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WESTERN CANADA

CALPINE RESOURCES INCORPORATED (CLP-V, Alberta)
CONSOLIDATED STIKINE SILVER LTD. (CKI-V)

EXPLORATION PROGRAM- Murray Pezim, president of Calpine BEGINS AT ESKAY CREEK Resources Incorporated, reports that the 1989 Phase I exploration program is now underway on the Eskay Creek project, 60 miles NW of Stewart, B.C. The project is funded on a 50/50 basis by Calpine and Consolidated Stikine Silver Ltd. The phase I of the program has been budgeted at \$4,000,000 and will run through mid-October 1989.

An exploration program consisting of geophysics, geological mapping, geochemical sampling, prospecting, trenching and diamond drilling will evaluate the 21 Zone beyond its presently known dimensions.

Currently, one diamond drill is operating on step-out evaluation of the northern strike extent of the 21 Zone. A total of 7,000 meters of drilling is anticipated in this area, testing the mineralization on 50 meter sections along strike and approximately 50 meter centers downdip.

A second diamond drill is scheduled to begin coring later this week on an in-fill drilling program at the 21 Zone. This portion of the program, consisting of some 4,500 meters of drilling, will continue to define the mineralization by increasing the density of the drilling pattern to 25 meter centres on 25 meter sections along some 300 meters of strike extent within the deposit.

Beyond the 21 Zone, a number of additional mineralized zones will be the focus of geological mapping, geochemical sampling, prospecting and trenching, scheduled to begin almost immediately. A total of 2,000 meters of diamond drilling is planned to test the best of these outside targets utilizing a third diamond drill which will be mobilized by mid-July.

(See GCNL No.111, 9Jun89 for reserve estimates and No.90, 19May89 for winter drilling results and map).

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CONSOLIDATED STIKINE SILVER LTD. (CKI-V)

21 ZONE RESERVES & 1989 EXPLORATION REVIEWED-Consolidated Stikine

Silver Ltd. has reported D.J. Barker of Keewatin Engineering Inc. has estimated geological reserves of 2,800,000 tons grading 0.23 oz.gold/ton and 3.34 oz.silver/t on the 50% owned Eskay Creek deposit 60 miles NE of Stewart, B.C. **CALPINE RESOURCES INCORPORATED(CLP-V,ALBERTA)** holds the other 50% interest. Open pit reserves based on 8% dilution at 0.015 oz gold/ton grade would result in 3,000,000 tons at 0.26 oz.gold/t equivalent.

The presence of a thick, high grade core near surface would make the entire resource mineable at an approximately 6:1 strip ratio. The configuration of the mineralized zones would permit the mining of large tonnages of 0.35 to 0.40 oz.gold/t equivalent material in the early years at low strip ratios. Sufficient resources are currently indicated which could support a 1,000 tonnes per day operation over an eight year mine life.

The 1989 summer program of \$9,000,000, jointly funded, is planned to start mid-June and include: surface exploration, stepout drilling to the northeast, drill testing of other zones, definition drilling, bulk sampling, and surface trenching and definitive

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metallurgical studies on bulk samples from surface trenching and drill core.

The knowledge gained from a limited program last summer indicates excellent possibilities for a large tonnage reserve for the property.

Consolidated Stikine is now in receipt of the balance of the assay results for the winter program. The significant intersections not previously released are:

HOLE	INTERVAL	LENGTH	GOLD	SILVER
	FEET	FEET	OZ/T	OZ/T
CA89-66	277.9-281.2	3.3	0.088	1.20
	352.7-372.4	19.7	.198	0.26
CA89-67	334.6-364.1	29.5	.421	5.61
	(previously 387.1-400.2	13.1	.087	2.74
reported	442.9-482.3	39.4	.090	2.93
CA89-68	344.5-355.3	10.8	.208	2.74
	423.2-439.6	16.4	.080	3.56
CA89-69	442.9-465.9	23.0	.091	.32
CA89-70	483.2-489.8	6.6	.081	.63

Of particular note are the northernmost fence of drill holes, No.67, 68 and 69 which indicate the start of a new higher grade shoot within the 21 Zone. (SEE GCNL NO.97, p.1, and overleafs for previous assay results and drill hole location map).

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