

TEUTON RESOURCES CORP. (TUO-V)

THREE PROPERTY OPTION DEALS REVIEWED - D. Cremonese, president reported that Teuton Resources has finalized an agreement granting SIERRA MADRE RESOURCES INC. (SQC-V) an option to earn a 60% interest in Teuton's 11,000 acre Croesus and Max properties located 25 miles east of Stewart, B.C. Previous work has indicated a potential for massive sulfide (gold-silver-copper-lead-zinc) deposits; a 1988 chip sample taken from one zone across a true width of 5 feet returned a weighted average of 8.1% copper and .22 oz. gold/ton. Other massive sulfide occurrences in the area are being explored by Bond Gold (Canada). The Max property is located 50 miles northwest of Stewart, B.C. in the McQuillan Ridge (Unuk River) area and covers 250 acres. It controls an 11,000,000 tonne iron-copper skarn deposit drilled off in the 1960's. According to a recently released government study, the gold potential of several skarn deposits situated along McQuillan Ridge, including the Max, does not appear to have been tested. The study further notes that the McQuillan Ridge area has many features that are associated with gold-enriched skarns elsewhere in the province.

Under the terms of the agreement, Sierra Madre may earn a 60% interest by making cash payments totalling 200,000, issuing 200,000 shares and spending \$1,000,000 in exploration over 4 years. After Sierra Madre completes its earn-in a 60-40 joint venture will take effect. The agreement is subject to regulatory approval.

Teuton has granted BLUE EMERALD RESOURCES INC. an option to earn 60% in the Paradigm property, located 4 miles west of the Consolidated Stikine Silver/Calpine discovery 40 km north of Stewart, B.C.

Teuton has also granted HI-TEC RESOURCE MANAGEMENT LTD. the right to earn a 60% interest in the Bonsai property by spending \$500,000 of exploration over 5 years. Hi-Tec must also pay Teuton 50,000 free trading shares of a publicly traded company upon signing of a formal agreement. The Bonsai is at the headwaters of Larrymel Creek, approximately 4 miles west of the consolidated Stikine Silver and Calpine discovery.

Negotiations are underway with parties interested in optioning portions of Teuton Resources' 22,000 acres of claims in the Atkins and Treaty Creek areas at the northern end of the Sulphurets gold camp. Recently released provincial government geological maps indicate that these claims control 8 miles of strike along the eastern extension of the Mt. Dilworth Formation, the same felsic volcanic sequence which host the Calpine-consolidated Stikine discovery.

HULDRA SILVER INC. (HDA-V)

PRODUCTION DECISION AWAITS FEASIBILITY STUDY - In the last 18 months Huldra has spent \$4,000,000 to establish drilled, drifted and partially blocked out reserves of 164,000 tons grading 25.3 oz. silver/t, 5.94% lead, 4.14% zinc, over an average 4 foot mining width, plus 180,000 additional tons potential in possible extensions. The 100% owned Treasure Mountain property of 3,000 acres, at 4,543 feet to 5,300 feet elevation is at the headwaters of the Tulameen River in Similkameen mining division, 27 km, due east of Hope, B.C. The C fault hosted and controlled epithermal vein has been developed on 4 levels over a 1,200 foot dip length from surface to the No. 4 level and 3,500 feet of underground drilling. The Treasure Mountain fault zone has been traced over an 8,000 foot strike length with the reserves confined to a 1,500 foot portion of the strike. The mineralization is open to depth and on both ends.

The Ruby east zone was discovered in the fall of 1988 and is located 2,500 feet east of the C vein workings. Limited drilling indicated 10,000 tons grading 15.6 oz. silver/t, 4.5% lead over a 10 foot width.

Subject to a feasibility study Huldra plans to place the property in production at a probable 200 tons per day rate. Preliminary metallurgical test work showed the ore is free of contaminants and that a 95% silver recovery can be achieved through conventional milling. Bacon, Donaldson & Associates have been retained to continue metallurgical studies.

There are seven exploration targets located by prospecting, geological mapping and confirmed by geochemical and geophysical surveys as well as limited stripping and drilling.

CHAPLEAU RESOURCES LTD. (CHI-V)

UPDATE - Mark D. Best, president of Chapleau Resources Ltd. reports that the agreement whereby Gunsteel Resources Incorporated was granted an option to earn a joint venture interest in the Purcell camp property, west of Cranbrook, B.C., has expired as a result of Gunsteel not meeting its obligations. Engineering reports on the program with 1989 recommendations are being prepared. Negotiations are ongoing for a new joint venture partner.

A preliminary feasibility study prepared by R.T. Banting, P.Eng., on the Hope, B.C. property indicates that a 3,000 ton bulk sample is required to test the Hope ore for milling and smelting quality. In conjunction with the bulk sample, testing of geophysical anomalies in the vicinity of the main showing will be conducted. These anomalies are interpreted as a probable extension of the Hope zinc-lead-silver deposit. Noranda recently dropped their option on this property.

FOOTWALL EXPLORATIONS LTD. (FTW-V)

DRILLING UNDERWAY - Ernie Fowler, director, reports that Footwall Explorations has started an underground drill program on the Hiller-Churchill property near Zeballos, B.C. following the recommendations of J.S. Kermeen, P.Eng. Footwall holds an option to acquire a 51% interest from Falconbridge Limited by spending \$1,000,000 on the property. Ten of 16 drill holes are now completed on the A-25 gold zone and 8 holes have been sent for assay. All holes have cut up to 50% sulphides within known skarn zones. The 1988 program confirmed gold values associated with skarn.