

VARITECH RESOURCES LTD. (VAR-V)

HOLE NO.	INTERVAL FEET	WIDTH FEET	COPPER %	'BIG O DRILL RESULTS
B091-1	100 - 650	550	0.338	' Bradford Cooke, president, reports
Supergene	100 - 460	360	.355	' Varitech Resources Ltd. has received
Hypogene	460 - 580	120	.386	' assays from recent
	580 - 650	70	.168	' drilling on the
B091-2	80 - 420	340	.609	' Big Onion property
Supergene	80 - 270	190	.782	' located 15 km east
Hypogene	270 - 420	150	.389	' of Smithers, B.C.
	610 - 700	90	.212	' Varitech can earn
B091-3	120 - 750	630	.390	' a 100% interest by
Supergene	120 - 480	360	.574	' paying \$4,000,000
Hypogene	480 - 750	270	.144	' and issuing
B091-4	20 - 470	450	.329	' 200,000 shares
Supergene	20 - 70	50	.252	' over four years,
Hypogene	70 - 150	80	.317	' subject to a 3%
Supergene	150 - 250	100	.534	' net smelter return
Hypogene	250 - 470	220	.258	' royalty, which can

be bought out for \$5,000,000. The two-phase, \$300,000 program consists of 15,000 feet of HQ core drilling in about 20 holes to re-evaluate the Big Onion copper deposit. Previous drilling of the deposit in the 1970's by Canadian Superior Exploration outlined an estimated geological ore reserve of up to 80-100,000,000 tons grading 0.42% copper and 0.02% molybdenum with unknown gold and silver grades. Varitech's goal on the Big O project is to define an economically attractive, low cost, leachable supergene copper deposit amenable to copper SX-EW technology in the order of over 50,000,000 tons grading 0.5% copper, or over 500,000,000 pounds of contained copper.

Drill holes B091-1 to 4 of the 1991 Phase I drilling program successfully outlined a thicker and higher grade supergene copper zone in the North zone of the Big Onion copper deposit as listed above.

The mineralization in these four holes averages 0.4% copper over 492.5 feet, representing a significant increase in width and tonnage and a decrease in stripping ratio at about the same grade as the previously indicated deposit average.

Supergene copper mineralization in the four holes averaged 0.518% copper over 265 feet, indicating the presence of a higher grade (23% higher than the deposit average), near surface, leachable copper zone. This supergene zone should be amenable to solution extraction and electrowinning, a much lower cost, higher profit recovery process compared to standard flotation of copper concentrates. Although the SX-EW process does not recover gold, silver or molybdenum, these metals returned generally low grade assays from the first four drill holes and are therefore of limited economic interest compared to copper.

Eight holes have now been completed in the Phase I program and assays for the next four holes are expected within one to two weeks. Phase II should start by late September after Phase I results are compiled. (SEE GCNL No.142, 24Sep91, P.2 FOR PREVIOUS INFORMATION)

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