

AMERICAN RESERVE MINING CORP. (AMI-V)

KUTCHO CREEK ACQUIRED - Carl Zuber, president, reports American Reserve Mining Corp.

has agreed with Homestake Canada Ltd. to acquire the remaining 20% interest in the Kutcho Creek property located about 100 km east of Dease Lake in northwest

B.C. In February 1990 American Reserve bought 60% of the property from Homestake for \$7,650,000 and obtained the right to earn a further 20% by spending \$3,000,000

over three years. The remaining 20% interest is being acquired for 2,209,2785 shares with and further 290,275 shares being delivered to Homestake in partial settlement of previous commitments under the Feb/90 agreement. American Reserve's remaining commitment to Homestake is \$171,333. Prior to this agreement, Homestake held 870,000 common shares and 6,500,000 preferred shares of the company.

In conjunction with this agreement, American Reserve has reached agreement in principle to grant a major mining company the right to acquire up to a 60% interest in the Kutcho property by spending \$7,500,000 on exploration and a cash payment of \$1,000,000, or proportionally smaller expenditures and conversion of a \$1,500,000 four-year term loan, to be provided to American Reserve at closing, to a 10% interest, provided at least 41% has been earned. In the event the agreement with the major is not concluded, the parties have agreed to cancel the sale of the remaining 20% interest. Ore reserves on the Kutcho property are 14,312,000 tonnes of 3.07% copper equivalent grading 1.76% copper, 2.54% zinc, 35 grams silver/tonne and 0.37 grams gold/tonne. The largest of the ore lenses, the Kutcho lens, is situated partly on property owned by Sumitomo Metal Mining Canada Ltd. (SEE GCNL No.127, 3Jul91, P.1 FOR OTHER PROJECT INFORMATION)

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