22,000 acres), all of which are tied onto the Metla Property. These claims are not subject to the terms of the foregoing Option Agreement. Galico intends to initiate exploration on these claims in 1991 to evaluate their potential for precious and base metal mineralization, and for any strike extensions of the Metla mineralization.

Galico will contract with Prime Explorations - a division of Prime Equities Inc. to manage exploration work on the Metla Property.

ON BEHALF OF THE BOARD OF DIRECTORS



D. William Campbell, Director



Prime Explorations

A division of Prime Equities Inc.

11th Floor-Box 10,
808 West Hastings Street,
Vancouver, B.C.
Canada V6C 2X4

Telephone: (604) 687-7463
Telecopier: (604) 687-2309

July 12, 1991
Ref.266E

Mr. T. Schroeter
Senior Regional Geologist
Ministry of Energy, Mines and Petroleum Resources
159 - 800 Hornby Street
Vancouver, British Columbia
V6Z 2C5

Dear Tom:

RE: VISIT TO METLA PROJECT

I have discussed your recent letter and request with Prime management. There is a problem with the timing in that our Metla drilling program is likely to start around the time you specified. Given the current perceptions by regulatory bodies of appropriate procedures for disclosure of information, we will not be allowing any outside visitors to the project during the initial stages of drilling.

How flexible is your timing? There is more chance we could accommodate you later in August.

Yours truly,
PRIME EQUITIES INC.

Lindsay R. Bottomer
Lindsay R. Bottomer
Vice President, New Projects

cc: C. Idziszek
J. Blackwell

PRIME EQUITIES INC.

News release

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Showing
"C"

18505	0.128	1.03	13.07	0.13	0.208
18516	0.248	4.18	13.19	1.18	0.087
18556	0.221	0.44	6.82	0.03	0.076
18557	0.235	1.52	6.60	0.17	0.186

Showing
"E"

18506	0.209	1.05	0.67	0.12	0.085
18507	0.621	2.23	2.94	1.72	0.191
18508	0.095	1.56	6.01	0.31	0.285
18511	0.171	0.89	1.46	0.42	0.146

These results are for 22 of 33 prospector's grab sample which returned assays in excess of 0.10 oz/ton gold. Samples were collected during the first two days of the 1991 field program at Metla. Previous work by Cominco Ltd. has identified 6 showing areas of gold, silver and base metal mineralization covering an area approximately 5500 feet long and up to 900 feet wide. The above assay results, representing both mineralized surface rubble, boulders and outcrop, confirms the wide spread and high grade nature of the prospect. Mineralization is associated with stratabound sulphide zones in volcanic and sedimentary rock units. No work has yet been undertaken at the "D" and "F" showings.

Galico has also received preliminary airborne geophysical survey plans from Aerodat Ltd. of Toronto. The Metla, surrounding 100% Metlatulin and Trapper Lake (under joint venture Adrian Resources Ltd.) project areas were flown earlier, and have yielded numerous high-priority electromagnetic anomalies extending beyond the zone of known mineralization. These cover an area 7,200 feet long and up to 1,800 feet wide. The Metla anomalies are one of several clusters of electromagnetic anomalies now recognized to be restricted to a well-defined geophysical zone which trends across the width of the property. The airborne electromagnetic anomalies associated with this trend, as well anomalies elsewhere on the property are now being evaluated by field crews.


PRIME EQUITIES INC.

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Exploration work is on-going at the Metla. Geophysical and geological surveys are near completion, with diamond drilling to commence as soon as possible.

ON BEHALF OF THE BOARD OF DIRECTORS



Murray Pezim
Chairman of the Board

PRIME EQUITIES INC.

news release

July 15, 1991

No. 19
Trading Symbol: VSE-GAX

GALICO RESOURCES INC.

GALICO MOBILIZING DRILL INTO METLA PROPERTY

Galico Resources Inc. ("Galico") is pleased to announce the mobilization of a diamond drill onto its Metla Property, located in northwestern B.C. Galico has also received preliminary assay results for samples collected during an initial reconnaissance of the property.

Showing "A"	Au oz/t	Ag oz/t	Zn %	Pb %	Cu %
222073	0.384	1.71	0.01	0.01	0.03
222077	0.498	1.63	0.27	0.02	0.28
222079	1.25	2.22	0.02	0.02	0.49
222080	0.542	2.17	0.01	0.06	0.71
222081	0.246	0.78	2.57	0.05	0.36
222082	1.53	3.32	0.03	0.01	0.46

Showing
"B"

18501	0.325	2.78	2.78	1.86	0.147
18503	0.123	0.47	0.05	0.02	0.066
18504	0.195	5.80	24.17	3.19	0.718
18513	1.040	3.14	0.07	0.06	0.279
18551	0.187	1.82	0.68	0.12	0.194
18552	0.111	1.31	0.34	0.66	0.170
18553	0.249	1.35	1.21	0.69	0.113

**Prime Explorations**

A Division of Prime Equities Inc.

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808 West Hastings Street,
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July 15, 1991
Ref.269E

Mr. T. Schroeter
Senior Regional Geologist
Ministry of Energy, Mines and Petroleum Resources
159 - 800 Hornby Street
Vancouver, B.C.
V6Z 2C5

Fax: 775-0313

Dear Tom,

Re: VISIT TO METLA PROJECT

I have received your fax of today's date. I should have made it plain that we do not view ministry personnel as a potential source of information leaks! Also, I realize that under the act, employees of the ministry have a right of entry to mining properties.

Our problem is the specific timing of your visit vis-a-vis the start-up of our drilling, which means we cannot make any firm commitments about logistical support (e.g. camp accommodation) or availability of technical staff for discussions. Obviously both of the above would greatly increase the mutual benefits accruing from your visit.

I will be at the Fort St. James field conference over the weekend of 27-28 July, and will update you further on the situation then.

Yours truly,
Prime Equities Inc.

Lindsay R. Bottomer
Vice President, New Projects

/eb

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VGS → METLA

FAX ADDRESS FORM**MAY 23 1991**

FROM FAX NUMBER: (604) 687-4052

DATE: May 23 1991TO: Tom SchroeterCOMPANY: Min. of Energy, Mines & Pet. Res. - Mineral Res. Div.TO FAX NUMBER: 775 0313SENT BY: Jerry BlackwellNUMBER OF PAGES SENT (INCLUDING THIS PAGE): 4

PROBLEM ?

CONTACT: Sherre Toews
Prime Equities Inc.
Phone: (604) 687-7463For your information, copies of my letters to Jerry App of TWOCsetting up a meeting to discuss Prime's activities in the Tripp
Lake region.Please call if you have any comments!

Regards

Jerry B.

Geological Survey Branch

**Prime Explorations**

A division of Prime Equities Inc.

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Vancouver, B.C.
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May 23, 1991
Ref.461S

Mr. P. Jerry Asp
Tahltan Nation Development Corporation
Reserve #9, General Delivery
Dease Lake, B.C.
VOC 1L0

VIA FAX: 1-771-5454

Dear Jerry:

RE: MEETINGS WITH TNDC/TBC AT DEASE LAKE AND TELEGRAPH CREEK

Further to our telephone conversation of Tuesday, May 21, 1991, I would like to propose that myself and Gerry McArthur of Prime Explorations meet with representatives and other interested parties or individuals on Tuesday, May 28th and/or Wednesday the 29th in Dease Lake, Telegraph Creek and Iskut. Our plans are to drive from Smithers to Dease on Monday the 27th, arriving in the early evening in Dease. Should it be possible, we would like to meet and discuss the following:

- 1) Review the mineral explorations activities of Prime Explorations, a division of Prime Equities Inc. in Northwestern British Columbia, particularly those in the Trapper Lake area;
- 2) Discuss both local and tribal concerns which impact on mineral exploration and development activities in the region;
- 3) Review the possibilities for employment of local companies and individuals;
- 4) Review the local service industry infrastructure, particularly with respect to expediting, transportation and supplies; and
- 5) Establish a procedure for ongoing discussion with both the TNDC and TBC subsequent to our meeting of next week.

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During our review of mineral titles for the region, we have noticed that mineral claims have been registered under the Tahltan name, and we would welcome any opportunity to learn more about the mineral potential of these properties and any plans for future exploration.

Please discuss these proposed meeting dates and the agenda with your directors and the Tahltan Tribal Council members. I will follow-up with a telephone call shortly to confirm these arrangements.

Yours truly,

PRIME EQUITIES INC.

J. Blackwell /ST

Jerry Blackwell

cc: James Foster
Vice President, Explorations

**Prime Explorations**

A division of Prime Equities Inc.

11th Floor-Box 10,
808 West Hastings Street,
Vancouver, B.C.
Canada V6C 2X4Telephone: (604) 687-7463
Telecopier: (604) 687-2309May 23, 1991
Ref.465SMr. P. Jerry Asp
Tahltan Nation Development Corporation
Reserve #9, General Delivery
Dease Lake, B.C.
V0C 1L0

VIA FAX: 1-771-5454

Dear Jerry:

RE: MINERAL EXPLORATION ACTIVITIES OF PRIME EXPLORATIONS,
TRAPPER LAKE AREA

I would like to thank you for the opportunity to meet with yourself and the representatives of the Tahltan Tribal Council. If acceptable, I would like to suggest we meet in Dease Lake at 10:00 in the morning in the Boardroom of the Tahltan Nation Development Corporation. Additional meetings or discussions can be made for later on Tuesday or Wednesday, as needed, for Telegraph Creek or Iskut.

I hope these times are convenient for everyone. Thank you for your assistance, and I look forward to our meeting next week.

Yours truly,

PRIME EQUITIES INC.

Jerry Blackwell