BZFNE General P. loFZ WESTERN CANADIAN INVESTMENTS

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CHAPLEAU RESOURCES LTD. [CHI-V] 47,726,991 SHS.

BC DIAMOND DRILLING UNDERWAY - Jim Stypula, chairman, reports Chapleau

Resources Ltd. is currently conducting a short hole diamond drilling program on its PAKK and Horn properties in the Fort Steele and Nelson Mining Divisions, southeast BC. The objective is to acquire preliminary geological data on the high elevation PAKK-Horn surface showings. (SEE MAP OVERLEAF P.1) Three short holes are completed on the Upper Jack Vent Showing. These holes outline a near vertical dipping structure consisting of discordant fragmental rocks about 10 metres thick. The cross cutting fragmental rock is bracketed by a 20 metre thick zone of intensely altered sediments. Sulphides form all or part of the fragmental matrix. Sphalerite and galena are dominant, with lesser pyrrhotite, arsenopyrite and chalcopyrite. The fragmental host rock is intensely tourmalinized. garnetized, albitized and actinolitized with abundant muscovite and biotite. Scheelite is widely scattered through the discordant fragmental rocks and in the adjacent altered sediments. The scheelite occurs as large disseminated crystals and as thin veinlets.

Two short diamond drill holes were drilled on the Sinclair sedex showing located two km east of the Upper Jack Vent. Diamond drill

hole 99-4 intersected a fault zone and did not find the mineralized zone. Diamond drill hole 99-5 intersected the stratiform sphalerite mineralization 90 metres down dip from the surface showing. The hole cut 40 thin bedding parallel bands of disseminated sphalerite and pyrrhotite ranging in thickness from 1 cm to 10 cm. The sulphide rich bands are scattered throughout at 150-metre section of thin-bedded argillite and silty argillite.

One hole is completed on the Polly Vent located four km northeast of the Sinclair sedex showing. Diamond drill hole 99-6 cut a sulphide-rich fragmental complex 230 metres thick. The complex consists of fragmental rock units up to 50 metres thick interbedded with thin-bedded pyrrhotiferous argillite. Massive sulphide, mainly pyrrhotite and arsenopyrite form the matrix of the fragmental units. The massive pyrrhotite matrix is interconnected and tests done on the core suggest the fragmental units will make a good electromagnetic conductor. Bedding parallel bands of disseminated sphalerite up to 30 cm thick occur within the interbedded argillite units.

Soil geochemical surveys continue in the Lower Jack Vent area located two km southeast of the Upper Jack showing. The work has extended the existing lead, zinc, arsenic soil anomaly a further 1.8 km northeast. The Lower Jack soil anomaly has length of 3.4 km by an average width of 0.8 km with values up to 1,000 ppm zinc, 500 ppm lead and 500 ppm arsenic. Drill road and drill sites are currently under construction.

Geological mapping and diamond drilling on the PAKK-Horn property continue to demonstrate that:

• Sullivan type vent structures are sulphide-rich and are spread over a wide area on the property

• Stratigraphically the vent structures occur above, below and at Sullivan time

· Distal-type sedex zinc mineralization is present on the property

Chapleau's immediate plans are to continue soil geochemical surveys, continue geological mapping, complete two more diamond drill holes on the Polly Vent, complete Lower Jack drill access for immediate drilling and to diamond drill test the Sullivan Horizon in the Lower Jack Vent area.

The PAKK project includes the PAKK, Horn. Burn and Pit proeprties cover ing 16 square km spread from four km south to 38 km southwest of Cominco's Sullivan Mine at Kimberley. (SEE GCNL NO.202, 21Oct99, P.6 FOR PAKK PROJECT OPTION TERMS & NO.192, 6Oct99, P.1 FOR MORE DATA)



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