

**YELLOWJACK RESOURCES LTD. (YJK-V)
LARGE TONNAGE EAST KOOTENAY COPPER - GOLD PORPHYRY
BEING EXPANDED BY CURRENT DRILLING**

47 NQ core drill holes have indicated a copper-gold, shear related, porphyry intrusive over 1,000 feet east-west, 150 ft. north-south and a minimum 600 ft. of continuous depth on the Katie joint venture property near Salmo, B.C. This area is drilled at 50 meter spacing and is open in all directions. The potential of several 100,000,000's tons on the property is the outstanding feature learned during a recent project tour. Soil sampling and geophysics indicate the zone is at least 3,000 ft. long and 1,500 ft. wide. Additional drill holes assay results are expected shortly. (SEE TABLE OF DRILL HOLE ASSAY RESULTS OVERLEAF.)

The property is owned 49% by Yellowjack Resources increasing to 57% upon completion of the current \$380,000 drill program, scheduled by late June 1992. The balance of the property is owned by Noranda/ Hemlo 28.39%, Brenda 22.66%.

Ken Murray, Yellowjack director and original property staker and Terry M. Naciuk, B.Sc., P. Geol., project geologist, under contract from CME Consulting Ltd. explained the project as geologically similar to the Similco ore bodies at Princeton, B.C. or a series of Afton type deposits.

Core drilling is continuing quickly, over 100 ft. for each of two, twelve hour, shifts per day at a cost of \$12.00 per foot. Drill contractor is West Gate Diamond Drilling Ltd. of Salmo, B.C.

The majority of the work has been in the Main zone. There are many other geophysical, geochemical targets on the property where extensive additional exploration has been recommended. The two strongest are the No. 17 zone and the West zone. The work to date suggests each of these zones could be faulted extensions of the Main zone. In the No.17 zone the No.17 drill hole returned 222 feet of 0.32% copper, 0.009 oz. gold/t. The one hole, No.9, in the West zone assayed 556 feet of 0.16% copper, 005 oz. gold/t. (See detail in the table overleaf)

LOCATION - The Katie 1-4 mineral claims are at the head-water of Hellroaring Creek, 4 km SW of Salmo, 25 miles east of Trail, B.C. Access from Salmo is by 2 km of paved highway and 7 km of good gravel road. The main area of interest lies between elevations of 4,000 and 5,000 ft., elevation and has been explored year-round.

By a series of agreements with Noranda/Hemlo, Falconbridge and Corona and by extensive staking, Yellowjack Resources holds interest in an area of 100 sq. miles, 64,000 acres, covering a ten mile by ten mile portion of the Rossland group. (CONTINUED ON PAGE TWO)

82FSW290

p. 1 of 5

YELLOWJACK RESOURCES LTD. (YJK-V)

-CONTINUED FROM PAGE ONE-

GEOLOGY - The copper gold mineralization is found in a sequence of tightly folded, sheared volcanic, Lower Jurassic rocks of the Rossland group. The deposit has characteristics of porphyry copper-gold deposits which are related to alkaline intrusions. It is considered a Mt. Milligan type copper/gold porphyry target with a tonnage potential of several hundreds of millions of tons. The copper gold is microfracture controlled and disseminated and hosted within a steeply dipping package of andesites and overlying mixed andesite diorite.

SOME HISTORY - The Katie project is divided into two.

First, is the central portion land covering 2400 acres, 1.8 miles by 2.1 miles. Yellowjack granted Noranda/ Helmo/ Brenda an option to earn 51% property interest by spending a minimum of \$400,000 on exploration. Noranda has earned that interest but has granted Yellowjack an option to earn back. On this portion of the property Yellowjack holds 49%, is operator and will own 57% upon completion of this program. Yellowjack holds further options to acquire 100% working interest by further exploration expenditures of \$3,500,000, provided Noranda elects not to participate in these expenditures. Noranda will retain a 10% net profits interest after payout if the property proceeds to production.

Second, is the balance of the 100 sq. miles of the property, about 96 sq. miles which is a 50/50% funded joint venture Noranda/Hemlo/Brenda and Yellowjack Resources, subject to a 2% net smelter return retained by Falconbridge. A \$100,000 budget for 1992 has been proposed for this outside property consisting of reconnaissance and in-fill soil sampling, deep induced polarization survey and diamond drilling. This work will follow up on gold values on surface, in a trench and a core drill hole which returned 72 ft. assaying 1.05 oz. gold/t.

Ken Murray staked the 4 original claims in 1983 as a result of a single anomalous gold reading from the regional stream silt sample program by the B.C. Dept. of Mines and Geological Survey of Canada and a magnetometer high from the regional aeromagnetic programs. Yellowjack acquired a 100% interest in the claims from Mr. Murray for \$30,000 plus 200,000 treasury shares issuable in installments, plus \$40,000 cash on 31Dec90. Since then the claims have met several of the basic mines making criteria: over \$2,000,000 has been spent exploring and the property, or portions thereof, has been explored and turned down by at least three major companies: Baloil, Amoco Petroleum, Falconbridge, Noranda/Hemlo and Corona.

Exploration to date has included; geological mapping, prospecting, line cutting in at least 3 grids along some 9 mi. of base line, soil sampling, magnetometer, induced polarization surveys, trenching and 47 core drill holes.

Recent results have attracted the interest of a number of other 'major mining companies' representatives which have or are seeking permission to visit the project and examine drill hole core.

CAPITAL STRUCTURE - FINANCING - Yellowjack has 9,724,756 shares issued after the April 23, 1992, private placement of 346,638 units at 89.6¢ each, and the sale during 1991, of 2,002,988 shares at prices from 29¢ to \$1.21 each. There remains 168,750 shares in escrow. In all Yellowjack has raised some \$2,000,000, mostly by private placements. Nearly all of these funds have been spent on Katie property exploration.

Yellowjack Resources has offices at 198 Baker St., Nelson, B.C., V1L 4H2, telephone (604) 352-6626; fax (604) 352-6673. Directors are: Gary Kilpatrick, president; Ronald Sandnes, secretary treasury; Bradley

BZFSW 290

P. 2 of 5

NO.107(1992)
JUNE 3, 1992

Bale, M.D. Spokane; Ken Murray; and Ted Ohashi, investment counsellor Vancouver, B.C. Two of the consultants the company has retained are: Dr. David L. Cooke, P.Eng., now mostly retired to the golf course and Greg Hawkins, P.Eng., of CME Consulting Ltd.

CONCLUSIONS - On the ground, now that the Main Zone has been defined by soil sampling, geophysical survey and the drill holes, you can clearly see the Main Zone as defined by a silicious knob which sticks up out of valley between the large mountain sides. Even at this early stage of exploration the Katie potential for several 100 millions of tons is evident. The West Zone has returned long, continuous mineralized sections with the extent of the zone yet to be drilled. A magntometer high and an induced polarization chargability high are anomalous to the mineralized areas. While there are few outcrops, over 80% of the property is overburden covered to depths of 50 feet, an as yet untested zone is located to the NW of the Main zone where an outcrop has assayed 0.2% copper. Much of the favourable area has been recently logged which provides good road access and aids in mapping. (SEE PROPERTY LOCATION MAP OVERLEAF).

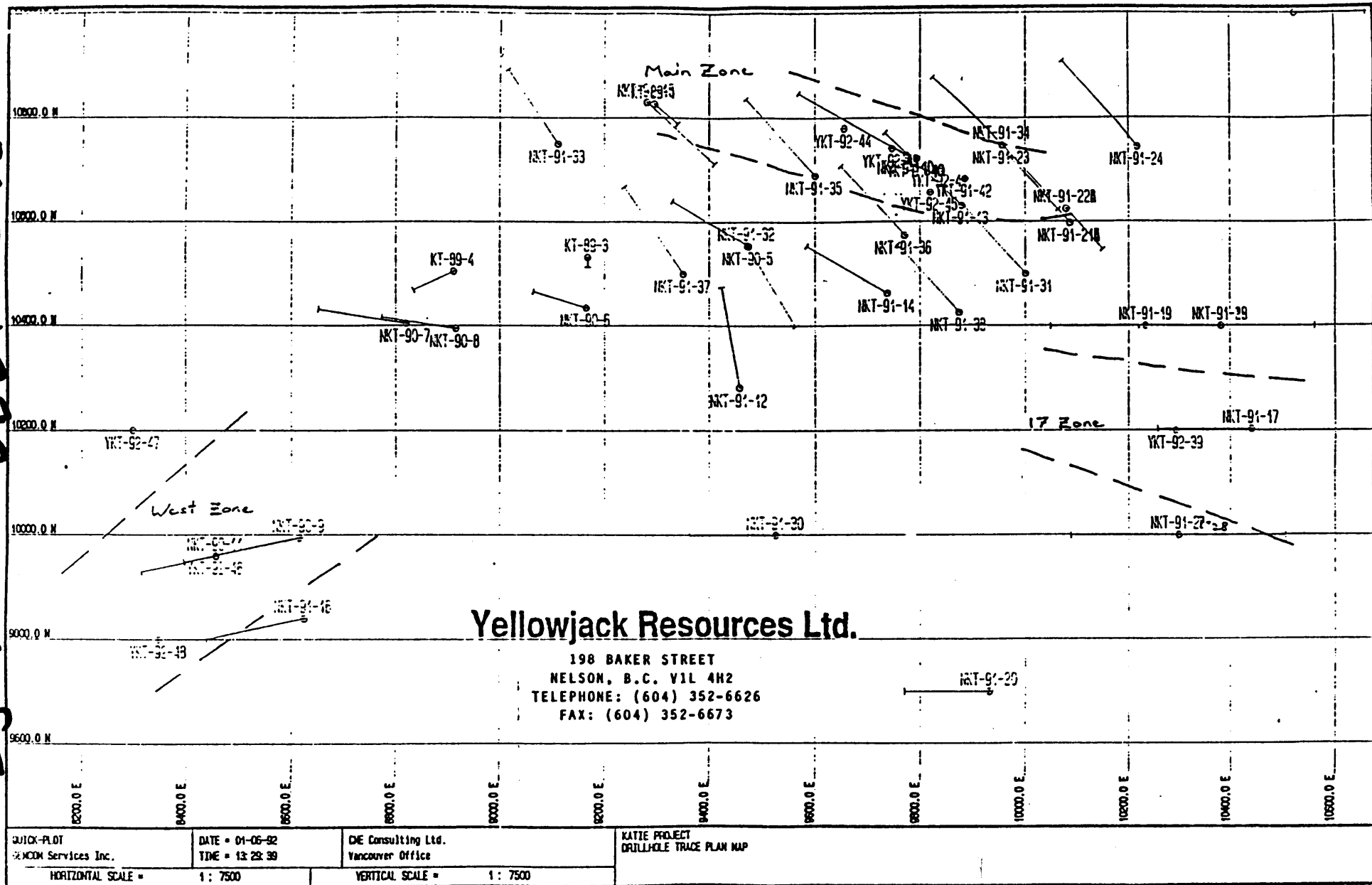
Ken Murray pointed out the current property exploration has attracted the interest of a number of major mining companies. He pointed out the current option agreement terms provide lots of room for a new agreement for a major to deal to take the property to production. An early major deal is quite possible he said. At the same time Yellowjack is proceeding with funding arrangements such as, warrant and option exercises, private placements and public offering.

82FSW290

p. 3 of 5

George Cross News Letter

82FSW290
P. 4 of 5



QUICK-PLLOT SACOM Services Inc.	DATE = 01-06-92 TIME = 13:28:39	DCE Consulting Ltd. Vancouver Office	KATIE PROJECT DRILLHOLE TRACE PLAN MAP
HORIZONTAL SCALE = 1 : 7500		VERTICAL SCALE = 1 : 7500	

George Cross News Letter
"Reliable Reporting"

90-8	474-494	20	.13	-	
90-9	313-869	556	.16	.005	
incl.	359-410	51	.27	.005	
and	513-544	31	.22	.002	
and	818-873	55	.53	.033	
90-10	29-1113	1084	.13		
incl.	282-336	54	.23	.010	
incl.	470-523	44	.30	.008	
90-11		25	.18	.001	
91-12	No Significant Values				
91-12B	160-870	710	.13	.005	.28
incl.	663-768	105	.19	.018	.73
incl.	669-735	66	.25	.028	1.10
91-13	144-579	435	.22	.009	.49
incl.	317-422	105	.37	.018	.91
91-14	461-469	8	.16	.011	
91-15	154-285	131	.10	.002	
	382-535	153	.16	.002	
	608-810	202	.13	.001	
91-16	791-866	75	.11	.002	
91-17	523-745	222	.32	.009	
incl.	607-687	80	.42	.012	
91-21b	160-870	710	.13	.005	
incl.	206.9-413.3	206.4	.18	.003	
and	663-768	105	.19	.018	
and	668.8-734.7	45.9	.25	.028	
91-31	453-584	131	.11	.002	
91-33	33-397	364	.07	.0025	
incl.	233-338	105	.10	.004	
91-34	35-853	818	.10	.015	
incl.	610-853	243	.18	.023	LZ
91-35	83-787	704	.14	.003	
incl.	187-423	236	.15	.003	UZ
and	674-787	113	.284	.005	LZ
91-36	282-702	420	.11	.001	
incl.	308-518	210	.14	.001	
91-37	95-810	715	.09	.004	
incl.	95-154	59	.18	.010	UZ
and	610-810	200	.14	.003	LZ
92-40	223-541	318	0.23	0.011	0.60
incl.	390-492	102	.34	.009	.61
incl.	399-448	49	.42	.011	.75
92-41	226-650	426	.20	.008	.44
incl.	345-570	225	.29	.013	.67
incl.	403-570	167	.36	.014	.78
92-42	417-899	482	.13	.003	.22
92-43	25-525	500	.19	.005	.34
incl.	298-525	227	.25	.006	.43
incl.	476-525	49	.40	.007	.61
92-44	249-584	335	.12	.004	.24
92-45	89-384	295	.21	.010	.51
incl.	108-216	108	.37	.009	.64
<u>NO. 17 ZONE:</u>					
92-39	148-413	265	.25	.009	.52
incl.	266-374	108	.36	.010	.66
91-17	523-745	222	.32	.009	.59
incl.	607-687	80	.42	.012	.78
<u>WEST ZONE:</u>					
90-9	313-869	556	.16	.005	.31
incl.	818-873	55	.53	.33	1.53
UZ = Upper Zone LZ = Lower Zone					

82FSW 290
p. 5 of 5

NOV. 10/ (1992)
JUNE 3, 1992