

SWANNELL MINERALS CORP. (SNL-V)
FUNDING NEARS FOR 1992 SEARCH FOR MT. MILLIGAN
SOUTH KEMESS "LOOK-A-LIKE IN QUESNEL TROUGH"

Stan Ford P.Eng., president has reported Swannell Minerals holds options to earn 60% interests in eight claim blocks, 918 units, 50,635 acres, over 225 km length of a favourable geological belt between the South Kemess project of El Condor Resources and St.Philips Resources and the Mt.Milligan copper- gold deposits of Placer Dome, within the Quesnel belt in north central B.C.

The properties are located from about 200 km north west of Prince George to the Toadoggon River area 400 km northwest of Prince George. (SEE PROSPECT LOCATION MAPS OVERLEAF) All 8 properties cover aeromagnetic anomalies, favourable geology, and encouraging rock, soil and stream sediment samples. Gold potential was not evaluated in previous exploration.

Mark Rebagliati, P.Eng., consultant to Swannell re-examined each of the projects in 1991 for their potential to host gold and copper porphyry type mineralization associated with alkaline plutons. He noted: gold and copper mineralization has been discovered on the Joh and Darb claim groups; a strong copper soil anomaly on the PAL claims; numerous anomalous stream drainages and the relocation of many previously reported porphyry type copper occurrences. On the six Hal claims work in 1991 located a copper soil anomaly with a 1.6% copper assay where trenching is planned for 1992. He recommended a \$500,000 exploration budget for 1992 including a minimum \$100,000 in core drilling of defined targets.

SOME HISTORY

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George Cross News Letter MAY
"Reliable Reporting"

In the early 1950's a Swedish company, Wenner Gren acquired an exploration concession from the B.C. Government covering 3,000 square miles. Under this agreement the area was covered by a program of aerial electromagnetic and magnetometer surveys seeking potential copper porphyry targets similar to those then under development further south in the province such as Granisle, Gibraltar, Lornex, Valley Copper, Bethlehem etc. In the 1960's Wenner Gren entered a joint venture with UMEX, a Belgium mining company, then interested in B.C. and Canada mining projects since, at that time both the provincial and federal governments had favourable mining industry climate and a favourable tax structure. Also at that time many third world countries, particularly in Africa were expropriating mining projects which appeared to be profitable.

The UMEX-WennerGren venture carried out additional exploration until the mid-1960's and reduced over 1,000 prospects to 40 prime project for additional exploration.

The program was on the shelf from the early 1970's when the B.C. government became unfriendly toward mining until 1990 when the library of data accumulated by UMEX-WennerGren was acquired and validated by Major General Resources. The review of the data by Major General selected 40 projects and Swannell Minerals selected the eight of the best to farmout from Major General. -CONTINUED ON PAGE TWO-

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FINANCINGS - Effective May 15, 1991, Swannell Mineral shares started trading on the Vancouver Stock Exchange following a five old for one new share consolidation and a name change from Lectus Developments Ltd. Following the consolidation there were 1,460,526 shares issued. At April 1, 1992, there were 3,136,951 shares issued. On Jan.27, 1992, Swannell agreed to issue 169,,213 shares at 32¢ each to settle debts of \$55,840.42.

Swannell has a written commitment from broker dealers to assist in the raising, before June 1, 1992, a minimum of \$900,000 for the 1992 program.

SWANNELL PRIVATE PLACEMENTS PROPOSED - The May 30, 1991, proposed private placement of flow through shares was for 80,000 units at 25¢ each. The Sept. 25, 1991, proposed private placement was for 381,250 units at 16¢ each. The Oct. 9, 1991, proposed private placement was for 326,087 units at 23¢ each. Nov. 18, 1991, was for 381,125 units at 16¢ each. In total the company sold 1,168,462 shares at prices from 16¢ to 25¢ each for proceeds of approximately \$217,000. All of these private placement shares plus the shares issued to the property vendors are pooled.

PROPERTY OPTION TERMS

Swannell holds an option to earn a 60% interest in eight properties, subject to a 2% net smelter return royalty. All of the eight properties optioned are owned by the Takla Joint Venture which is owned by: Major General 50%; Mindat Research Ltd.; Bronze Resources Ltd.; 344967 B.C. Limited and 348698 B.C. Limited. On closing on April 1, 1991, Swannell agreed to: pay \$200,000, (this \$200,000 payment was later amended to be payable in 1992 and was finally settled by a \$20,000 cash payment plus a not for \$160,000); issue 400,000 shares by Jan.30, 1992, and 400,000 shares by May 20, 1992; plus a further \$600,000 in property payments by May 1, 1995 (that is \$75,000 on how many of the eight groups to be retained); spend \$600,000 on exploration by Dec. 31, 1996; plus a further minimum of \$200,000 on a claim group selected by Seannell by Dec. 31, 1993.

THE EIGHT PROJECTS REVIEWED

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JOH claim group (Johanson Lake area, 98 units):
Exploration has identified favourable geology for porphyry copper-gold deposits. Several stream sediment copper geochemical anomalies and three copper occurrences have been identified. A grab sample collected by a claim staker assayed 2288 ppm copper, 1200 ppb gold, 8.3 ppm silver and 161 ppm arsenic.

DARB claim group (Darb Lake area, 160 units): Two priority exploration targets exist on the property. A prominent aeromagnetic anomaly corresponds to a monzonite stock that hosts copper mineralization. Highly anomalous concentrations of copper are reported from silt samples taken from streams draining the stock. In addition, an eight kilometer-long tongue of the Hogem Batholith intrudes Takla volcanic strata. A grab sample collected by a claim staker assayed 3000 ppm copper, 850 ppb gold, and 6.4 ppm silver. Follow up work in 1991, returned 21,517 parts per million copper plus 0.057 oz. gold/t.

APE claim group (Abraham Creek area, 136 units):
~~This claim group features Takla group volcanic strata~~ intruded by mafic felsic plutons. A large molybdenum anomaly measuring 550 metres by 1250 metres has been outlined on the property. A copper/molybdenum anomaly and a copper/lead/silver vein in another area of the property also require follow-up.

TUT claim group (Tutizzi Lake area, 140 units): A diorite stock intruding the Takla volcanics is marked by a well-defined aeromagnetic anomaly in one section of the property. Three streams draining the area of the stock carry anomalous concentrations of copper.

PAL claim group (Headwaters of Matetlo Creek, 80

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