

BEMA INTERNATIONAL RESOURCES INC. (BMI-V)

BULK SAMPLING PROGRAM DESIGNED TO DETERMINE GOLD GRADES

Shares of Bema Industries Inc. started trading on the Vancouver Stock Exchange on July 7, 1987 following the sale, by way of a June 10, 1987 prospectus, of 800,000 shares at \$1.00 each by Canam Investment Corporation Ltd., McDermid St. Lawrence Limited, Pacific International Securities Inc., Continental Carlisle Douglas, and Haywood Securities Inc. Following the sale there are 3,820,000 shares issued, including 750,000 escrowed shares. The company has working capital after the sale of \$888,000 of which \$509,529 is to be spent on the Harrison gold property and \$30,000 on further negotiations toward an exploration-production agreement with The China National Non-Ferrous Corporation, and \$328,000 will be retained in uncommitted working capital. Bema International also has a further \$129,412 in flow-through funds available for Canadian exploration.

The Harrison Gold property is located at 250 meters above lake level on the southeast side of Harrison Lake, 4 km from the Harrison Hot Springs resort, and 100 km east of Vancouver, B.C. Bema International holds options to earn a 35% interest in the property by spending \$750,000 in 1987, of which \$132,856 has been spent to date and a further \$107,615 has been advanced, plus spending a further \$250,000 in 1988. If Bema spends the full \$1,000,000 on exploration, the property interests will be Bema 35% working interest, Kerr Addison, project operator, 30% working interest and ABO RESOURCES CORP. (ABU-V) 35% working interest. Abo Resources' property interest is carried through the expenditure of \$1,750,000 on exploration, then becomes a working interest. The vendors, R.B. Pincombe and B.H. Williams, receive annual payments of \$25,000, being \$2,500 each, or a 5% net smelter return royalty to a \$800,000 final buy-out.

To April 27, 1987, Kerr Addison has spent \$527,529 on exploration of the property. In 1985 and 1986, Kerr Addison completed surface exploration as well as two substantial diamond drilling programs totalling 3,377 meters in 37 holes. Twelve of these holes were in the main Jenner zone.

The Jenner stock is elliptical, 120 meters north-south by 75 meters east-west and tested by drilling to 250 meters below surface. Using a 1 gram per tonne, 0.03 oz. gold/t, cut-off and a maximum depth of 100 meters, a mineral reserve of 867,000 tonnes grading 2.55 grams per tonne, 0.09 oz. gold/t, is calculated. By lowering the cut-off to 0.5 grams per tonne, 0.017 oz. gold/t, the reserve is increased to 1,783,000 tonnes grading 0.077 oz. gold/t. All gold occurs as free flakes, up to 2 millimeters diameter, which has resulted in erratic distribution of gold values.

The best intersection in the 1984 drilling was in hole No. 84-28 which cut 0.133 oz. gold/t across 210 feet.

Due to the presence of coarse, visible gold in erratic distribution a unique method of assaying was developed. All core was crushed and pulverized, then sieved to segregate coarse gold. Each speck was counted and the larger ones were measured. The whole core was assayed by fire assay with AA finish.

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CONTINUED FROM PAGE ONE - Geological mapping in 1986,

based on gold geochemical anomalies, indicated the presence of a number of newly located diorite stocks located to the south and east of the Jenner stock as well as a 1,000-meter long, 100-meter wide north trending feldspar porphyry dyke.

Initial metallurgical test work gave 97.7% gold recovery by using a coarse grind with gravity concentration to scavenge coarse free gold, followed by bulk re-grinding and bulk flotation with final cyanide leaching. Between 60% and 70% of the gold is recovered by gravity.

Initial work indicates the quartz diorite is competent and should stand up well. This factor could greatly reduce mining costs if open slopes will stand up without caving, possibly allowing sub-level caving similar to that used in the low cost porphyry copper-molybdenum mines.

The current underground program of crosscutting, drifting and raising is to test the mineability of the mineralization and to determine the gold grade. The underground heading will be driven across and along the zone on three drill holes, as will the raising. This is designed to establish a factor by which the drill hole assays can be increased to determine mine grades. Preliminary indications are that the gold grade underground will be significantly higher than those calculated from the drill core.

A bulk underground sample of a minimum of 1,000 tons will be mined and test milled. The underground program will also establish a drill station from which the lateral and depth continuations of the Jenner zone will be tested. As well, the underground drill station will be used to test the nearby Portal stock. These programs are designed to provide data for a feasibility study in 1988.