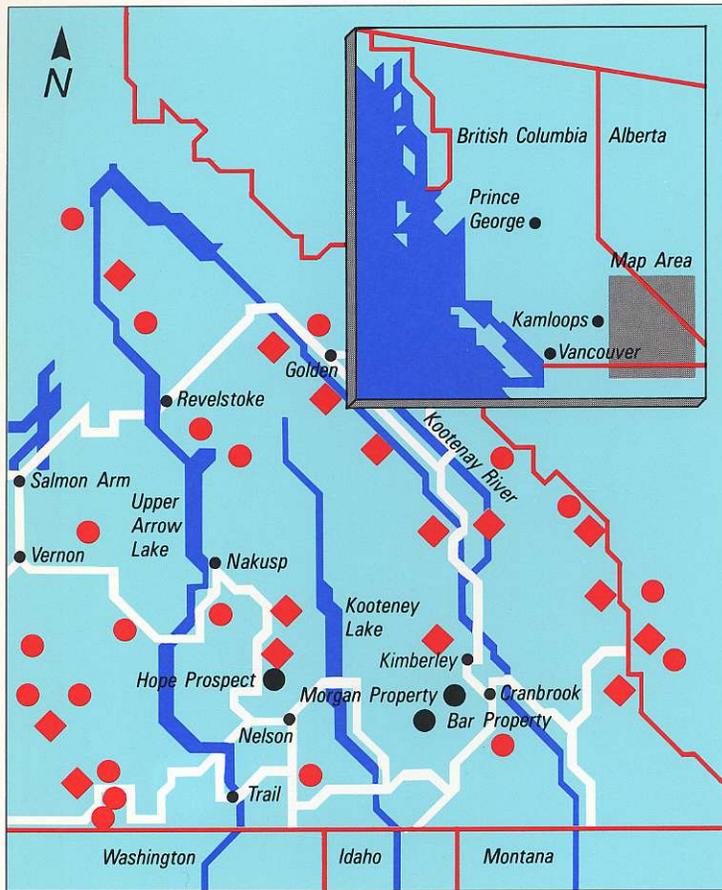


CHAPLEAU
RESOURCES
LIMITED

822587



Mineral Property Locations — Southeast British Columbia



The Company

Chapleau Resources Ltd. is a base and precious metals company with headquarters in Cranbrook, British Columbia. The Company's shares are listed on the Vancouver Stock Exchange.

The Company follows a policy that aims to maximize the use of its capital resources with a minimum of share dilution. To this end the Company has:

- Developed the Hope Prospect to the point where a major company assumed development costs in a joint venture.
- Acquired a major interest as operator in the Morgan Property — a prospect with strong potential.
- Initiated a multi-phase exploration on the wholly owned Bar Property.

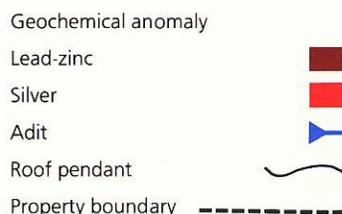
Property Review

Hope Property — Silver, Lead, and Zinc Prospect

Situated 4 miles southwest of Slocan and 29 miles northwest of Castlegar, the 100% owned 46 claim units have had development work dating back to 1898.

In the period 1928-1951, 525 tons of ore were produced from the Hope Property, yielding 1,900 ounces of silver, 156,000 pounds of zinc, and 50,000 pounds of lead. Consolidated Mining and

Legend



Legend



Smelting Co. made reserve calculations in 1949 of 143,000 tons grading 7.7 ounces per ton silver, 7.9% lead, and 17.4% zinc.

Chapleau has an option to acquire a 100% interest in the Cameronian Crown Grant, which adjoins the Hope Property. Chip samples from old workings assay from 2.07 to .034 ounces per ton gold and 34.20 to .24 ounces per ton silver.

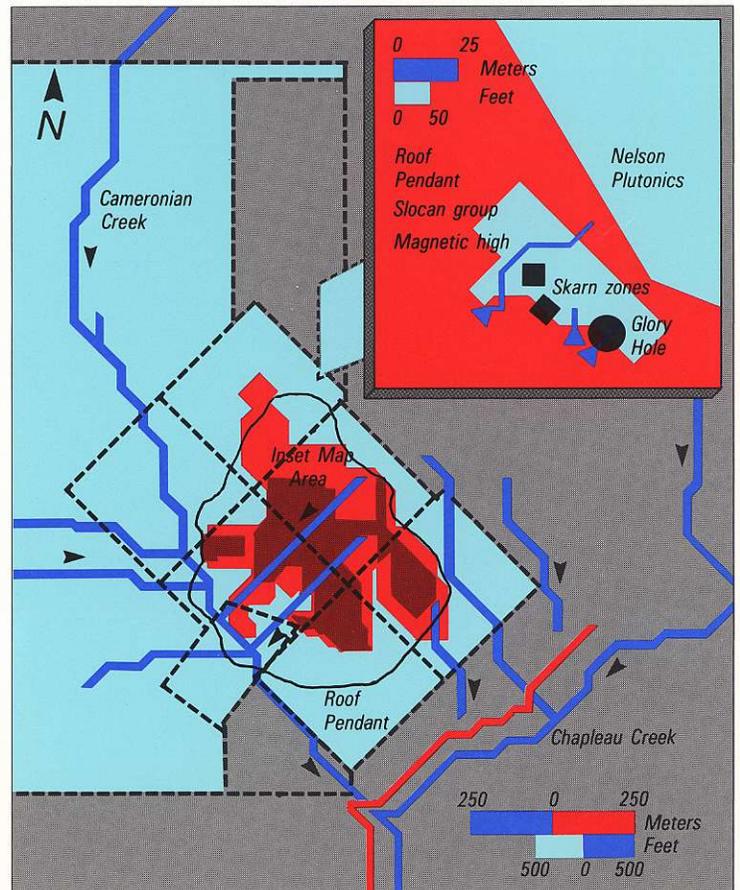
Pursuant to an option agreement dated October 1, 1986, Noranda Exploration Company of Toronto, Ontario, was granted the right to earn an undivided 51% interest in the Hope Property by expending \$500,000

over a four year period ending October 1, 1990. This agreement now includes the Cameronian Crown Grant.

During the fall of 1986 a 7 mile grid was established on the Hope Property. This grid was subsequently soil sampled with soils being geochemically analyzed for silver, lead, zinc, copper and gold. Encouraging results led to the 1987 exploration program, comprising detailed geological mapping as well as 7½ miles of magnetometer and H.L.E.M. geophysical surveys.

Planned for September are 2½ miles of road construction, 7 trenches and 656 feet of diamond drilling. This program will test anomalous targets delineated by the earlier programs.

Further exploration will be



Hope Prospect — Compilation Map

**CHAPLEAU RESOURCES LTD
PURCELL CAMP**

0 5 10 miles



Sullivan Mine
29 million tons
5.5% Zn, 5.3% Pb,
1.4oz / ton Ag.

Kimberley



St. Mary's

River

Perry Creek

Chapleau
Properties

Chapleau Resources
ELCR Vein

Cranbrook

Tectono-Goldpac proposed
'88 Drill hole

Noranda Drill hole

Wuho Cr.

Negro Cr.

Noke Cr.

Palmer

Bar Creek

Operating Placer Mine
Kokanee Placer Ltd.

Cominco's
VINE Vein

Weaver Cr.

Moyle River

Operating Placer Mine
Queenstake Resources Ltd.

St. Eugene Mine
1.43 million tons
1% Zn, 8% Pb, 4.3oz / ton Ag.

-  Creek or River
-  Placer Producing Stream
-  Highway or Road

Chapleau Resources Ltd.

Update - February 1, 1988

Bar Property

Chapleau completed a modified Phase I program consisting of geochemistry, geological mapping and trench excavation.

The most prominent discovery was a quartz stockwork with visible gold throughout. Chip samples taken across the vein (ELCR) assayed from .013 to .878 ounces per ton gold over a 2.5 meter zone. Grab samples from fresh pyrite ranged from 2.79 to 4.05 ounces per ton. The discovery prompted the company to acquire by staking, an additional 42 claim units and the total size of Bar Property is now 90 continuous claims.

Morgan Property

In 1987, Chapleau Resources Ltd. completed the Phase I work program on the Morgan Properties that consisted of geochemistry (soil silt and bulk-soil sampling), geological mapping and trench work. Consultant geologist, Glen Rodgers completed a detailed geological mapping program of the property. This information, in conjunction with the results of the 1987 geochem and trenching program, will be used to determine potential drill targets for 1988. The results of the 1987 program are still being compiled by R.T. Banting, P. Eng., and will be submitted to the company in report form by the end of February, 1988. Initial results on the Morgan Property are encouraging and the company is looking forward to an expanded exploration program in 1988.

Hope Property

Noranda Explorations Ltd. have completed their first of a four year \$500,000 program.

The 1987 preliminary programme consisted of detailed geological mapping, sampling and geophysical (magnetometer,

H.L.E.M.) surveys conducted on a 10 line-km grid, which was established during the fall of 1986.

These surveys delineated a number of magnetic and soil geochemical anomalies which are in part coincidental. The anomalous zones lie within an E-W striking sedimentary package of Slocan Group quartzite, argillaceous quartzite and argillite which have been intruded by a series of N-S and roughly E-W striking Nelson granodioritic dykes.

Approximately 2½ miles of roadwork has created access for drilling.

Preliminary testing of the above zones represented the next phase in exploration, which consisted of 61.5 metres of trenching and a 71.38 metre diamond drill hole.

Trenching uncovered a sedimentary section at least ten metres in true width, containing narrow beds and bands of sub-economic sphalerite, pyrrhotite and pyrite mineralization.

Drilling on the above zone was unsuccessful in delineating an extension of comparable width, however, the mineralized horizon appeared to be intruded by a granodiorite dyke.

A proposal for a 1988 exploration programme has been drafted and is awaiting approval.

Buck Property (New Acquisition - November, 1987)

The 152 claim unit Buck Property is located 16.8 kilometres (10.5 miles) southwest of Cranbrook, British Columbia (Fort Steele Mining Division). This property is situated between the Company's Bar and optioned Morgan properties giving the Company 10,375 hectares (25,636 acres) of continuous claim area in the Perry Creek and Moyie River

drainages.

Chapleau Resources Ltd. was granted an option to earn a 60% interest in this property by spending, in three installments, a total of \$500,000.00 in exploration over a three year period and by issuing a total of 45,000 shares to the vendors in three stages.

A limited exploratory program which began in late fall of 1987, will be continued in the spring of 1988. This will form part of the over all Phase I exploration program as per recommendations made by Mr. R.T. Banting's in his report, soon to be submitted to the Company.

The Purcell Camp

Chapleau's Cranbrook holdings lie within the Purcell Range, which is separated from the Selkirk Range on the west and from the Rocky Mountain system on the east. As a group the Bar, Buck and Morgan claims are referred to as the Purcell Camp by the company and future exploration will treat all three as a single unit to gain the maximum potential benefit for the exploration dollars expended.

With the recent Buck Claim group acquisition, Chapleau Resources Ltd. is now in a position to explore what is unquestionably one of the most exciting prospects in south-eastern B.C.

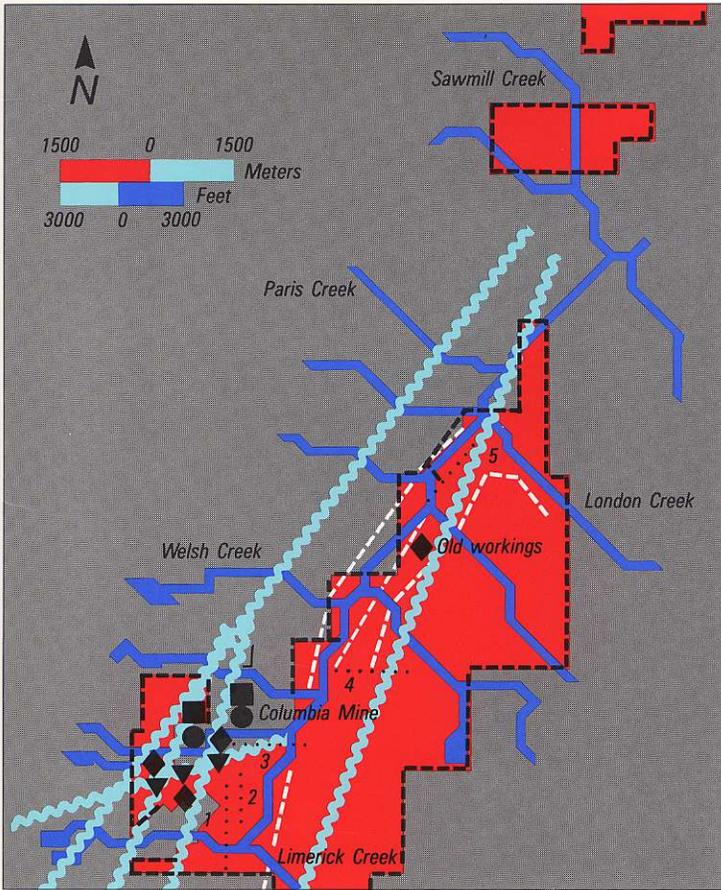
The company's Purcell Camp holdings now total 10,375 Ha. (25,636 acres) blanketing Perry Creek and Moyie River. Both the Moyie and Perry drainages are well known for their rich placer gold deposits with yields exceeding \$15 million (mostly at \$20 per ounce) from the turn of the century to the mid 1940's. Since 1980, over 8,000 ounces of placer gold worth approximately \$5 million have been recovered from the Moyie River alone.

In 1987, Chapleau completed an initial \$150,000 exploration program on the Purcell Group,

collected 1,500 geochemical samples, excavated over 50 trenches and produced extensive geological mapping. Based on these results, plus extensive research, R.T. Banting, P. Eng., has submitted a preliminary areal geological report to the Company. This report expounds on the feasibility of three unique types of deposits existing in the Purcell Camp:

- 1) First is the large lead zinc Sullivan-type deposit. To further substantiate this theory, Goldpac Investments intend to drill a 1,500 metre (5,000 foot) hole on property immediately adjacent to Chapleau's Bar property. Their target is a large magnetic anomaly which they interpret as a massive Sullivan-type deposit. Examination of Chapleau's geochemical analyses of samples collected on all drainages to Wuhu Creek, southwest of the Cranbrook fault, show a healthy anomalous zone with highs of 10,000 ppm for zinc and lead. The Palmer Bar Creek drainage also showed localized concentration of zinc and lead.
- 2) Secondly, vein type deposits such as the recently discovered Bar quartz stockwork are prevalent in the Purcell Camp.
- 3) Thirdly, and possibly of more interest is the feasible existence of a Carlin-type deposit (replacement gold deposit). A most favorable anomalous zone of arsenic values was located in close proximity to the presumed underlying magna body, adjacent to Wuhun Creek. Chapleau Resources Ltd. systematic and escalating level of activity in the Purcell Camp is generating intensive interest in an historically productive gold area.

Morgan Property — Geochemical Survey



Legend

- Adit ●
- Shaft ■
- Trench ▼
- Fault ~~~~~
- Quartz vein ◆
- Survey baseline
- Road - - - - -
- Property boundary - - - - -

of quartz vein material which assayed up to .26 ounces of gold per ton. Best grab sample assays from the trenches were .37 ounces of gold per ton from the Quartz Pit trench, 57.6% lead, and 16.4 ounces of silver per ton from the Horseshoe vein.

work, as recommended by R.T. Banting, P.Eng.

A recent grab sample from the quartz float train indicated gold values of 4.9 ounces per ton.

A two-phase, \$213,000 exploration program has been recommended by Donald G. Allen, consulting geological engineer. Phase 1 consists of detailed geological mapping, geochemical sampling, and preliminary geophysical surveys. Depending on the Phase 1 results, Phase 2 will include geophysical surveys and road and drill site preparation, followed by diamond drilling.

Bar Property — Gold Prospect

The Bar Gold Prospect consists of 48 claim units in the Palmer, Bar, and Perry Creek area, 8½ miles southwest of Cranbrook, B.C. The area produced over 8,000 ounces of gold to 1950, most of which was placer. Trenching and geochemical sampling by Chapleau in 1984 outlined a train

based on the information obtained from this work phase.

Morgan Property — Gold Prospect

The 147 claim unit Morgan Property is located within the Perry Creek Gold Camp, 13½ miles due west of Cranbrook, B.C., and 12½ miles southwest of Kimberley by road in the Fort Steele mining division. By agreement, dated February 3, 1987, Chapleau Resources Ltd. was granted an option to earn an undivided 60% interest by expending \$250,000 on or before February 3, 1990 and by issuing 45,000 shares to the vendors in three stages.

Assays of seven grab samples taken in the area ranged from .004 to 2.00 ounces of gold per

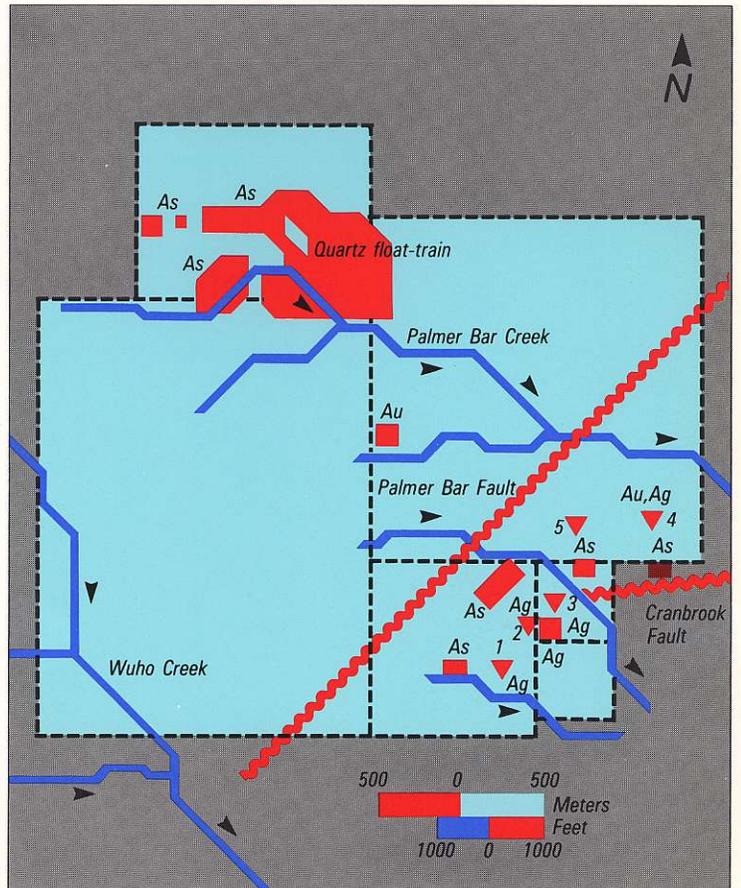
ton and .04 to .88 ounces of silver per ton. In 1985, 46 soil samples taken at 82 foot intervals showed highs of 100 ppb, 160 ppb, 280 ppb, and 335 ppb gold.

The property is adjacent to active mineral prospects under exploration by Gallant Gold Mines Ltd.

Chapleau is spending \$52,000 in 1987 for geological mapping, geochemical sampling and trench

Legend

- Geochemical anomaly ■
- Property boundary - - - - -
- Fault ~~~~~
- Trench ▼
- Quartz Pit trench 1
- Horseshoe Vein trench 2
- Siliceous Landing trench 3
- Pink Mountain trench 4
- Limonite trench 5



Bar Property — Geochemical Survey

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Douglas Martin
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Joseph Moreau
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Director

William Daly
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Share Listings

Vancouver Stock Exchange CHI

SEC registration number 82-1687

Listed Standard and Poors

Capitalization

Authorized 10,000,000

Issued: Non-escrow 1,053,700

Escrow 750,000

*news
release*

**CHAPLEAU
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Vancouver Stock Exchange
Symbol: CHI

PROGRESS REPORT

PR87-01

Trading Symbol VSE-CHI

87-09-03

MORGAN PROPERTY (PERRY CREEK)

To date, consultant geologist, Glen Rodgers has finalized the geological mapping of the "Morgan" property. The maps are well detailed, offering the accuracy required in defining the geological structures of the north and south blocks. On the most part, geological boundaries, faults and formations are similar to those offered by N. Gass in his initial survey of 1985.

Mr. Rodgers has substantiated the "graben" theory presented in Mr. Banting's Engineer Report prepared for the Company in March, 1987. "Between the two major faults lies the Kitchener argillites.....a target for a potential large tonnage gold deposit then exists at depth in the valley bottom between the Perry Creek and Richmond Lake faults."

The recently completed soil sampling program has shown interesting values in anticipated target areas. Although baseline 1 and 2 demonstrated placer influence, it is evident from the trench work in this area, that the theory on the geological formations and faults in the Shorty Creek area has in fact been validated. These findings have resulted in analyzing target areas for three diamond drill holes.

Trench work is presently continuing in the vicinity of the "Homestake" mine on trench #18, where large quartz stringer veins show promise. Of interest, trench #8 proved to be the old lost "Columbia" mine, buried under 22 feet of sediments. Numerous samples were taken inside the adit as well as outside on the various quartz veins.

Trench work will continue on the east side of Perry Creek in two areas: one being west of a recently discovered shaft near Wuhun Creek. Here, high arsenic values show an extremely rare congested occurrence.

The second area designated for trench work is near Waverley Creek where samples have tested as high as 14,000 p.p.b. gold.

page 2.....



HOPE PROPERTY (CHAPLEAU CREEK)

During the fall of 1986 an 11 kilometer grid was established by Noranda Exploration Ltd. on the Hope property, which was optioned off of Chapleau Resources in 1986. This grid was subsequently soil sampled and the soils were geochemically analyzed for Ag., Zn., Pb., Cu. and Au. Encouraging results led to the 1987 program consisting of detailed geological mapping as well as 11.8 kilometers of "HLEM" geophysical surveys and magnetometer surveys, thus resulting in plans for construction of four kilometers of road, seven trenches and 200 meters of diamond drilling. This program will test anomalous targets delineated by the earlier program. Further exploration will be dependent, and based on the information obtained from this latest work phase. As of this date, Noranda has begun construction of the road, and expect to have it completed by September 10, with trenching and drilling to follow immediately thereafter.

BAR PROPERTY (MOYIE RIVER)

Minor work has been done on the "Bar" property, as our crews have been concentrating on the "Morgan" property, although we have managed to establish a soil sampling grid, of which approximately 10 kilometers have been soil sampled. As a result, three anomalous areas have been identified for trenching, which will be carried out in the next few weeks. Chapleau is still waiting to hear whether or not one of the Companies mentioned in our last News Release is interested in an option on this property. Failing that, it is our intention to complete phase one, as was recommended by A & M Explorations in their revised report dated May 22, 1987, weather permitting, by October 15th, 1987.

This release has neither been approved nor disapproved by regulatory authorities, and the undersigned accepts full responsibility for its contents.



M. D. Best
President/Director

*news
release*

NR87-05
October 9, 1987

CHAPLEAU
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Vancouver Stock Exchange
Symbol: CHI

Our 1987 exploratory program on the "Bar" claims in the Moyie River area of Southeastern British Columbia has led to the discovery of a quartz stock-work with visible gold throughout. Assays from chip samples taken across this vein range from 0.013 to 0.878 oz. of Gold per ton with an average of 0.37 oz. per ton across a 2.5 meter zone. Grab samples of massive fresh pyrite taken from the exposed vein ranged from 2.79 to 4.05 oz. Gold per ton, with an average of 3.27 oz. per ton.

Similarities between this discovery and the "Quartz Float Train", located 1,000 meters to the southeast, (of which grab samples assayed as high as 4.9 oz. per ton, and also had visible gold associated with the pyrite), has shown the need to modify our 1987 exploration program to determine whether this discovery is actually an extension of the earlier find or is in fact an entirely separate system.

This discovery has prompted the Company to acquire, through direct staking, an additional 42 claim units adjacent to the "Bar" property, in order to secure possible extensions of this zone. This acquisition has increased the size of the "Bar" Group to a total of 90 contiguous units.

PROGRESS REPORT

The Company has been informed by Noranda Exploration Limited that the access road to the optioned "Hope" zinc property has been completed. Excessive rock has delayed this program, however, this problem has been overcome and drill pad construction is currently under way.

Now that the access is completed to the "Hope" property, Noranda also intends to extend the geo-chem/geo-physics grid system this year to include the "Cameronian" Crown Grant in order to obtain further information on this potential gold prospect.

Chapleau Resources is optimistic about the potentials of their properties, and we are encouraged with the results to date. As additional information becomes available, we will continue to keep both our shareholders and the public informed.



M. D. Best
President/C. E. O.

