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DALMATIAN RESOURCES LTD.

[DTN-V] 5,054,309 shs.

PHASE I TAY EXPLORATION REPORT - Frank Milakovich, president,
Dalmatian Resources Ltd.,

reports the diamond drill program on the 100%-owned Tay project near ePort Alberni. Vancouver Island, B.C. has been extended on the Slide Zone based on visual results of the first two holes, SZ94-01 and SZ94-02. In addition to the chalcopyrite mineralization described in the first hole, 9 meters of stockwork and breccia veining hosting pyrites and chalcopyrite was intersected in the second hole directly down dip from surface and the first hole. The Slide Zone hosts up to 0.102 oz.gold/ton over 30 cm. on surface in a northwesterly striking southwest-dipping shear zone. The chalcopyrite mineralization intersection in hole TZ94 01 reported 3.96 grams gold/tonne (0.115 oz/ton) over a true width of 0.2 meters. Hole SZ94-03 was collared 45 meters west of the first hole and will intersect the structures some 30 meters west and 10 meters lower than hole SZ94-02.

In addition to the gold returns from the first holes on the Slide Zone, gold returns from the first two holes on the Tay Main zone were received. Hole TZ94-02 intersected the Tay Vein reporting a core length interval grading 3.10 grams gold/tonne over 2.15 metres; true width 1.3 meters, (0.90 oz/ton over 7 feet;true width 4.2 ft). This compares favourbly with nearby drill intersections from past programs. Hole TZ94-01, which intersected the Tay Zone 10 meters below hole TZ94-01, failed to return any gold values. It is interpreted that the lack of mineralization is due to the hole being below the fissure that was active during the mineralizing events. Several other mineralized structures south of the Tay Zone were intersected, confirming results obtained from a 1984 drill program.

Upon completion of hole SZ94-03, it is expected the drill will be moved to the Tay Center Zone to intersect the down-dip extension of a mineralized structure found by recent prospecting. No results from mineralized vein material have been returned.

Based on results to date, further funding is being arranged by Dalmatian. Accordingly, application for a Phase 1 extension which will focus on more definition drilling on the Tay Main Zone, concentrating on near-surface targets where no exploration of any type has been has been completed; the Tay Center Zone to intersect bedrock sources of gold mineralized float, and the Slide/Tay West zone to located additional gold mineralization.

Preparation for the Phase 2 summer program is beginning. This program will be a multi-phased effort including trenching and diamond

drilling of geological and geophysical targets outlined by earlier programs and by a planned multi-instrument airborne survey. Specific targets on Dalmatian ground are the Knob gold/copper showings, the Apex extension gold vein zone. Several other as yet unnamed targets exist that will be tested. The permit application is being prepared. All programs of Phase 1 are continuing. (SEE GCNL NO.54, 18Mar94, P.3 FOR PREVIOUS PROJECT INFORMATION)