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EXPLORATION NEWS FLASH

November 28, 1989

TULSEQUAH CHIEF

mic

PROPERTY: Tulsequah Chief, NTS 104K12E

COMMODITIES: Cu, Pb, Zn, Au, Ag

ACCESS: At present - helicopter only from
Atlin or Juneau.
- gravel airstrip close to property?
future - barge/65 km E of JuneauOWNER: Redfern Resources (40%)
Cominco Ltd. (60%)

OPERATOR: Cominco

CORPORATE LINKS: Contacts - John Greig, Pres. - Redfern
Bill Wolfe, Expl'n Manager - Cominco
- also private placement of shares to Teck Corp.

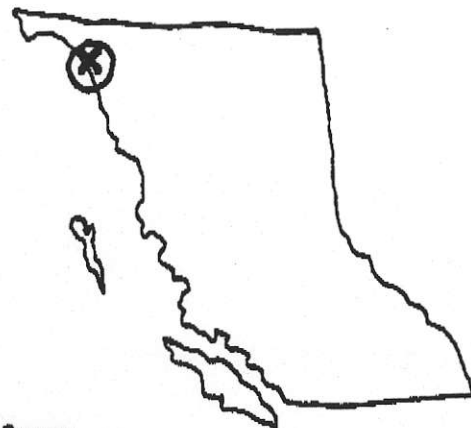
DEVELOPMENT REGION: North Coast

EXPLORATION BUDGET: 1989 - \$1.8 million 1990 - est. +\$2 million

EXPLORATION STATUS: 1989 program completed - 10 widely spaced
underground drill holes totalling 4877 metres and a 170
metre cross-cut drive from the 5400 level. Camp
winterized for early resumption of work in 1990.
- to include exploration drifting a further 600 ft
along the 5400 level to the north, and continued deep
drilling of the systemCLAIM STATUS: Past producer (1951 to 1957): 94,257 oz Au, 3.4 m oz Ag +
Cu, Pb, Zn from ~ 1 m tons ore

MDRP STAGE: None

MINFILE NUMBER: MI 104K-002

NEWS ITEM New geologic reserve (Redfern): 5.8 m tons grading 1.6% Cu,
1.31% Pb, 7.03% Zn, 0.08 oz/ton Au, 2.93 oz/ton Ag - more than
double last year's figure (i.e. tremendous success of 1989 deep
drilling program.) 19 drill intercepts in massive sulphides,
ranging from 6 ft to 62 ft true thickness, have tested the
deposit to a depth of about 1650 ft below the last mine level
(5200 level) and intermittently over a strike length of approx.
1400 feet. The average mineralization width is 20 ft.
Mineralization is open. Grades appear to be increasing with
depth.

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- ISSUES:**
- significant acid rock (mine) generation potential
 - mode of access i.e. barge, road, etc.
 - potential fisheries conflict (Taku River salmon fishery)
 - potential native land claims
 - annual devastation (flooding) by self-dumping Tulsequah glacier ('jokulhlaup')

REMARKS/IMPLICATIONS:

- company threshold of 5 million tons of reserves exceeded; potential for 10 million?
- new, deep mineralization is 'outwards' from old workings, i.e. will necessitate expense of new shaft.
- acid rock (mine) drainage potential problem could set precedence in B.C. and actually affect future financing capability (esp. Redfern) and eventually make project uneconomic (needs close work between Ministries of Environment and Mines and companies)

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TS:JB

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