

VCS → Red Mtn.

886993

## THE RED MOUNTAIN PROJECT

Lac Minerals Ltd. Red Mountain Project is an advanced-stage gold exploration project with the potential to become a major new British Columbia gold producer. The geological resource announced in February, 1993 as a result of the 1992 exploration program was 2.5 million tonnes grading 12.8 grams of gold per tonne and 28.6 grams silver per tonne. The project is located 18 kilometres east of the town of Stewart in west central British Columbia.

The Red Mountain area has been prospected for gold since the early 1900's and in the 1960's and 70's was explored for porphyry molybdenum mineralization. It was not until Bond Gold Ltd. (which was subsequently acquired by Lac) optioned the property from Wofan Resources in 1989 that high grade gold was discovered on surface in an area that was probably covered by glacial ice and snow in the early part of the century.

Numerous gold showings have been discovered on the property, but most work has concentrated on the upper northeast part of the Red Mountain cirque. Four gold rich zones have been identified in this area and are referred to as the Marc, AV, JW, and 141 Zone. The JW and the 141 Zones are new zones recognized in 1993. The gold-bearing mineralization is spatially associated with hornblende feldspar porphyry (200Ma) emplaced in bedded volcanoclastics and sediments of the Hazelton Group.

A major exploration program was initiated in June of 1993. Work included 28,800 metres of surface diamond drilling, 800 metres of underground development, 8,600 metres of underground diamond drilling and extensive sampling. Pre-feasibility studies to evaluate mining, metallurgy, tailings disposal and access are in progress. An intensified environmental program is underway.

The Marc Zone which was evaluated in the 1993 underground program is now better understood. The Zone has a general sigmoidal shape, 235 metres long, up to 150 metres high, 3 to 30 metres thick in cross section, and has a shallow northwest plunge. The mineralization occurs predominantly within a "porphyry" body referred to as the Hillside Porphyry and in adjacent brecciated sediments. High gold grades are associated with zones of more abundant coarse pyrite (veins, stockworks, and breccia matrix). A halo of pyrrhotite and sphalerite with low grade gold mineralization commonly envelopes higher grade zones. Gold occurs principally as microscopic native gold, electrum and in tellurides.

\* \* \* \* \*