

George Cross

Reliable

NO.100(1990)
MAY 24, 1990

WESTERN CANADA

CONSOLIDATED BALSAM RESOURCES LTD. (BSA-V)

DRILL PROGRAM TO TEST DOWN - Diamond drill testing of
DIP OF HIGH GRADE GOLD VEIN the down dip extension of
the Elizabeth gold vein is
scheduled to start shortly as recommended by Doug G.
Leighton, B.Sc., consulting geologist, in a July 9,
1989, report. The 100%-owned eight-claim Elizabeth
property is located at 6,500 feet elevation along the
Yalakom River, 18 km south of the Blackdome gold mine,
in the Bridge River gold camp, Lillooet Mining division,
240 km north of Vancouver, B.C. The property was
explored by Bralorne Gold Mines in the 1940's. The No.9

vein was traced on surface over a 700 foot strike length
with a high values of 15.48 oz.gold per ton over a 1.3
foot width. A drift 650 feet below surface opened the
No.9 vein continuously for 980 feet along strike. In
this drift, a 165 foot section of the vein assayed 0.94
oz. gold/t, cut grade, across a 1.21 foot width or 0.38
oz. gold/t across a three foot mining width. Reserves
are indicated at 4,000 tons grading 0.77 oz. gold/t.
This mineralization is in three zones as follows:

No.1, 160 ft. long, 1.4 ft. wide average 1.29 oz.gold/t
highest assay 46.7 oz.gold/t, across 0.7 feet.

No.2, 50 ft. long, 2.03 ft. wide average 0.741 oz.gold/t

No.3, 35 ft. long, 1.43 ft. wide average 0.601 oz.gold/t

A drill hole cut the No.9 vein about 115 feet below the
adit level where the interesection was 0.7 feet assaying
1.09 oz. gold per ton. A preliminary metallurgical
study indicated 85 to 90% gold recovery.

The present drill program is designed to test the
ore shoots in the No.9 vein between the surface and the
adit level. To fund the drill program, on May 9, 1990,
the company offered 1,400,000 shares at 16¢ each for
proceeds of \$224,000 through Yorkton Continental
Securities Inc. as agent. The agent receives 420,000
warrants exercisable at 16¢ each to May 9, 1991.

Effective January 18, 1990, the name was changed
from Balsam Resources Ltd. following a two-old for
one-new share consolidation, resulting in the issued
shares being 1,284,177, including 83,271 shares in
escrow, prior to the new financing.

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