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CANASIL RESOURCES INC. (CLZ-V)

QUARTER ENDED SEPT. 30/89 ' TOODOGGONE EXPLORATION UPDATE
Interest Revenue \$2,286 ' Canasil Resources Inc reports
Expenses 14,539 ' on its exploration activities
3rd Quarter loss 11,253 ' at the 100%-owned Brenda pro-
Loss Per Share \$0.004 ' perty in the Toddoggone gold

-----' camp in the Omineca mining
division of north-central B.C. A gold/silver soil
anomaly was discovered with a strike length extending
500 meters. Gold values in the area range from 75 parts
per billion to 1,510 ppb, with silver ranging from 2
parts per million to 9.1 ppm. Corresponding resistivity
anomalies were also outlined. A quartz vein was traced
for 100 meters, about 500 meters west of the soil
anomaly. Samples from this vein exposed at higher
elevations had only anomalous gold/silver values. At
lower elevations, the exposed vein was sampled in three
locations and returned gold values of 0.10, 0.27 and
0.69 oz/ton and silver values of 0.20, 0.50 and 3.70 oz/t.

Prospecting in other parts of the property located
an area of quartz-breccia float where a sample returned
0.267 oz.gold/t and 13.40 oz.silver/t. Subsequent mini-
backhoe trenching of the new showing failed to expose
bedrock due to overburden depth. The excavated material
was consistently quartz-breccia and grab samples from
the trench range from a low of 0.008 oz./t to a high of
0.577 oz.gold/t and 0.1 to 16.12 oz.silver/t.

Mini-backhoe trenching in the Takla zone partially
exposed the zone for strike length of 16 meters and an
average width of 1.0 meters. Eight samples were taken
from the limited exposure which returned values from
0.02 oz.gold/t to 2.55 oz.gold/t and 0.26 oz.silver/t to
7.38 oz.silver/t. Fire assaying of two of the samples

returned 0.55 and 2.632 oz.gold/ton with 3.31 and 8.41
oz.silver/t. The backhoe trenching program was
terminated after four days due to the limited depth
capability of the machine.

Canasil management considers the exploration
results and is in the process of raising the financing
required to continue work.

94E General