

BZFNE General
P. 1 of 2

KOOTENAY AREA MINERAL PROJECTS

QUIET, ACTIVE, AREA PLAY A WELL KEPT SECRET

SEARCH FOR ANOTHER COMINCO SULLIVAN MINE,
ALWAYS A POPULAR EXPLORATION PLAY,
CONTINUES IN THE KIMBERLEY, FORT STEELE,
CRANBROOK, ROCKY MOUNTAIN TRENCH OF
SOUTHEASTERN B.C.

TEN COMPANIES ACTIVE - TWENTY DEFINED/
REFINED VENT TARGETS PLANNED TO BE DEEP DRILL
TESTED IN THE NEXT TWELVE MONTHS

CHAPLEAU RESOURCES LTD.

[CHI-V] 47.726,991 SHS.

A LEADER IN THE SULLIVAN SEARCH- Jim Stypula, chairman, CEO;
Eric Woltzen, president;

Chapleau Resources Ltd., and the members of the Super Group headed
by David L. Pighin, P.Geol., during a recent interview and a tour of
the geological field office and core storage facilities near Cranbrook,
southeast B.C. reviewed the importance of the Summer of 1999
prospecting discoveries of new lead, zinc, silver zones in the
context of the search for a new Sullivan Mine orebody.

A PROSPECTOR WALKING UP HILL - Prospecting along a newly
BREAKING ROCKS WITH A 15 LB. constructed logging road
HAMMER MADE THE DISCOVERY between 1,400 metres and
1,600 metres elevation

along Jock Creek, 38 km southwest of the Sullivan Mine at
Kimberley, southeast B.C., a new Sullivan type zinc, lead vent was
discovered.

Named the Lower Jack zone, work has established a number of
large, lead, zinc-bearing, hydrothermally altered, angular
tourmalinite and Aldridge formation fragmental float boulders in a
300 metre by 300 metre area. The float boulders are well mineralized
by galena, sphalerite, arsenopyrite and pyrrhotite. Preliminary
geological mapping suggests the mineralized float train follows the
projected trace of the Sullivan Horizon. The float occurs within a
soil sample anomaly 800 metres by 1,000 metres, open to
extension. Aldridge marker beds found in the area suggest the float
and soil anomaly is underlain by sub-cropping Sullivan Horizon at
perhaps 400 metres below surface.

-CONTINUED ON PAGE TWO-

KOOTENAY AREA MINERAL PROJECTS

CONTINUED FROM PAGE ONE - The discovery was staked in the
Summer of 1999 by 125 claim
units and is now part of what is called the Pakk property. Prior to
construction of the logging road, the steep, overburden covered area
was largely not accessible and was unprospected or explored. Also
discovered by prospecting in the area, 2.5 km to the northwest of the
Lower Jack zone, was the Upper Jack zone with base metal
mineralization in a similar geological setting at 2,200 metres
elevation. At surface the Upper Jack consists of fragmental structure
with abundant galena, sphalerite, pyrrhotite and arsenopyrite in
massive-lenses, plus veins and disseminations, 30 metres wide,
traced at outcrop for 800 metres. Outcropped Aldridge marker beds
near the Upper Jack showing suggest the favourable Sullivan
horizon will intersect the vent structure at a point 400 metres below
surface. A planned three-hole 1,000 metre, diamond drill program
started Sept. 23, 1999, to test for geometry, strike, dip, attitude of
the Upper Jack zone. The results from these holes are expected to
provide the data upon which to plan deep holes to test the Sullivan
horizon at the interphase of the Middle and Lower Aldridge
formations. Upon completion of these holes it is planned to move
the drill rig to the lower elevation at the Lower Jack zone for several
initial exploration holes.

Third of the recent discoveries is the Sinclair zone at an 1,800
metre elevation, two km east of the Upper Jack zone. Bedded
mineralization (sedex) occurs in a mudstone unit 60 metres thick,
with thin beds of good grade lead, zinc mineralization which has
been traced at surface for 600 metres. Exploration continues.

As the drilling continues Chapleau has four large grids under
construction for prospecting, geological mapping, soil sampling and
geophysical surveys.

SUPER GROUP HOLDINGS LTD. is directing the exploration on the
Chapleau-Kimberley area program.

David L. Pighin, P.Geol., 35 years experience in exploration,
including 25 years as a prospector, mine and exploration geologist
with Cominco, heads the company with Doug Anderson, B.Sc.MSc.,
P.Eng., 30 years geological experience of which 17 were spent with
Cominco in the area, and Peter Klewchuk, B.Sc., M.Sc., P.Geol., 25
years geological experience of which 15 were spent with Cominco in
the area. Credited with the first recognition of the significant of the
discoveries is Craig Kennedy and his two sons, Tom and Michael,
each with years of successful prospecting experience. The Super
Group personnel have a combined 95 years geological experience in
the search for a new Sullivan. Mr. Pighin, pointed out during the
years he and his associates worked at Cominco they, in person,
geologically mapped or re-mapped portions of the Sullivan
underground mine and surface geology plus showings in the area
including logging and re-logging portion of the drill cores and
samples from the mine accumulated since 1910. "Where in the mine
we did not re-map or re-log we carefully reviewed the historic work in
detail. As a result of this work we became experts [as have many
other Cominco geologists over the years] in the recognition of the
10,000 feet of mid Aldridge basin formation marker beds. This
intimate knowledge of the geology and marker beds is of great
assistance in the type of exploration being conducting on these
properties currently."

CHAPLEAU'S LONG TERM SEARCH PROGRAM - Over the past
three years

Chapleau, with head office in Cranbrook for many years, resumed
accumulating a land position in the Fort Steel Mining Division with
the objective of discovering a Sullivan type Sedex base metal
deposit. The Pakk property now includes the Horn, Burn, Pit and
Pakk claim groups containing in excess of 316 square km spread

NO. 192 (1999)
OCTOBER 6, 1999

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rom 4 km south to 38 km southwest of the Sullivan mine. Most recent staking has added probably 20% further to this land package. Chapleau holds the Burn, Horn, Pit claims, formerly called the Car property, under option from Black Bull Resources to acquire 60% by spending \$1,700,000 on exploration over four years, issuing 200,000 shares and making a \$500,000 cash payment in four years, subject to a 2% net smelter return royalty. Black Bull Resources had in July 1999, optioned 100% of the Pit property from Super Group Holdings for 175,000 shares, spending \$700,000 on exploration over five years and \$5,000 on execution, subject to a 2% net smelter return royalty. The Pit property is about four km south of Kimberley with the north boundary adjoining the Cominco claim group that hosts the Sullivan mine and the west boundary of the Pit claims adjoins the Horn property. In 1996 the B.C. Government located a large aeromagnetic anomaly on the Car claims. The lead, zinc, silver-bearing fragmental that outcrops on the Car claims may form part of a large Sullivan type hydrothermal vent system. Three holes, 5,000 feet of diamond drilling in Aug. Sept. 1999, tested a 1.5 km long by 250 metre thick lead, zinc silver-bearing Aldridge formation complex estimated to be at 300 metres to 700 metres depth and surrounded by the aeromagnetic anomaly. Six short diamond drill holes were completed on the Car property. The holes discovered a pyrite rich sericite unit, 150 metres thick, immediately overlying the Car fragmental complex. The sericite, pyrite alteration zone on the Car property may indicate the presence of economic mineralization on the property. Further work is recommended.

Under a separate July 1999, option contract, Chapleau has an option to acquire from Super Group Holdings Ltd. 100% of the Pakk group by spending \$250,000 on exploration and issuing 200,000 shares over four years, subject to a 2% net smelter return royalty.

OTHER CHAPLEAU PROJECTS: On Aug. 26, 1999, Chapleau closed the purchase of 4,285,700 special warrants at 35¢ each for \$1,499,995 of **FAR WEST MINING LTD.** [FWM-ALBERTA] consisting of one share and one, two year, warrant exercisable at 50¢ until April 23, 2000, and at \$1.00 until April 23, 2001. Chapleau now owns 25% and holds warrants to own 40% of the issued shares of Far West Mining. As a result, Chapleau holds an indirect 25% to 40% interest in all Far West Mining properties which include an option from **AZTEC SILVER CORPORATION** a 75% owned subsidiary of **CANARC RESOURCE CORP.** [CCM-T] to earn 50% interest in 485,949 hectares in nine properties in Zacatecas and San Luis Potosi states in north-central Mexico. To earn, Far West Mining must spend US \$5,500,000 by Feb.2002. Each property covers known mineral occurrences, favourable rock formations and aeromagnetic and geochemical anomalies with the potential to host skarn, manto, chimney deposits plus Sedex and VMS targets more recently discovered. Drill testing of a number of the targets is planned for the Fall 1999.

On the Sewell Brook property, New Brunswick, Chapleau has earned a 50% interest by spending \$2,000,000 on exploration over three years from **NOVAGOLD RESOURCES INC.** [NRI-T; NVGLF-OTC-BB] where four holes, totalling 400 metres, were drilled 300 metres northeast of a discovery hole. The holes returned no mineralization and are believed to be across a fault. The Sewell Brook mineralization remains open to the southwest and to depth.

Chapleau also has a joint venture with **WHITE KNIGHT RESOURCES LTD.** [WKR-V] on the Squaw Creek property 42 miles north of Battle Mountain, Nevada, where drilling resumed in the first week of October. About 11,000 feet of drilling will be completed in eight planned drill holes. This program is a follow up to drilling conducted in May and June which discovered a zone of gold extending over a strike length of 8,000 feet and an average true

82F NE General
p. 2 of 2

width of 80 feet. The Squaw Creek property adjoins the Ivanhoe property now being drilled by Great Basin Gold, and is located seven miles southeast of the Ken Snyder Mine under operated by Franco Nevada. Chapleau holds an option to earn a 50% interest in the Squaw Creek project from White Knight. A further option to earn 50% is held by Chapleau from White Knight on the Indian Ranch property in Eureka County, Nevada where permits are awaited to drill 62 holes.

ASCOT RESOURCES LTD. [AOT-V] in August 1999, terminated a deep hole on its 100% optioned Smoker property near Cranbrook, BC, prior to reaching the designed depth of 1,100 metres. Drilling encountered a thick intersection of the Moyie sill at a depth of 916 metres which precluded the continuation of the hole. No further work is planned on the Smoker property this year. Also in August, Ascot terminated the 60% option from Chapleau on the Cruz property 25 km south of Cranbrook. In Jan.1998, Chapleau optioned a further 40% in the Cruz property from **WILD HORSE GOLD CORP.** Chapleau had previously acquired 60% of the property.

SIX MONTH FINANCIALS - During the six months ended May 15, 1999, Chapleau spent \$542,117

on exploration, \$644,940 on investments in other companies, sold shares to raise \$4,325,999, to end the period with 47,421,991 shares issued and a cash position of \$3,676,194. Included in the period share sales was 11,300,000 units at 41¢ each, for gross proceeds of \$4,633,000, [US \$3,000,000] consisting of one share and one, two-year warrant exercisable at 41¢ in year one, and 50¢ in year two, sold to William G. Bennett to hold 23.7% of the then issued shares. The hold period on these shares expired April 8,1999. Notes to the May 15, 1999 statement indicate incentive options outstanding on 5,924,769 shares at from 33¢ to \$1.12 each, plus warrants on 2,318,000 at prices from 50¢ to \$1.25 each. The warrants on the 11,300,000 units are not shown in the notes.

DIRECTORS - Jim Stypula, chairman, CEO; Eric Woltzen, president; Allan Rella, Frank Rossi; and Dr. J. Corey Brown.

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