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George Cross News Letter

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ISLAND-ARC RESOURCES CORP.

[IAR-CDNX] 15,770,971 SHS.

CORPORATE UPDATE - Lawrence Barr, president, reports Island-Arc Resources Corp. is proposing to make application to reprice up to 2,467,500 existing warrants to 11¢ per share from their existing exercise prices as follows: 930,000 warrants exercisable at \$0.1875 until 17Nov2000; 125,000 warrants exercisable at \$0.41 until 24Feb2001; 500,000 warrants exercisable at \$0.20/\$0.23 until 1Sept2001; 912,500 warrants exercisable at \$0.20/\$0.23 until 6Sept2001.

Island-Arc agreed to issue 100,000 shares to Geofine Exploration Consultants Ltd., vendor of the 100% optioned Todd Creek, northwest BC, gold exploration project, as consideration for an extension of time for certain terms of the agreement to be met.

Both the repricing of the warrants and issuance of the 100,000 shares to the Todd Creek property vendor are subject to CDNX approval. If the warrants are repriced, the term during which they may be exercised will be reduced under certain market conditions.

The optioned Todd Creek project is a joint venture between Island-Arc and MINATERRA MINERALS LTD. [MIN-CDNX] pursuant to a 23May2000 agreement.

The Todd Creek project consists of 33 claims covering 147 square km 45 km northeast of Stewart, northwest BC. The target is an epithermal gold deposit similar to the former Premier mine north of Stewart. Six mineralized zones have been found to date on the Todd Creek property. This epithermal vein system has been traced for a seven-km strike length with a width up to 1,500 metres and known vertical extent of 1,100 metres. Gold mineralization is hosted by a multiple phase event consisting of quartz veins and breccias with colloform, open space and banded textures. Quartz-sericite-pyrite with local barite, carbonate and chlorite alteration accompanies the mineralization which occurs in either the feldspar porphyry (South zone) or in the adjacent andesites. Previous drilling of the South zone includes:

HOLE NO.	WIDTH METRES	GOLD GR/T
DDH 88-19	2.35	13.7
DDH 88-35	7.95	9.1
DDH 88-26	2.40	8.1
DDH 88-37	6.10	6.1
INCL.	1.25	14.5
DDH 87-08	2.00	10.9
DDH 87-05	1.73	11.9

The South zone is open for expansion and will be the primary focus of this summer's drill program. In addition to this target, the property also contains five other zones including the Amarillo zone.

The latter zone has been defined by a silver, lead, copper and arsenic soil anomaly and may represent the upper level of the epithermal system and has never been drill tested. One exploratory hole will be completed on this target in 2000. Previously a 0.7-metre chip sample returned assays of 233 grams silver/tonne and 12.8% lead.

A \$350,000 diamond drilling program, to be managed by Geofine Exploration Consultants Ltd. pursuant to the underlying option agreement, is planned for later this summer by Island-Arc and Minaterra. Island-Arc is presently arranging private placement financing for its 50% share of the program. The financing is expected to be done at 10¢ per unit, each unit comprising a share and a two-year warrant. A portion of the units will confer flow-through tax benefits to the placees. (SEE GCNL NO.72, 12Apr2000, P.3 FOR MARGARET LAKE DIAMOND PROJECT INFORMATION)

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