

PACIFIC HOUSTON RESOURCES, INC. (PHR-V)

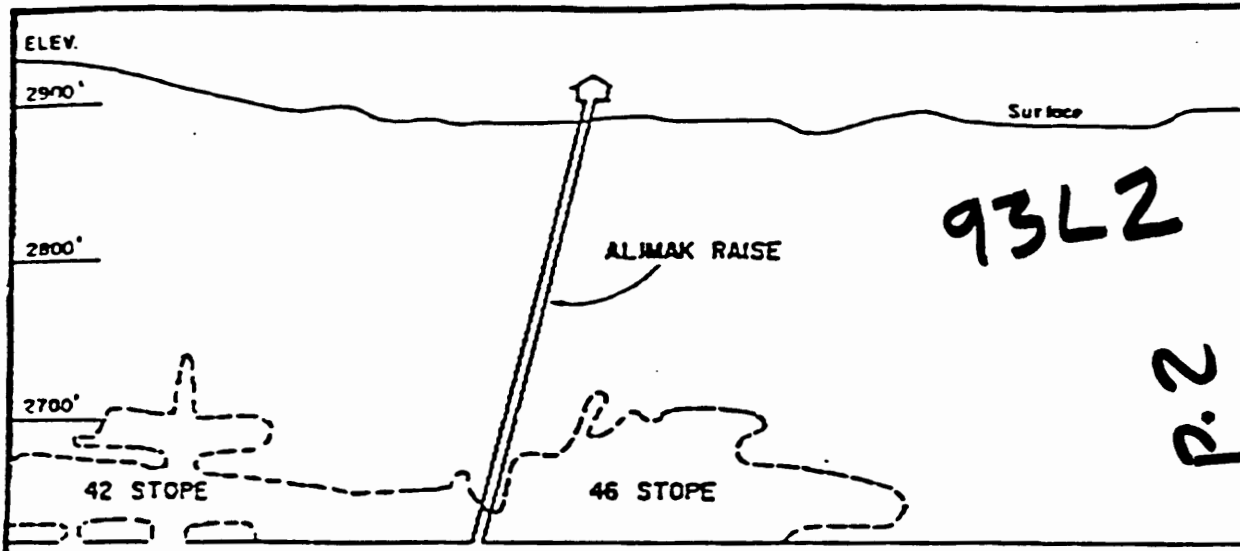
UNDERGROUND EXPLORATION RESUMED - Adolf A. Petancic, president has reported Pacific Houston Resources, Inc. has started phase one 1989 work on the property 35 miles south of Houston, B.C. The objective is to discover enough high grade reserves in the southern part of the No.3 and NG 3 veins to justify a production decision. Vein mineralization at the southern end of the No.3 structure is richer in precious metals than previously explored mineralization, as indicated by the following intercepts:

<u>LOCATION</u>	<u>WIDTH FEET</u>	<u>OZ.GOLD/T</u>	<u>OZ.SILVER/T</u>	<u>ZINC %</u>
Decline	7.0	0.29	13.8	11.5
Hole 57	8.2	.72	11.8	10.9
Hole 58	12.5	.37	17.1	13.0

93L2

L.J. Manning's reserve calculation, in the vicinity of the decline and immediately to the north, included 180,000 proven and probable tons averaging 0.236 oz.gold, 13.66 oz.silver and 10.84% zinc with 17% dilution. Indicating the precious metal values in the area are higher and remarkably consistent. The work will involve mining a 300 ft. crosscut into the hangingwall of the vein to provide a drill station, from which the holes indicated on the plan will be drilled. An additional two to three lines of holes 100 ft. centre - farther to the south, will be drilled from the existing crosscut. Phase I is budgeted at \$350,000. (SEE MAP OVERLEAF and also GCNL NO.97, P.2, 19May89 and NO.91, P.2, 11May89).

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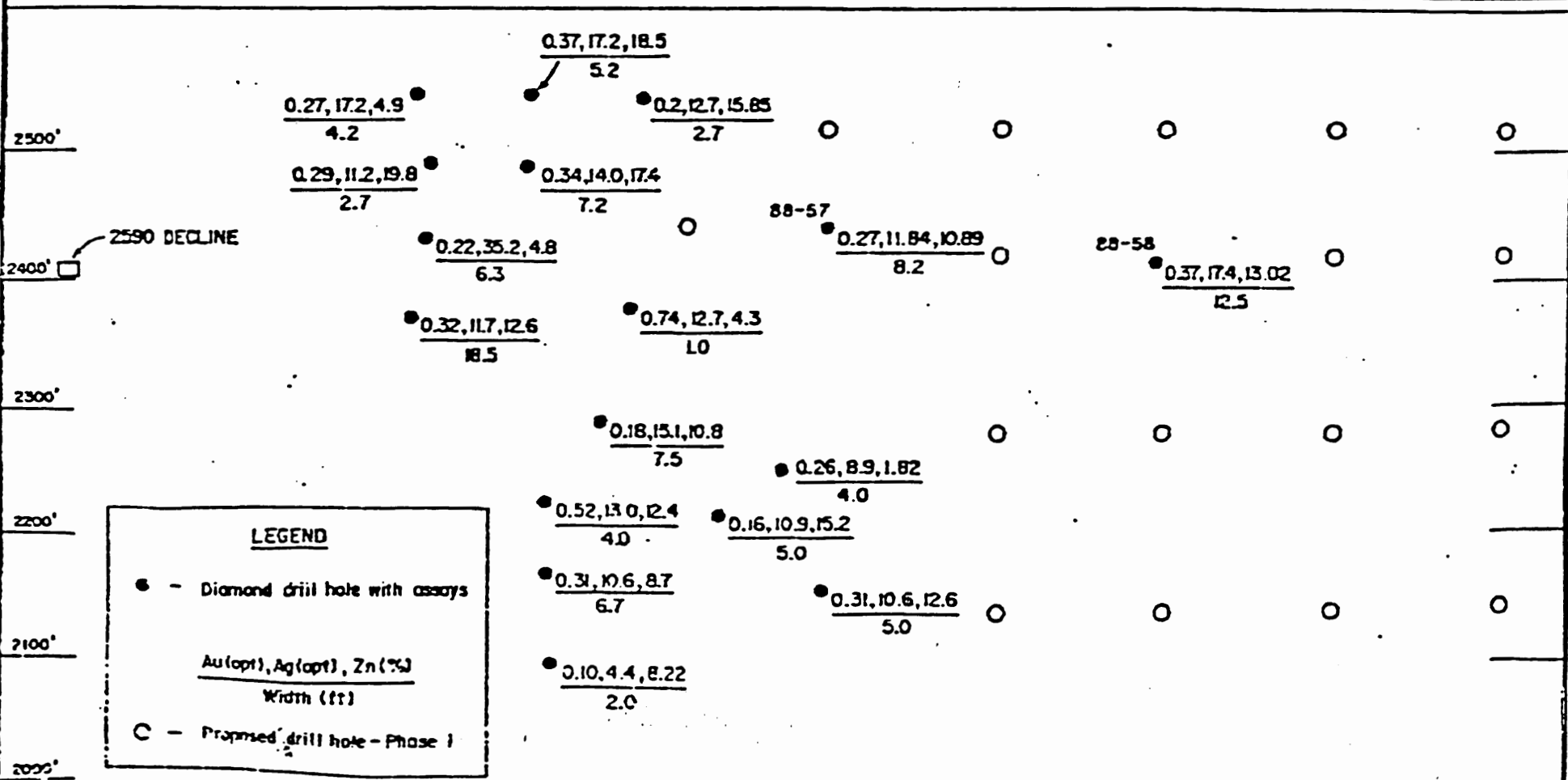


**HOUSTON METALS CORPORATION**  
**SILVER QUEEN MINE**  
**No. 3 VEIN**  
 (HIGH GRADE SECTION)  
**LONGITUDINAL SECTION ALONG THE VEIN**  
**PHASE 1**  
**DIAMOND DRILL PROGRAM**

0      100      200      300  
 FEET

93L2

P.2



**LEGEND**

● - Diamond drill hole with assays

Au (opt), Ag (opt), Zn (%)  
 Width (ft)

○ - Proposed drill hole - Phase 1