

Vancouver Island

Gold Potential Expands on Debbie Property/Yellow Claims



Coates' Fly 38 in virgin timber on site of Linda Zone (9.8 ft. of 0.578 opt), 65 km north of Yellow-Debbie boundary on the Upper Mineral Creek area. Construction has begun on a 2.25 km road to access the Mineral Creek Zone and to provide 3 levels of drill platforms.

Westmin Resources Limited, Nexus Resources Corporation and Angle Resources Ltd. jointly announced they now have three diamond drills at work in a \$2 million program on the Debbie Gold Project located on Vancouver Island.

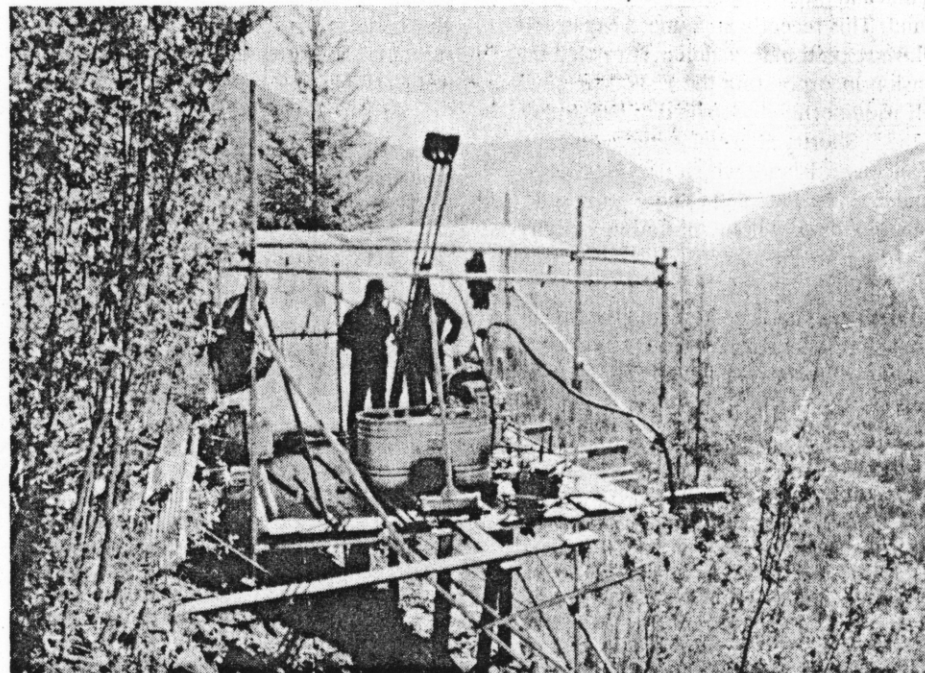
The 247-unit claim block, located 10 km east of Port Alberni and covering an area of Sicker Group volcanic rocks, is considered to be one of more promising exploration projects underway on the Sicker Group. The 1987 work program will include approximately 50,000 feet of drilling, focusing on the three zones outlined by the 1986 exploration program which was completed in February, 1987.

The 1986 work program included 62 diamond drill holes totalling 31,652 feet which tested targets in five areas. This program discovered three zones of gold mineralization, each of which returned multiple drill intersections of potential ore grade over mining widths. The holes however, are too widely spaced to permit calculation of reserves, the joint venture reports.

The three zones actively being explored include the 900 Zone where last season's drilling returned a drill intersection of 44.3 feet of 1.137 oz./t gold; the Mineral Creek Zone which returned 13.7 feet of .246 oz./t gold; and the Linda Zone, which returned 9.8 feet of .578 oz./t gold.

The Mineral Creek gold zone as outlined extends for 1,000 feet of north-south strike length and several hundred feet down the steep east dip. Potential ore intersections occur within a major, fault-controlled alteration zone where mafic volcanics are strongly altered to carbonate, sericite, pyrite and quartz-bearing assemblages. According to officials of the three companies, economic potential for lower grade bulk tonnage and higher grade selective mining has been demonstrated from this zone.

The Linda gold zone comprises two or more moderately east-dipping quartz vein



Hydracore Drills Ltd.'s "Gopher" drilling on 900 Zone, 55m south of an area where 44.3 ft. ran 1.137 opt. These lightweight and completely hand-moveable drills, often used in environmentally sensitive areas, are capable of drilling to 600 feet.

structures which were intersected about 700 feet east of the Mineral Creek Zone. Only two holes tested this zone and two veins in each hole returned high grade gold over potentially mineable widths.

The 900 gold zone, located 4,000 feet south-southeast of the Mineral Creek Zone, was tested along 500 feet of north-south length and up to 400 feet of depth. Potential ore grades over mining widths were intersected in magnetite, jasper and sulphide bearing bedded chert, in quartz vein stockwork in basalt and in a carbonate

altered fault zone. Economic potential has been demonstrated, the joint venture reports, but reserve definition requires more closely spaced drill holes.

The Debbie Property is owned as to 50% by Westmin Resources Limited, the operator, 25% by Nexus and 25% by Angle. Westmin Resources owns and operates the Myra Fall base/precious metals mine/mill complex on Vancouver Island, which during 1986, processed 3,257 tons of ore per day. The company is now plan-

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ning a 33% expansion, to 4,400 tons per day while continuing exploration activities on this and other properties on Vancouver Island. This recently announced expansion follows a multi-million dollar, three-fold expansion incorporating the H-W Mine and mill which officially opened in September of 1985. Shortly after that official opening - Vancouver Island, which previously was "under-estimated and under-explored" began to buzz with exploration activity focusing on the search for gold and polymetallic deposits. Much of that exploration activity is centered on the Sicker Group volcanic rocks, a banana shaped area running roughly from Duncan to Port Alberni.

During 1986 numerous companies active in the area reported excellent exploration results and it is becoming an accepted belief that in the next several years Vancouver Island may host several new mines.

Major Gold Discovery On Yellow Project

According to joint venture partners Angle Resources Ltd. and Reward Resources Ltd., a major gold discovery has

DEVELOPING



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NEXUS: Emerging From The Ranks

By Vivian Danielson

From the host of Vancouver-based junior resource companies, a few emerge as a force to be taken seriously. It's not too difficult to see them coming - they've accumulated some technical expertise, a good management team, staked or acquired some high potential ground, were in the right place at the right time to make the right deal or else were just lucky. Whatever the case as the company's efforts became recognized, their ability to raise exploration funds rose and before too long you have a junior armed with what used to constitute a major mining company's exploration budget.

That scenario appears to have happened to Nexus Resource Corp., who along with associated companies Angle Resources Ltd. and Reward Resources Ltd., expects to raise \$11 million. \$8 million of it will be raised through First Exploration Fund. Approximately \$3 million will go to the company group's properties on one of the hottest exploration camps in Western Canada, the Sicker Volcanic Belt, an area located in the southwestern portion of Vancouver Island. An estimated \$4-5 million is budgeted for Nexus' Birch Lake property in the famous Red Lake mining district of Ontario, a joint venture with St. Joe Canada Inc.

First Exploration Fund is involved in projects right across Canada. Nexus and its associated companies will receive the largest allocation of flow-through dollars from the Fund's junior mining portfolio.

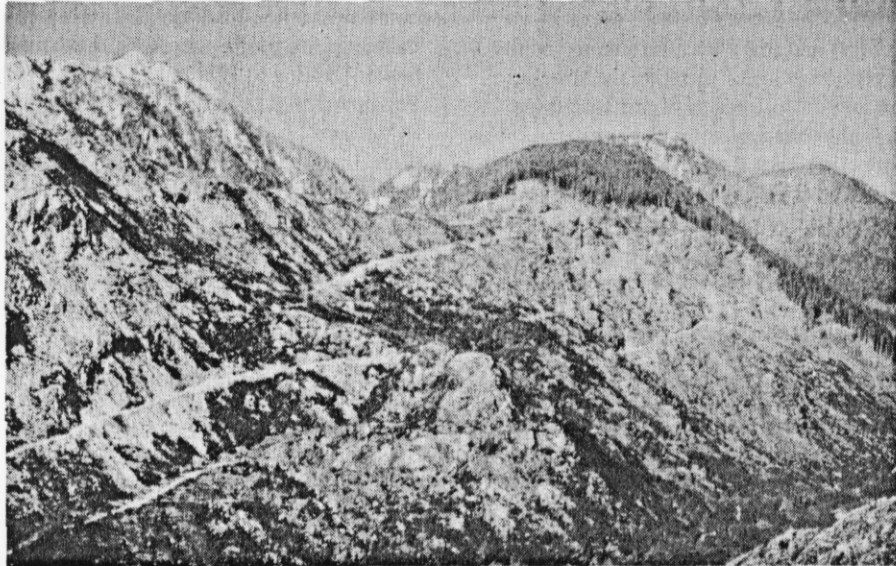
With bigger budgets comes increased expectations to produce results and those have not been long in coming. Recent diamond drilling on the Vancouver Island Debbie Property - in which Nexus and Angle together can earn a 50% working interest from Westmin Resources Ltd. - yielded intersections such as 0.124 ounces of gold per ton over 37.2 feet and 0.311 ounces of gold per ton over 9.0 feet from the Mineral Creek Zone. These results were from the first diamond drill hole on the Upper Mineral Creek alteration zone which is part of an extensive zone of pyritic, quartz-carbonate alteration within mafic volcanics of the Sicker Group.

In January, during an "accelerated exploration program", the joint venture reported that gold was intersected in a second zone on the Debbie Project - the 900 Zone located more than 4,000 feet SSW of the Mineral Creek Zone. Mineralization in the 900 Zone is in bedded chert, cherty tuff and jasper within mafic volcanics of the Sicker Group.

The Debbie Property on Vancouver Island comprises 232 claim units located 10 km east of Port Alberni, B.C. The property covers a favourable belt of Myra Formation volcanic rocks of the Sicker Group, the formation which hosts Westmin's mines at Butte Lake, 80 km to the northwest. The Debbie Property is due north of the Thistle Property in which Angle and Westmin are jointly earning an interest from Nexus. Targets that were identified through earlier work programs are being probed in a C\$450,000 exploration program. The Thistle Property has some 18 significant surface showings of gold and copper-bearing mineralization with the old Thistle Mine being the best-known deposit.

Nexus and joint venture partner Goldenrod Resources and Technology Inc. are working on the Holt Property and on the Canon Olsen claim group. On the latter property, a Phase II work program yielded assays up to 2.63 and 3.08 ounces of gold per ton taken from the Cannon claim.

Reward and Angle recently reported that gold was intersected on the Yellow Claim Group on Vancouver Island which covers the old Vancouver Island Gold Mine. Assays on 8.25 feet averaged 0.76 oz./ton gold from 502 to 510.25 feet of this first hole, with the company's geological consultants reporting that the hole exhibits



A spectacular view of the Nexus/Angle property in the Nitnat River area of Vancouver Island, one of several exploration projects underway by the Nexus Group.

the best mineralization from 700 to 900 feet. Angle and Reward can earn a 49% interest in the Yellow Claim from Silver Cloud Mines Ltd.

The Nexus Group hold other promising properties on Vancouver Island. Greg Hawkins, M.Sc., P.Geol. and a Director of Nexus says the results to date "are only the tip of the iceberg."

"A lot will be revealed by this year's exploration and the eventual underground programs," says Hawkins. "This is definitely a project coming of age."

The Nexus Group is one of the largest property holders in the Sicker Volcanic Belt region with approximately 80,000 acres translating into an estimated 1,800 claims. Currently forty men and seven drills are working on the group's six main projects there.

"A lot will be revealed by this year's exploration and the eventual underground programs," says Hawkins. "This is definitely a project coming of age."

"We think we'll come out with a deposit of economic grade from the Debbie Project," he added. Mr. Hawkins is Vice President of MPH Consulting Limited and has 16 years of international experience in Europe, Africa, China, the United States as well as many parts of Canada including Vancouver Island.

Nexus is also very excited about its joint venture with St. Joe Canada Inc. on the Birch Lake property where work to date has generated some encouraging results.

There are approximately 600 claims in the joint venture area that were originally staked by St. Joe, based upon showings of gold noted in a report by the exploration branch of Asbestos Corp.

The \$1.4 million Phase I program included a major diamond drill program on the Horseshoe Island A-B and C alteration zones and detailed geophysical and detailed geochemical surveys on the Swain Lake and Green-Hager grids.

The 62 hole drill program included in Phase I comprised 38,600 feet with all the holes, except one reconnaissance hole, evaluating the down dip extensions of the Horseshoe Island A-B and C alteration zones over a strike length of 1722 feet and to a vertical depth of 1148 feet.

There were numerous encouraging assays reported from this phase including 0.22 ounces of gold per ton over 40.29 feet. Drilling during this first Phase outlined approximately 775,000 tonnes grading .1314 oz./ton gold over a true width of 13.78 ft. in the A-B alteration zones. Nexus says the broadening of the C-Zone alteration along with significant C-zone gold intersections received, "could entail substantial tonnage potential not considered to date".

The 2nd Phase exploration program is estimated to cost \$1.6 million and consists of 29,500 feet of diamond drilling and 300 line km of geophysics. This 2nd Phase is

now underway with 4 drill rigs on the property.

With these exploration projects, Nexus is looking forward to an extremely active 87 exploration season. The coming year will also be transitional as the company progresses from grass-roots exploration to the more advanced development stages. Nexus Resource Corporation trades on the Vancouver Stock Exchange; trading symbol NXS. Angle Resources and Reward Resources also trade on the VSE: AGU and RWR are their respective trading symbols.

WESTMIN

High Grade Values at British Silbak

A total of 10,600 feet of underground diamond drilling by Westmin Resources Limited on the British Silbak Premier Mines property near Stewart, B.C. has confirmed and extended the high grade precious metals mineralization indicated by a surface drill program conducted last fall in the Glory Hole area of the property.

Results include a 24 ft. length grading 0.426 oz./t Au and 7.24 oz./t Ag; 31.5 ft. of 2.112 oz./t Au and 3.03 oz./t Ag; 241.6 ft. of 0.107 oz./t Au and 1.46 oz./t Ag. From Hole 86-U-160 a 31.6 ft. length graded 1.497 oz./t Au and 34.09 oz./t Ag which included a 1.5 ft. interval grading 20.580 oz./t Au. and 473.90 oz./t Ag.

Preliminary estimates of geological reserves for Silbak Premier and the Big Missouri property to the north, are expected shortly.

Meanwhile, engineering studies evaluating metallurgy, tailings deposition, geotechnical aspects and hydroelectric potential are in progress in preparation for a detailed feasibility study.

Initial discussions have been held with appropriate governmental agencies and with municipal groups at Stewart, B.C. and Hyder, Alaska. Submission of Stage "1 Socio-Economic and Environmental Impact Study is expected in early April. Westmin says it is working toward a production decision in mid-1987.

A minimum 7,000 foot underground drill program is in progress on 2 Level along with drilling on 6 level to define additional underground reserves.

The Silbak Premier and Big Missouri exploration programs are being funded by Canacord Resources Inc. in return for an interest in the properties.

X-CAL RESOURCES LTD.

Trading Symbol: XCL - Toronto Stock Exchange

A Precious Metals Exploration Company

- Major Land Holder - Bralorne Gold Camp, British Columbia.
- Snowbird - Gold/Antimony, Omineca Division, British Columbia.
- Joint Venture - 40,000 Acres, Kapuskasing, Ontario.

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