

**TALKER FOR CGD
January 1998***McKinney
Caramelia
881596*

Gold City's focus is mineral exploration and development in British Columbia. The province has an extensive mining history with good mineral discovery potential, good infrastructure (roads, power, communications), skilled workforce, and is CEE eligible (tax deductible to Canadian investor).

The Company has interests in 25,000 hectares of lode mineral lands in historic mining camps with significant precious metals production, including: Cariboo Gold Fields (lode and placer gold), Beaverdell (silver, lead, zinc) and Rock Creek (lode and placer gold).

The WelBar project in the Cariboo Gold Fields (historic production of 3.2 million ounces of gold) has sufficient high-grade gold resources to commence feasibility level work toward development of a 200 ton per day operation. Scoping studies indicate the potential for production of 29,000 ounces of gold per annum at a cost of US\$144 per ounce, which yields a solid return on investment (feasibility: C\$1.5 million, development: C\$4.0 million).

The Dell project in the Beaverdell camp (one of the top five silver producers in the province) is an exploration stage property which is immediately adjacent to Teck's old Highland Bell mine (historic production: silver: 35 million ounces, gold: 17 thousand ounces, lead: 26 million lbs., zinc: 31 million lbs.). The Property contains several trenches and drill holes that have yielded significant silver, lead, zinc, and copper, gold. Also, there are polymetallic soil geochemical anomalies that were identified in the 1980's and remain to be tested.

The Caramelia project at McKinney camp includes British Columbia's first dividend paying lode gold mine (82,000 ounces) the Cariboo-Amelia. The Project has a mineral inventory of 33,000 tons grading 0.75 opt gold, and several significant drill ready targets. The new Crown Jewel deposit (1.8 million ounces of gold) lies only 20 kilometers south-east along the same regional rock contact (Nelson plutonic rocks/ Anarchist metavolcanic and metasedimentary rocks). Big Blackfoot Resources Ltd. has an option to spend approximately C\$1.0 million over next three years to earn a 50% joint venture interest in the Project.

The Old Nick project, one of British Columbia's largest nickel, cobalt deposits, is located adjacent to Highway #3 near the village of Rock Creek. Scoping studies indicate the potential to produce high-quality nickel and cobalt from large-scale open pit heap leach operations. Metal recovery would be via solvent extraction and electrowinning (SX-EW). Studies indicate that a 13,500 tonne per day leaching operation could produce 6.0 million kilograms of nickel and 250 thousand kilograms of cobalt per annum at a cost of US\$1.20 per pound of nickel (net of cobalt at US\$18.50/lb.). Applied Mine Technologies Inc. has an option to earn an 85% joint venture interest in the project by spending C\$7.75 million over the next three years.

The Rock Creek project is an exploration stage property located adjacent to the International Boundary, and only five kilometers north-west of the Crown Jewel gold deposit. Several surface gold showings have been discovered and drilling has returned two best holes: 11 feet grading 1.52 ounces of gold per ton, and 20 feet grading 0.29 ounces of gold per ton. Several excellent drill targets, based upon surface showings and geophysics remain to be tested.

Gold City is well positioned near infrastructure with its portfolio of advanced stage Central and Southern British Columbia mineral projects. The CGD story will become exciting as: (1) Big Blackfoot and Applied Mine Technologies advance the Caramelia and Old Nick, (2) the Dell project is optioned for its silver potential, (3) the British Columbia government becomes "pro-business", and (4) funds are raised to advance the WelBar to feasibility.