



## City Resources (Canada) Limited

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### FACT SHEET

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Executive Vice President  
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Industry: Resources exploration and development.  
Focus: gold mining

Headquarters: Vancouver, Canada

Shares Listed: NASDAQ - CCIMF

VSE - CIZ

TSE - an application is forthcoming

The Company: City Resources (Canada) Limited is principally engaged in the acquisition and development of precious metals properties. The company's primary focus is the Graham Island gold project in British Columbia's Queen Charlotte Islands, which is slated for production in the first quarter of 1989.

The Graham Island Gold Project: The company has recently completed a 45-day 30,000-foot drilling program which confirmed previously calculated geologic reserves of 44 million tons averaging 0.058 ounces of gold per ton, including a higher grade section of 7 million tons averaging 0.10 ounce gold per ton.

Metallurgical testwork also underway is designed to provide more information for mine planning purposes in order to complete final feasibility and to obtain permit necessary to develop a 4000-6000 ton-per-day open pit operation.

A recoverable resource of 1.25 million ounces of gold is anticipated which will rank the Graham Island deposit among the world's largest gold producers.

Production cost are projected at less than \$200 U.S. per ounce of gold for the seven million tons averaging .10 opt and second phase mining calls for some nine million tons grading at least .063 opt.

City expects to build a facility at Graham Island at a cost of \$75 - \$100 million with anticipated throughputs of 4000-6000 tpd producing 110,000 to 170,000 ounces per year.

Financing: In September 1986, City Resources (Asia) Limited spent \$7.55 million to purchase 2.5 million shares (29%) of Consolidated Cinola Mines Ltd., a control position in the company. The exercise of warrants attached in the offering (for an additional 15% of the shares issued) would inject an additional \$8.1 million into the company.

Consolidated Cinola was restructured and renamed City Resources (Canada) Limited, to reflect its association with the international mining organization, City Resources Limited, headquartered in Australia.

City Resources (Canada) Limited acquired a 100% control of the Graham Island deposit in January 1987, subject only to an escalating royalty based on the price of gold.

Share Structure: The company is presently in the healthiest financial condition of its history to date. The company has 9.2 million shares issued and outstanding.

Outlook: With the restructuring of the company, City has assembled a management and technical group with world-wide and development experience. Although the Graham Island gold project will be the focus of corporate activity, City Resources (Canada) Limited has also reached an agreement in principle (subject to shareholder and regulatory approval) to acquire a 50% interest in a group of mineral properties from City Resources Limited (Australia) for a share consideration of \$30 million (CDN).

One of the properties is in the prefeasibility stage and a preliminary estimate of the geological resource to a depth of 600 feet indicates the potential for 1.2 million ounces of gold. Mining could begin as early as 1988 on this property, subject to a satisfactory feasibility study.

The full complement of City Resources groups expects to establish proven reserves containing at least 350,000 ounces of gold by 1990.

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• Charlene Tully: Investor Relations