

effective in delineating targets to be drilled within the next six months.

Lucero's project is in the most intensely explored area of Canada's diamond play concentrated on the Slave craton, NWT. This stable craton (ancient thick parts of the earth's crust) has the pre-requisite fractures that act as conduits for diamond bearing fluids that originate 150 km deep within the mantle. The fluids come to surface as kimberlite pipes that occur in clusters of 10 to 50 pipes within a radius of 100 kilometers or more. The Dia Met cluster has yielded grades that rank among the world's richest diamond mines with a 145 tonne bulk sample collected in 1992 yielding 101 carats. Several of the stones received were in the 1 to 3 carat range and roughly 25% were gem quality. These results highlight the area within a 50 km radius of Dia Met as the most prospective area for finding economic diamond reserves in North America. In proving this hypothesis, the DHK property located 40 km from Dia Met has reported diamond grades that rank with the best of the Dia Met pipes. The positioning of the MacKay Lake property within Dia Met's cluster radius makes Lucero one of the prime candidates for a major diamond discovery.

WOLF

Prince George, British Columbia

The 100%-owned (subject to a 2% NSR) Wolf property is an epithermal gold target covering 12,600 acres in Central British Columbia. The Wolf property is under option to Minnova Inc., a major mining company, which can earn a 60% interest by making cash payments of \$200,000 to Lucero and expending \$1,500,000 on the property by 1995. An additional 15% can be earned by doubling the exploration spending by 1998.

The Wolf property is underlain by shallow west-dipping sequence of rhyolitic volcanics and hypabyssal intrusions. Exploration by Lucero during 1987/88 and Minnova in 1991/92 has outlined precious metal values in parallel, north/south trending zones up to 0.32 opt gold over 12 feet with individual samples up to 2.26 opt gold. Two thick lenses of silicified breccia and quartz veins assayed respectively 0.25 opt gold over 25 feet and 0.08 opt over 88 feet. A continuous chip sample averaging 0.015 opt gold over 165 feet confirms a large low grade gold system that conservatively measures 20 - 30 million tonnes of material for low cost open pit mining.

The latter low grade gold silicified zones fit the model of a silica cap in the uppermost part of a typical epithermal system. In addition to the bulk tonnage potential, there are areas containing values up to +2 opt gold grades that may represent bonanza type lodes of the Blackdome or Sleeper type. This possibility will be explored by Minnova in the upcoming drill program early in this summer.

LIDGE

James Bay, Quebec

The 2,320 acre Lidge property is a Hemlo type gold target located in a Greenstone Belt at a major "break" between mafic and felsic rocks with contained chert (exhalite) horizons assaying as high as 0.15 opt gold. Lucero has the option to earn 100% (subject to a 22% NPI) by spending \$600,000 on exploration by Apr/98.

The initial drilling program this summer will test a coincident, untested, gold-in-soil geochemical anomaly and geophysical conductor 1.8 km long.

FOX ISLAND RIVER

Port au Port, Newfoundland

The 100%-owned Fox Island River Property comprises 410 claims covering the beach and shallow water sand deposits on Port au Port Bay, Newfoundland. The property hosts several hundred million cubic meters of heavy mineral sands containing chromite and olivine concentrations. The deposits lie in the only sheltered bay on the west coast of Newfoundland where low cost dredging activities could be carried out year-round.

The Fox Island River project has been developed over the last three years by a major Canadian mining company. Corona optioned the property in 1989 and spent roughly \$500,000 before closing down all Canadian exploration in 1992. Ongoing metallurgical testing has verified the suitability of the chromite and olivine for several industrial uses and Lucero continues to identify buyers for the product.

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