

George Cross News Letter

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JULY 2, 1999

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ISLAND-ARC RESOURCES CORP.

[IAR-V] 13,809,971 SHS.

OKAK BAY RESOURCES LTD.

[OAK-ALBERTA] 7,724,001 SHS.

TODD CREEK OPTION RE-NEGOTIATED - Lawrence Barr, president, reports Island-Arc Resources Corp. and Okak Bay Resources Ltd. have renegotiated their option to earn a 100% interest in the Todd Creek property in northwest BC from the vendors. Also, the two companies have renegotiated the terms of the agreement between themselves.

Under the new option agreement Okak Bay can earn a 50% interest in Todd Creek by making cash payments totalling \$116,000 and spending \$464,500 on exploration over four years. Okak Bay will also issue 200,000 shares to the vendors in five stages. The project is subject to a 2% NSR which may be bought out for \$2,000,000. These agreements are subject to regulatory approval.

The Todd Creek project consists of 33 claims covering 147 square km located 45 km northeast of Stewart, BC. The target is an epithermal gold deposit similar to the former Premier Mine north of Stewart. Six mineralized zones have been found to date on the Todd Creek property. This epithermal vein system has been traced for a seven km strike length with a width up to 1,500 metres and a known vertical extent of 1,100 metres. Gold mineralization is hosted by a multiple phase event consisting of quartz veins and breccias with colloform, open space, and banded textures. Quartz-sericite-pyrite with local barite, carbonate and chlorite alteration accompanies the mineralization which occurs in either the feldspar porphyry (South Zone), or in the adjacent andesites. Previous drilling of the South Zone includes the following results:

DRILL NO.	WIDTH METRES	GOLD GR/T
DDH88-19	2.35	13.7
DDH88-35	7.95	9.1
DDH88-26	2.40	8.1
DDH88-37	6.10	6.1
INCLUDING	1.25	14.5
DDH87-08	2.00	10.9
DDH87-05	1.73	11.9

In addition to this target, the property also contains five other zones including the Amarillo zone. This zone has been defined by a silver, lead, copper and arsenic soil anomaly and may represent the upper level of the epithermal system and has never been drill tested. Previously a 0.7 metre chip sample returned assays of 233 grams silver/tonne and 12.8% lead.

Other known target areas include the North Zone where previous drill results include 14.5 grams gold/tonne over 5.95 metres; the Fall Creek Zone with previous drill results of 4.7 grams gold/tonne over 4.75 metres and 5.4 grams gold/tonne over 5.25 metres; the Ice Creek Zone where previous drill results include 1.35 grams gold/tonne over 15.35 metres and the Yellow Bowl Zone where a chip sample yielded 1.6 grams gold/tonne with 9.8% copper over 1 metre.

Okak Bay and Island-Arc have one director in common. (SEE GCNL NO.116, 17Jun99, P.4 FOR ISLAND-ARC BACK LAKE DIAMOND PROJECT INFORMATION)

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