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TGS → CLONE



# CLONE PROJECT

TEUTON RESOURCES CORP.  
MINVITA ENTERPRISES LTD.



# What the Experts are Saying about the Clone ...

“... a highly prospective gold property”  
“... an exciting early stage gold exploration”

**Prime Resources Group**

Source: 1995 Annual Report

“... the property has the potential to develop into a  
significant gold discovery”

**Homestake Mining Company**

Source: 1995 Annual Report

“... probably has a major gold discovery”  
“... Teuton’s gold discovery could be a giant”

**Smart Money**

Source: February 1996 Edition

“... one of the richest gold strikes in a very long time,  
judging by the surface trenching”

**Higher Returns**

Source: February 1996 Edition

“... a significant high grade gold discovery”  
“... high grade gold values occur throughout the system”

**John Kaiser**

Source: November 1995 Kaiser Express

## CORPORATE SUMMARIES

### TEUTON RESOURCES CORP.

#### Capitalization:

Common Shares (Cusip # 88162H101)

Authorized : 100,000,000  
Issued: 9,271,052  
Fully Diluted: 10,791,052

#### Market Data Summary:

Exchange: VSE  
Symbol: TUO  
SEC 12g Exemption # 82-1394  
Current Price: \$2.50  
52 Week High-Low: \$2.70-\$0.18  
Average Daily Volume: 100,000

#### Management:

Dino Cremonese, LL.B, P.Eng. President  
Gertrud Cremonese Corp. Secretary

#### Board of Directors:

Dino Cremonese Michael Ginn  
Gertrude Cremonese Robert Smiley

#### Bankers:

Bank of Montreal

#### Legal Counsel:

Morton & Company

#### Auditors:

Elliott Tulk Pryce Anderson

#### Transfer Agent:

Montreal Trust

### MINVITA ENTERPRISES LTD.

#### Capitalization:

Common Shares (Cusip # 60454T101)

Authorized : 100,000,000  
Issued: 5,083,159  
Fully Diluted: 6,178,159

#### Market Data Summary:

Exchange: VSE  
Symbol: MVE  
SEC 12g Exemption # 82-2161  
Current Price: \$2.70  
52 Week High-Low: \$3.10-\$0.16  
Average Daily Volume: 50,000

#### Management:

Dino Cremonese, LL.B, P.Eng. President  
Gertrud Cremonese Corp. Secretary

#### Board of Directors:

Dino Cremonese Michael Ginn  
Gertrude Cremonese Eugene Stonehocker

#### Bankers:

Bank of Montreal

#### Legal Counsel:

Morton & Company

#### Auditors:

Elliott Tulk Pryce Anderson

#### Transfer Agent:

Montreal Trust

## THE CLONE PROJECT

### *Background*

Since the early 1980's Teuton Resources Corp. and Minvita Enterprises Ltd. have been actively exploring the highly mineralized Stewart region of northwest British Columbia. Located just across the border from the Alaskan Panhandle and home to the very rich Premier and Eskay Creek gold-silver mines, the Stewart region is often referred to as the "Golden Triangle". It is a scenic wonderland dominated by lofty snow-covered peaks, sprawling glaciers and thick forests of spruce and hemlock.

In 1994 Teuton and Minvita jointly staked 150 square miles of virtually unexplored ground south, east and west of Royal Oak's promising Red Mountain property. In this rugged area large ice and snow fields have been receding at a remarkable rate, each year exposing virgin ground untouched by the prospector's pick. By the end of the 1994 season Teuton and Minvita crews had identified over 20 new mineralized zones. The most promising of these they called the "Clone".

### *The Discovery*

The full significance of the Clone discovery was not realized until 1995. During a routine prospecting traverse 1 mile northeast of the original find, company geologists discovered a set of parallel shears carrying high values of gold. Follow-up trenching returned spectacular results of up to 3.59 oz/ton gold across 18.0 feet. Samples from 81 trenches (see Table A) demonstrated that high-grade gold values persisted over a strike length of at least 1,800 feet and a vertical range of 400 feet.

**TABLE A - 1995 TRENCHING HIGHLIGHTS**

<b>Trench #</b>	<b>Structure</b>	<b>Width (Feet)</b>	<b>Gold (oz/ton)</b>
4	H-1	18.0	<b>3.59</b>
7	S-1	9.5	<b>1.65</b>
10	S-2B	14.8	<b>2.08</b>
11	H-1	8.9	0.71
12	H-1	22.0	0.56
14	H-1	24.0	<b>1.50</b>
15	H-1	24.6	0.76
16	H-2	4.9	<b>7.18</b>
25	S-2A	9.8	<b>1.03</b>
28	S-2A	6.6	<b>1.15</b>
29	S-2A	8.7	0.96
64	S	11.0	0.52
78	H-1	26.3	0.90
81	H-1/S-2A	29.5	0.34



Although it was very late in the season, Teuton and Minvita commenced a diamond drill program designed to test the structures at depth. Thirteen holes totaling 3,500 feet were completed before severe weather conditions forced a suspension of work. Highlights of the drill program follow in Table B.

**TABLE B - 1995 DIAMOND DRILLING HIGHLIGHTS**

<b>Drill Hole #</b>	<b>From (Feet)</b>	<b>To (Feet)</b>	<b>Width (Feet)</b>	<b>Gold (oz/ton)</b>
95-4	36.1	52.6	16.5	0.61
95-8	45.9	55.8	9.90	<b>1.67</b>
95-10	49.2	75.5	26.3	<b>1.85</b>
95-11	49.2	72.2	23.0	0.64
	121.4	134.5	13.1	0.89

### ***Financing***

The richness of the Clone discovery generated intense market interest, making Teuton the most active trader on the Vancouver Stock Exchange in October, 1995. Numerous offers to fund both companies came from the brokerage and mining communities allowing Minvita to complete a \$1 million financing (brokered by Majendie Securities). Two months later Teuton and Minvita raised a further \$1.3 million each at a substantial premium to their then current market prices. Homestake Canada Inc. and Prime Resources Group Inc. collectively subscribed for 500,000 shares of Teuton at \$2.64 per share and 350,000 shares of Minvita at \$3.79 per share (Prime Resources Group Inc. is 51% owned by Homestake Canada Inc. and is the operator of the Eskay Creek mine).

### ***The 1996 Program***

The Phase I exploration program of 1996 is estimated to cost \$1.4 million and will entail a minimum of 16,000 feet of drilling. In addition, a large airborne geophysical survey is being completed to further delineate the structures discovered in 1995 and determine whether extensions exist along strike. The potential for such strike extensions and undiscovered parallel structures is considered excellent. Further surface exploration will also be carried out locally and regionally concurrent with the drilling.

Teuton and Minvita will be operators of the program. Both companies presently own an undivided 50% interest in the Clone Project. Homestake and Prime retain a right of first refusal on any future financing associated with the property or disposition of the property to a third party. Teuton and Minvita currently have \$1.4 and \$2.0 million in working capital, respectively.

1996

## TEUTON RESOURCES CORP.

### PORTFOLIO OF MINERAL PROPERTIES - STEWART REGION

***Introduction - the Golden Triangle*** - Teuton Resources Corp. holds interests in over 200 square miles of ground in the prolific Stewart region of northwestern British Columbia, often referred to as the "Golden Triangle". During the 1920's the region came into prominence through the discovery of very high-grade gold and silver mineralization at the Premier mine. In its early years the Premier shipped ore grading 4.2 oz/ton gold and 141 oz/ton silver and was renowned as the greatest dividend-paying gold mine in North America. The rich Eskay Creek ore bodies discovered in 1989 continued the legacy left behind by the Premier; when the mine was put into production in 1995 it boasted reserves grading 1.2 million tons of 1.91 oz/ton gold and 85.5 oz/ton silver.

In recent years the focus of attention in the Golden Triangle has switched to an emerging area east of Stewart. This area is centered around the Red Mountain gold deposit discovered by Bond Gold in 1989 and taken over by Royal Oak Mines in 1995. Currently the Red Mountain zones are estimated to contain minable reserves of 800,000 ounces of gold. An \$8 million 1996 program by Royal Oak is designed to expand reserves to well beyond the 1,000,000 ounce mark with a view to production in the final quarter of 1999.

Teuton's portfolio of 12+ properties makes it the largest land holder in the Stewart region. In 1996, Teuton plans to conduct exploration programs on all key properties either directly or through third party option agreements. The most significant projects are highlighted below.

***Clone Project*** - This outstanding prospect is jointly owned with Minvita Enterprises Ltd. and represents the culmination of an ambitious staking program carried out in the Red Mountain area in early 1994. Full details are presented in the accompanying report entitled the "Clone Project".

***Bonsai Property*** - The Bonsai property is favourably located just 6km west of Eskay Creek. Prime Resources Group Inc., the project operator, is about to enter the third year of an option agreement that requires them to spend \$1.8 million over a 5 year period to earn a 60% interest in the property. During 1995, Homestake Canada, Inc. staked additional ground that came open between the Bonsai property and the Eskay Creek mine. These claims have significantly increased the Bonsai property's size as a result of a perimeter clause in the option agreement.

The Bonsai property is considered to have the potential of hosting an "Eskay Creek" type deposit. Drilling in 1995 returned anomalous gold values in mineral stratigraphy akin to Eskay Creek. 1996 drilling will target depth extensions of this favourable horizon.

***Treaty Creek Property*** - The Treaty Creek property is located 10 miles east of Eskay Creek and covers approximately 28 square miles. Since 1985, over \$2.2 million has been spent on exploration uncovering several occurrences of gold-silver-lead-zinc-copper sulfide mineralization. Gold and silver values as high as 12.1 and 470 ounces per ton, respectively, have been obtained in float, grab and trench samples from mineralization discovered in 1995. Two gold bearing zones over 5m wide and up to 300m in length are targeted for major follow-up exploration in 1996.

***Konkin Silver Property*** - The Konkin Silver property (50% owned by Minvita) covers 17 square miles south of the "Willoughby" gold prospect. It is currently under option to Silver Standard Resources which can earn a 51% interest in the property by spending \$800,000 on exploration prior to the end of 1999. The best exploration results to date include a trench sample assaying 35 ounces per ton silver across 30 feet and a drill hole intercept grading 8 ounces silver per ton over five feet. During 1996, Silver Standard plans to follow-up on several silver and gold showings uncovered during the 1995 season.

***Del Norte Property*** - The Del Norte property covers approximately 17 square miles east of Royal Oak's Red Mountain gold deposit and adjacent to the "Willoughby" gold property where Camnor Resources and Golden Giant Minerals/Royal Oak are encountering encouraging results from an underground exploration program. The Del Norte hosts multiple gold and base metal prospects along a 6km long contact zone. One promising area discovered in 1995 features a zone of massive sulfide float boulders containing gold values up to 3.4 ounces per ton. This area will be the subject of intense follow-up in 1996.

***Tennyson Property*** - The Tennyson property was recently optioned to Infinite Resources Inc.; Infinite may earn a 50% interest in the property by incurring \$500,000 in exploration costs over a period of three years and issuing Teuton a total of 200,000 common shares of Infinite over the three year term of the option agreement. The Tennyson Property is located 5km west of the terminus of the Granduc mining road, about 45km north-northwest of Stewart, BC. Exploration carried out between 1985 and 1994 has indicated the potential for both epithermal gold-silver and copper-gold porphyry deposits. Previous drilling has returned values of up to 1.2 ounces of gold per ton over 7 feet and 0.4% copper and 0.51 gm/ton gold over 110 feet.

## ***MANAGEMENT***

Mr. Dino Cremonese, P. Eng. is the president of both Teuton and its partner Minvita Enterprises Ltd. He has been actively exploring the Stewart region since 1980 and has a working knowledge of all the company's properties and projects.

In addition to the consulting engineers and geologists who work for the Company, Homestake Canada Inc. has been contracted to provide technical support for the Clone Project under the Company's direction.



# Smart Money™

VOL. 23, NO. 9

FEBRUARY 1996

## TEUTON'S GOLD DISCOVERY COULD BE A GIANT—IT AND SISTER COMPANY ARE SELLING WAY BELOW THEIR VALUE

Small natural resources companies can be the most profitable sort of investment—but only if handled right. Choosing the stocks is important, but what you do after that is often even more important. These stocks can double on a rumor. On a discovery, they'll do much better. And if the discovery is truly substantial, it can make your fortune. The most notable recent example is Diamond Fields, whose earliest investors are up close to 100 fold on the basis of the company's spectacular nickel-copper-cobalt discovery in Labrador.

Obviously, stocks that are up only on rumors and speculation should be sold. Those with a modest discovery should also be sold—but later. Companies with a truly important discovery should be held and positions increased—at least until the news is fully discounted.

In the real world, doing all this is

extremely difficult. Even the company managements and geologists often don't know what they have. These days, all public companies are required to report any significant exploration results in a reasonably timely fashion. That makes things a bit easier but not much. We know some astute investors who sold Diamond Fields way too soon. Such strikes are so rare that they are hard to believe.

In the case of Diamond Fields, almost every drill hole intersected rich mineralization—and the stock pressed higher with only brief interruptions. Still, it took several months for the importance of this discovery to sink in.

Usually the initial results are not so clear. It takes a while to find an ore body that may have been indicated by geophysics, geochemistry or surface sampling. Even then, most deposits are not as large or continuous as Diamond Fields' plumb. So drill holes can be misleading or provide only part of the picture.

A month ago we noted that Teuton Resources would be announcing results of its brief fall drilling program and that the stock was likely to have a big move—one way or the other—in response. The move was down, but we think that's a miscue. The results were good—just not up to what some speculators were expecting (speculators, incidentally, who for the most part don't really know what to look for).

Even at current levels, the stock is some five times our originally rec-

ommended price. But it's also less than half the recent high. We think this is one of the rare occasions when it pays to buy a stock that is already up a lot. Teuton (and its sister company Minvita) have a significant discovery. Whether it will make a mine remains to be seen. If it does, the stocks will go much higher. Even if the discovery ultimately fails to measure up, the stocks are likely to rebound strongly in the meanwhile, quite probably to new highs. And from this point, risk looks rather low. Here's why.

### Major Discovery

Last summer the company made a major high grade gold discovery on some of the extensive property it controls at Red Mountain in northern British Columbia. In fact, the initial results were spectacular—up to 8.3 ounces of gold per ton from one short interval of a trench dug across a shear zone. The entire trench averaged a very high 3.6 ounces over 18 feet. Another two trenches were even better over shorter intervals and almost all the trenches showed great values. The stock exploded.

In early November more trenching

(continued on page 2)

### AMERICA'S MOST UNDISCOVERED COMPANIES

• *Teuton Resources probably has a major gold discovery—one that is still not fully appreciated by the market. After a huge initial gain, the stock has pulled back sharply. Moreover, the little-known sister company Minvita Enterprises has a half share in the property but is even cheaper. We still like both, but would now concentrate on Minvita for big gains by the time exploration resumes in the spring.*

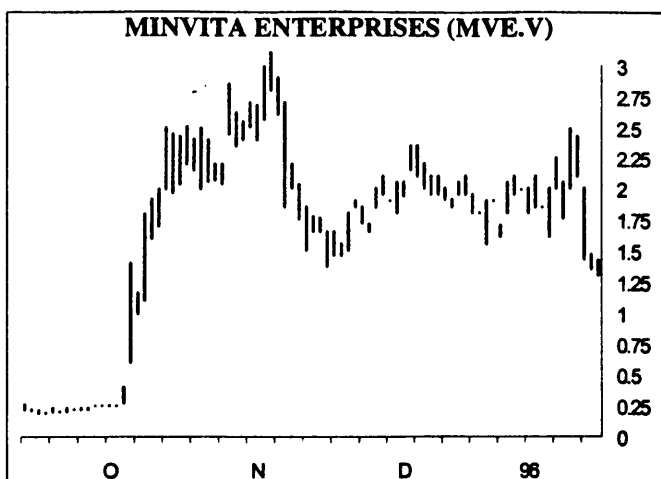
*We're going to press a week earlier than expected due to breaking developments at Teuton Resources. It was important to update this story and alert you to what we think is an exceptional buying opportunity. Our next issue is scheduled to be mailed March 1.*

(1/18/96 Dow 5124.35)

# TEUTON

(continued from page 1)

results were released—not as good on average, and the stocks sold off sharply. However, most of the trenches still showed good values. Moreover, the work had extended the overall length of the strike. At this point it's some 2,000 feet and still open at both ends. That is to say,



further work may well uncover extensions of the gold-hosting shear zones in either direction or both.

For that matter, more zones may be found as well. Winter closed in before the discovery area could be fully explored. At this point there are four parallel shear zones, but one was found late in the season and only a bit of it (in all probability) was

uncovered. These shear zones are areas of structural weakness or gaps in the rock (where it sheared due to tectonic forces). Into these gaps, the metallic ore was able to flow. The geology still is not fully understood, but it involved great heat, probably due to intrusions of rock from deep in the earth. This certainly was a major event (as confirmed by independent geologists who looked at the property) and probably left much more ore behind, in the immediate area or elsewhere in the vicinity.

Under pressure from some brokers and eager investors, the company tried to get in a drilling program even though it was late in the season. Bad weather forced the shortening of what would have been a

brief program anyway, and 13 holes were drilled from just one location. It wasn't even the first choice for a location, but was chosen because of ground conditions at the time.

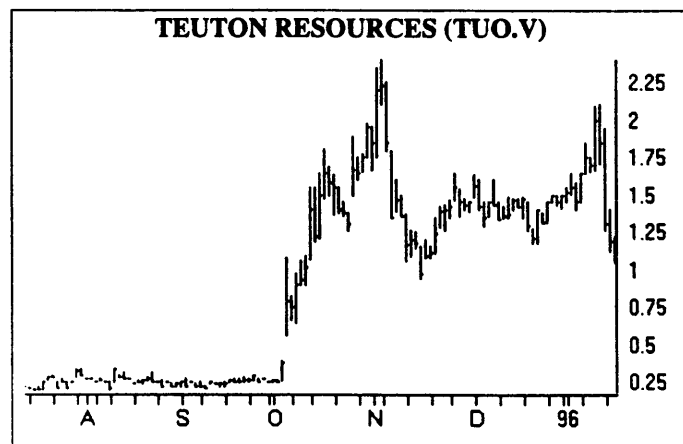
The results would have been quite exciting if released out of the blue, but in this case the speculators were expecting more. The stocks, which had recovered, again sold off sharply—creating the current opportunity to which we want to call attention. All but two of the holes found gold, and in several cases it was as rich as the surface showings. The best readings were 4.68 ounces over one meter and 4.50 ounces over three meters. The thing is, all the ore encountered is mineable provided there is enough of it. That seems

likely given the extent of the discovery and the results so far.

There are a few negatives. The shear zones hosting the gold do not seem, so far, to be very wide. They'll have to go to depth in order to develop major ore tonnage. And given the remote location, a good bit of gold will be required to justify a mine.

At this point no one knows, but indications are that at least some of the shear zones do run to depth. More zones may be found and there may also be some lower-grade but bulk-tonnage gold to the south, along with cobalt (which is also valuable). Preliminary trenching in that area indicates as much.

One thing that gives us a lot of confidence is that Homestake invested \$2.65 million after the initial discovery. The deal was unusual in that Homestake not only bought shares in the companies but paid way above market—\$2.64 a share for Teuton and \$3.79 for Minvita. (These were



flow-through shares with tax benefits—but still the commitment is impressive.) Usually, if a major company gets involved with a junior at all, it demands a substantial piece of the property. Homestake, which knows a good deal about gold, clearly was anxious to be involved in this discovery, settling for an equity position.

The money will allow Teuton-Minvita not only to fully explore the

## MINVITA ENTERPRISES Vancouver-MVE-1.35

## TEUTON RESOURCES Vancouver-TUO-1.13

509-675 West Hastings St.  
Vancouver BC V6B 1N2  
(604) 682-3680

President: Dino Cremonese

MVE shares: 6.0 million (fd)  
Market Value (mil): C\$8.1

TUO shares: 10.7 million (fd)  
Market Value (mil): C\$12.3

**Teuton Resources Corp.  
Minvita Enterprises LTD  
Red Mountain Property  
1995 DIAMOND DRILLING SUMMARY**

Drill Hole	Dip	Section	Zone	From (m)	To (m)	Width*(m)	Au(g/t)	Au(opt)
95-1	- 45	A	H-1	12.25	13.25	1.0	17.93	0.52
95-2	- 55	A	H-1	15.74	16.74	1.0	48.33	1.41
95-3	- 45	B	S-2B	40.50	43.50	3.0	2.89	0.08
95-4 including	- 55	B	H-1	11.00	16.04	5.0	21.05	0.61
				12.94	15.04	2.1	48.71	1.42
			S-2B	48.50	51.50	3.0	2.80	0.08
95-5 including  including	- 65	B	H-1	23.00	26.00	3.0	5.19	0.15
				25.00	25.00	1.0	11.43	0.33
			H-1	31.00	35.00	4.0	3.85	0.11
				32.00	33.00	1.0	11.43	0.33
				84.50	86.00	1.5	11.94	0.35
95-6 including	- 75	B	H-1	16.00	18.00	2.0	16.59	0.48
				17.00	18.00	1.0	31.37	0.91
			S-2B	79.00	82.00	3.0	2.89	0.08
95-7 including	- 45	C	H-1	13.00	14.00	1.0	20.47	0.60
			H-1	15.00	18.00	3.0	6.77	0.20
				16.00	17.00	1.0	11.26	0.33
95-8 including	- 55	C	H-1	14.00	17.00	3.0	57.36	1.67
				15.00	16.00	1.0	160.56	4.68
95-9 including	- 70	C	H-1	18.00	21.00	3.0	7.00	0.20
				20.00	21.00	1.0	16.49	0.48
95-10 including	- 45	D	H-1	15.00	23.00	8.0	63.44	1.85
				15.00	18.00	3.0	154.33	4.50
			H-1	24.00	26.00	2.0	6.31	0.18
95-11 including and  including	- 55	D	H-1	15.00	22.00	7.0	22.04	0.64
				16.00	17.00	1.0	77.73	2.27
				19.00	20.00	1.0	42.93	1.25
			H-1	27.00	29.48	2.5	9.82	0.29
			H-1	37.00	41.00	4.0	30.52	0.89
				38.00	40.00	2.0	56.62	1.65
95-12	- 65	D	No significant intercepts					
95-13	- 75	D	No significant intercepts					

\* Drill indicated width

discovery but to do substantial work on the rest of their 150 square mile property. Together, the companies are by far the largest landholder in the area—which is already the site of several other mineral discoveries. In fact, there's an 800,000 ounce deposit (much lower grade than Teuton's discovery) that is now owned by Royal Oak and probably will be mined eventually. (An eventual combination of interests is certainly a possibility.)

We originally recommended Teuton because its sister company Minvita was very thinly traded and

because Teuton had some properties at Eskay Creek in which Minvita did not share. Those properties still have potential, but at this point the important thing is the Red Mountain discovery. The companies own most of their Red Mountain ground (including the discovery) 50-50. Since Minvita has a substantially lower market capitalization, it is the best buy at this point (because of and despite its lack of liquidity).

We still like both stocks, but now would accumulate Minvita—bearing in mind that trading may be thin, and that the stock should be bought

on dips, using limit orders. Also be aware that while Minvita has consistently sold below its value in relation to Teuton, the ratio could change. Right now Teuton is available on the Vancouver exchange at 43% of the price Homestake paid and Minvita is selling at just 36% of that price. It's a great deal. Our guess is that both stocks are close to their lows right now, though they will fluctuate during the next few months. An extensive drilling program will start in June and we'd expect the stocks to move up well before then in anticipation.



## FOLLOWUPS

Things are heating up on the diamond front—as usually happens during the early winter. This is quite opposite to the pattern for most other mineral exploration companies. The reason is that most kimberlite pipes (at least in Canada) have been found under small lakes—the Northwest Territories are thick with such lakes. Targets are most often drilled from the ice after it is thick enough to support the equipment. That time is here, though there's a slight delay right now since the weather is actually too cold to work.

**Mountain Province** is just waiting for a break in the weather to start drilling. The stock has bounced strongly from depressed levels. This winter will see a major program—for which the budget is over \$9 million. The company and its partners have more than enough money—unlike the great majority of junior exploration companies. MPV raised its current cash wad in several recent private placements, including a \$5.7 million deal done in Europe through SoGen, the giant French Bank. We're impressed that Mountain Province has that kind of friends.

The company will be taking a bulk sample from the discovery already made—a kimberlite that by some standards is the richest yet found in the Northwest Territories. What has to be proved is that there are some large diamonds along with the many small stones found so far and that the grade persists. The many holes drilled in this kimberlite so far, while no guarantee, give some indication that the grade should be consistent.

Equally important, as far as the near-term stock action, MPV and partners will be looking for more kimberlites. These should exist since kimberlites always come in clusters. Efforts to find them have been unavailing, but the drilling has been minimal compared to the effort that will be made this winter. An extensive mineral

sampling program and other work last summer refined the list of targets. Results from the bulk sampling won't be available for a while but another kimberlite could be hit at any time. It should be an exciting winter and favorable results would drive the stock much higher.

Next door, **Winspear** has a large block of land. The situation is somewhat similar—Winspear has found two diamondiferous kimberlites, though apparently with sub-economic grades. The company is scheduled to begin drilling other targets by the end of February (they must be fine-tuned by geophysics first) and its stock has begun moving up. Winspear now owns 75% of its land (increased by buying out Aber's share for stock) though that percentage is scheduled to decline assuming CRA, the Australian giant, goes ahead with its deal to earn in by paying all Winspear's exploration costs. That's another plus. But in any case the company has the money to finance its own exploration and the stock should be good for a lot more on the upside.

We've been stressing the merits of **SouthernEra Resources**, with one of the largest and best land positions in the Northwest Territories plus assets around the world, including a probably economic discovery in South Africa. A recent very small drilling program on 70%-owned land north of the Mountain Province block was not successful, but more extensive work will be done in Canada this winter. The stock is up but still looks good.

**Almaden Resources** will become a gold producer. Eldorado has earned 51% of the company's La Trinidad project in Mexico and will produce 20,000 to 30,000 ounces a year. The planned open pit will have a life of about 4.5 years, but there's potentially a lot more ore nearby. The company has other assets—including another promising property in Mexico—and the cash flow will allow it to pursue

these and other opportunities.

## Doublers Update

**Continental Pacific** is up around 50% since we chose it as one of "Four Stocks To Double In 1996." It is still negotiating a joint venture deal with a large major to drill its potentially huge polymetallic deposit this spring. President Charles O'Sullivan is determined that any agreement should include a substantial amount of drilling this year—that's been the hang-up, as large companies tend to move slowly. If O'Sullivan can't reach a deal he truly likes, he will raise the funds in a private placement and get the job done himself.

**Reg Technologies** is awaiting the completion of its new compressor and diesel engine prototypes in California. It shouldn't be too long. Once these models are tested and interested parties can see the expected results, several licensing deals should be in the offing.

The other two doublers for 1996 were **Integrated Communication Network** and **Harken Energy**. ICNI rose the most but slipped back. The company is gearing up for the season with new infomercials that may propel the stock back to its original IPO price of \$5.00. HEC will shortly begin to drill two wells on its highly prospective concessions in Colombia. The chances for success are excellent. Higher prices are expected as investors anticipate the results.

IPOs did not work well for us last year. **Microfield Graphics** almost tripled but the release of previously restricted Section 144 shares into the market overwhelmed buyers and the stock tumbled back. The company still has an excellent product and should do very well with it.

**International Franchise Systems** is a giant disappointment. Though the company's 125 Domino's Pizza stores are doing well in the United Kingdom and growing in number, the brokerage

house which took down a large portion of the IPO went out of business. Consequently, many shares were dumped on the market, greatly depressing the price. The stock is a steal at these levels, though it's hard to buy because trading is thin and there's a large spread. We'd be eager buyers between the bid and asked prices.

**Complete Management** went public in the past month at \$9 but with no strength near the opening has been trading just below the IPO price. We still like the company's prospects in the growth business of managing physician practices.

**Urohealth** has completed its 1 for 3 reverse split and the stock is recovering strongly from depressed levels. The new management is making impressive progress in putting the company on a growth path. **U.S. Diagnostic Labs** also is growing fast through acquisitions—the latest deal is to acquire a state-of-the-art imaging center in Modesto, California. These companies are solid long-term situations.

While junior mining companies

have begun to revive, junior oils are still quite depressed. Oil and gas prices have been up and down but we think they'll stick at higher than last year's levels. In any case, some of these stocks are cheap at almost any oil price. **Arch Petroleum** and **Southward Energy** are great candidates to accumulate for the long term.

**Ultra Petroleum** has been a disappointment, but the stock is selling at a small fraction of its asset value. The problem is a lack of cash to develop its assets and do further exploration. We believe that negotiations now going on will resolve that situation, so **Ultra** is a great speculation.

**Earth Sciences** gave up a bit of its earlier gains, with some investors apparently concerned that the company has not yet come up with the money for reopening the Calgary plant. These investors apparently don't have much experience dealing with banks. A couple of institutions are quite interested in financing the project but are taking the time to assure themselves of its economics. Meanwhile, the company has obtained additional very strong indications of

interest from some potential customers and feedstock suppliers. We think the chances are very strong that the plant will reopen, putting the stock up several hundred percent. This is a buying opportunity.

**Atrix Labs** continues to make steady progress. The absorbable barrier product for dental surgery is being introduced in Europe. The last phase of clinical trials is continuing for the potentially much larger **Atrigel**, a drug delivery system. The present trials are testing use of the product to deliver an antibiotic to the site of periodontal infection. We believe the product is showing great results against this often intractable condition. The trials will be completed in the spring and results probably released several months later—but the stock may begin moving in anticipation. Buy any dips.

**Meisenheimer Capital** is moving ahead on several fronts. A deal is in place to add a number of teams (an entire western division) to the U.S. Basketball League and we expect several individual franchises to be sold as well. The spin-off of a portion of the League to Meisenheimer shareholders will take place soon.

	Positions sold	Recommended Date	Price	Subsequent High	% Gain at High	Latest Price	at sold price	sold @
ESX	Essex Financial	12-19-90	15.75	18.50	17.5%	3.88	0.0%	15.75
ZAPS	Cooper Life Sciences	6-20-91	5.75	7.75	34.8%	9.25	21.7%	7.00
LOGC	Logic Devices	7-25-91	4.25	5.25	23.5%	5.75	-5.9%	4.00
MITK	Mitek Systems	7-25-91	2.25	2.50	11.1%	1.58	2.8%	2.31
HCTV	Health Club Media Network	11-20-91	3.63	3.63	0.0%	—	0.0%	3.63
WHFI	Wholesome & Hearty Foods	5-28-92	1.50 d	4.88	225.0%	8.00	170.8%	4.06
MPO	MEDphone	9-25-91	1.50	1.75	16.7%	—	-62.5%	0.56
MPO	MEDphone	12-18-91	0.94	1.75	86.7%	—	-40.0%	0.56
GYNX	Gynex	11-20-91	0.91	4.25	369.0%	Merged @ 3.63	300.0%	3.63
BPMDU	Boston Pacific Medical	3-25-92	5.00	5.38	7.5%	0.02	-66.3%	1.69
SYI	System Industries	1-30-92	3.25	4.63	42.3%	—	-100.0%	Chap 11
SYI	System Industries	3-25-92	2.50	3.88	55.0%	—	-100.0%	Chap 11
JHPC	Jim Hjeim Private Collection	3-27-91	1.63	2.38	46.2%	0.88	-30.8%	1.13
DATA	Datalmage	5-23-91	4.50	8.38	86.1%	3.19	-44.4%	2.50
QBAL	Jillian's Entertainment	10-24-91	1.13	1.69	50.0%	0.31	-27.8%	0.81
QBAL	Jillian's Entertainment	12-18-91	0.44	1.69	285.7%	0.31	85.7%	0.81
QBAL	Jillian's Entertainment	4-22-92	0.75	1.56	108.3%	0.31	8.3%	0.81
PPTI	Protein Polymer Technology	9-23-92	2.75	3.25	18.2%	1.75	-65.9%	0.94
NEST	Nestor	1-27-93	1.75	3.00	71.4%	1.38	21.4%	2.13
DASW	Data Switch	12-16-92	2.63	4.63	76.2%	4.38	-4.8%	2.50
AURA	Aura Systems	4-28-93	3.50	9.56	173.2%	4.50	67.9%	5.88
RENT	Rentrak	6-24-92	5.38	9.38	74.4%	5.38	4.7%	5.63
ZAPP	Helionetics	8-26-92	3.00	7.00	133.3%	0.16	-86.5%	0.41
ZAPP	Helionetics	2-23-94	4.13	5.00	21.2%	0.18	-90.2%	0.41
ONC	Oncor	2-27-91	4.88	12.63	159.0%	5.00	44.9%	7.06
OLOG	Offshore Logistics	5-23-91	9.00	19.25	113.9%	12.50	40.3%	12.63
LNCT	Lancit Media Productions	6-20-91	1.06 e	18.13	1605.9%	11.88	1100.0%	12.75
NERX	NeoRx	6-20-91	4.50 f	25.75	472.2%	7.31	20.8%	5.44
NZYM	Synthetech	8-28-91	1.00	5.50	450.0%	4.19	325.0%	4.25
APCO	Automobile Protection	10-24-91	0.94	2.88	206.7%	3.06	170.0%	2.53
PDLCF	North American Palladium	12-18-91	2.01	8.50	323.4%	6.13	136.6%	4.75
ONCS	Oncogene Science	1-30-92	8.13	9.00	10.8%	9.38	-30.8%	5.63
MATX	Matrix	7-22-92	7.00	16.00	128.6%	19.75	103.6%	14.25
AZCE	Aztec Energy	7-22-93	2.25	3.25	44.4%	0.02	-98.6%	0.03
IG	IGI Incorporated	2-24-93	8.75	17.50	100.0%	6.63	21.4%	10.63
CORX	Cortex	3-24-93	7.50 g	14.06	87.5%	5.00	-35.0%	4.88
AZCE	Aztec Energy	11-17-93	2.88	3.00	4.3%	0.02	-98.9%	0.03
HTPI	HTP International	2-23-94	6.00	7.50	25.0%	1.94	-67.7%	1.94
MUG.V	Murgor Resources	2-22-95	C\$2.86	C\$2.85	-0.3%	C\$1.10	-80.8%	C\$0.55

d—adjusted units split 2/1 and 3/2 e—adjusted for warrant conversion f—1/4 reverse split g—1/5 split

# RECORD OF ALL SMART MONEY RECOMMENDATIONS SINCE OCTOBER 1990

Symbol	Stock	Recommended Date	Price	Subsequent High	% Gain at High	Latest Price	% Change	Buy/Sell
COA	Coachman Industries	10-24-90	3.75	23.63	530.0%	20.25	440.0%	Buy
OH	Oakwood Homes	11-20-90	4.88 <i>a</i>	42.50	771.8%	38.13	682.1%	Buy
OXC	Oceanic Exploration	1-30-91	0.50	2.25	350.0%	0.25	-50.0%	Buy
URO	Urohealth Systems	4-24-91	2.25 <i>c</i>	41.25	1733.3%	9.25	311.1%	Buy
CXF.V	Continental Pacific Resources	12-18-91	C\$0.45	C\$4.10	811.1%	C\$1.40	211.1%	Buy
URO	Urohealth Systems	12-18-91	10.50 <i>c</i>	41.25	292.9%	9.25	-11.9%	Buy
BVE.T	Brandevor	2-26-92	C\$0.30	C\$0.75	150.0%	C\$0.10	-66.7%	Buy
BTIM	BioTime	2-26-92	8.00	12.13	51.6%	3.13	-60.9%	Buy
RRE.V	Reg Technologies	5-28-92	C\$0.40	C\$4.30	975.0%	C\$2.28	470.0%	Buy
BVE.T	Brandevor	9-23-92	C\$0.38	C\$0.75	100.0%	C\$0.10	-73.3%	Buy
JANX	Janex International	10-21-92	0.81	5.50	576.9%	1.69	107.7%	Buy
CXF.V	Continental Pacific Resources	11-18-92	C\$0.67	C\$4.10	511.9%	C\$1.40	109.0%	Buy
URO	Urohealth Systems	11-18-92	16.50 <i>c</i>	28.88	75.0%	9.25	-43.9%	Buy
BVE.T	Brandevor	11-18-92	C\$0.45	C\$0.75	66.7%	C\$0.10	-77.8%	Buy
RRE.V	Reg Technologies	11-18-92	C\$1.03	C\$4.30	317.5%	C\$2.28	121.4%	Buy
BTGC	Bio-Technology General	11-18-92	6.38	6.75	5.9%	5.88	-7.8%	Buy
TRC.V	Teryl Resources	4-28-93	C\$0.65	C\$1.29	98.5%	C\$0.30	-53.8%	Buy
URO	Urohealth Systems	5-26-93	18.75 <i>c</i>	23.25	24.0%	9.25	-50.7%	Buy
RRE.V	Reg Technologies	5-26-93	C\$1.70	C\$4.30	152.9%	C\$2.28	34.1%	Buy
CXF.V	Continental Pacific Resources	5-26-93	C\$1.89	C\$4.10	116.9%	C\$1.40	-25.9%	Buy
ICA.V	International CanAlaska	6-24-93	C\$1.00 <i>b</i>	C\$2.70	170.0%	C\$0.70	-30.0%	Buy
SUF.T	SouthernEra Resources	6-24-93	C\$8.00	C\$9.35	16.9%	C\$3.25	-59.4%	Buy
WGC.V	Winslow Gold	6-24-93	C\$1.20	C\$1.45	20.8%	C\$0.33	-72.5%	Buy
GALX	Galaxy Foods	8-25-93	1.00	7.00	600.0%	0.47	-53.1%	Buy
Pinks	Hardman Resources ADR	9-29-93	2.00	2.40	20.0%	0.30	-85.0%	Buy
OPPCF	Optima Petroleum	10-28-93	4.25	5.50	29.4%	2.81	-33.8%	Buy
CXF.V	Continental Pacific	11-17-93	C\$1.28	C\$3.15	146.1%	C\$1.40	9.4%	Buy
ESCI	Earth Sciences	11-17-93	2.06	3.13	51.5%	2.00	-3.0%	Buy
HAI.V	Hankin Atlas	11-17-93	C\$0.80	C\$1.41	76.3%	C\$0.40	-50.0%	Buy
AMH.V	Almaden Resources	12-16-93	C\$1.60	C\$3.75	134.4%	C\$1.85	15.6%	Buy
HEC	Harken Energy	1-27-94	1.19	2.75	131.6%	1.63	36.8%	Buy
BVE.T	Brandevor	3-23-94	C\$0.23	C\$0.38	65.2%	C\$0.10	-56.5%	Buy
RYQ.V	Royalstar Resources	4-28-94	C\$1.64	C\$2.30	40.2%	C\$0.46	-72.0%	Buy
LMI.V	Lumina Investment Corp.	5-25-94	C\$0.89	C\$1.70	91.0%	C\$0.58	-34.8%	Buy
MEIS	Meisenheimer Capital	5-25-94	0.75	2.88	283.3%	2.50	233.3%	Buy
URO	Urohealth Systems	6-22-94	9.93 <i>c</i>	15.38	54.7%	9.25	-6.9%	Buy
LVCI	Laser Vision Centers	7-20-94	5.50	16.88	206.8%	12.75	131.8%	Buy
RRE.V	Reg Technologies	8-25-94	C\$1.99	C\$2.85	43.2%	C\$2.28	14.6%	Buy
TXLI	Texoil Inc.	9-29-94	2.44	3.00	23.1%	1.38	-43.6%	Buy
DMACF	Dusty Mac Oil & Gas	10-26-94	4.38	6.63	51.4%	2.88	-34.3%	Buy
RSND	ReSound Corp.	11-16-94	10.13	11.25	11.1%	9.00	-11.1%	Buy
IWSI	Integrated Waste Systems	11-16-94	2.38	4.25	78.9%	2.25	-5.3%	Buy
ORG.A	OroGrande Resources	11-16-94	C\$0.18	C\$0.35	94.4%	C\$0.30	66.7%	Buy
TUO.V	Teuton Resources	11-16-94	C\$0.20	C\$2.40	1100.0%	C\$1.13	465.0%	Buy
USDLU	U.S. Diagnostic Labs (units)	12-14-94	6.00	16.00	166.7%	11.75	95.8%	Buy
DOMSU	International Franchise Systems	1-25-95	5.75	9.50	65.2%	1.25	-78.3%	Buy
ATRX	Atrix Laboratories	2-22-95	5.88	8.13	38.3%	7.00	19.1%	Buy
MPV.V	Mountain Province Mining	2-22-95	C\$0.70	C\$9.25	1221.4%	C\$6.25	792.9%	Buy
ERCC	Energy Research Corp.	3-29-95	10.00	12.25	22.5%	11.25	12.5%	Buy
GALX	Galaxy Foods	4-27-95	0.69	1.94	181.8%	0.47	-31.8%	Buy
SUF.T	SouthernEra Resources	4-27-95	C\$2.15	C\$5.50	155.8%	C\$3.25	51.2%	Buy
WSP.V	Winspear Resources	4-27-95	C\$1.10	C\$1.45	31.8%	C\$1.05	-4.5%	Buy
MICG	Microfield Graphics	5-21-95	6.00	15.88	164.6%	4.88	-18.8%	Buy
RRE.V	Reg Technologies	6-21-95	C\$1.35	C\$2.85	111.1%	C\$2.28	68.9%	Buy
MEIS	Meisenheimer Capital	6-21-95	1.19	2.88	142.1%	2.50	110.5%	Buy
ARCH	Arch Petroleum	7-20-95	2.69	3.06	14.0%	2.25	-16.3%	Buy
BTIM	Biotime	8-31-95	1.50	5.63	275.0%	3.13	108.3%	Buy
UP.V	Ultra Petroleum	8-31-95	C\$0.83	C\$1.05	26.5%	C\$0.49	-41.0%	Buy
SWN.T	Southward Energy	9-29-95	C\$0.76	C\$1.05	38.2%	C\$0.96	26.3%	Buy
CMGT	Complete Management	10-25-95	9.00	9.25	2.8%	8.38	-6.9%	Buy
CXF.V	Continental Pacific Resources	11-16-95	C\$1.06	C\$1.60	50.9%	C\$1.40	32.1%	Buy
HEC	Harken Energy	11-16-95	1.63	1.75	7.7%	1.63	0.0%	Buy
ICNI	Integrated Communication Network	11-16-95	1.69	2.88	70.4%	2.31	37.0%	Buy
RRE.V	Reg Technologies	11-16-95	C\$1.65	C\$2.40	45.5%	C\$2.28	38.2%	Buy
LAY.V	Layfield Resources	12-14-95	C\$0.26	C\$0.45	73.1%	C\$0.34	30.8%	Buy

**Average Percent Change 191.6%**

(Includes closed out positions)

*a*—adjusted 25% stock dividend and 3/2 split *b*—adjusted 1/4 reverse split *c*—adjusted 1/3 reverse split

See Table at bottom of page 5 for closed-out positions.

Pursuant to the provisions of Rule 206(4) of the Investment Advisors Act of 1940, we advise all readers to recognize that they should not assume that all recommendations made in the future will be profitable or will equal the performance of any recommendations referred to in this issue. The information presented in this issue has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. The security portfolios of our employees, officers or affiliated companies may, in some instances, include securities mentioned in this issue.



# Higher Returns

VOL. 3 NO. 10

FEBRUARY 1996

## In This Issue...

### Glimmering Indeed:

Gold's breakout from a long trading range is not being given much notice. For that and other reasons, this upmove looks important. The odds favor higher gold prices, and as that happens, gold stocks should take off. The stocks usually far outperform the yellow metal on the upside. We discuss what is happening in the gold market, what it means, and what stocks look best situated for big gains .....Page 2

### Beating the Dow:

This relatively simple method of investing in blue chip stocks has piled up compounded gains six times the return you would have had from simply buying all 30 Dow stocks. With the market highly unlikely to equal last year's gains in 1996—and a correction a distinct possibility—it should be comforting to have some money in blue chips. Using this strategy, your comfort level should rise still further .....Page 4

### Turov Still Triumphant:

Our colleague Dan Turov is still calling the market turns with an amazing degree of accuracy. Here's an update plus our thoughts on how this rather remarkable record has been achieved .....Page 5

### Reviewing the Year:

1995 was a great year, but only if you were in the right stocks. We were in a number of great ones and also a few clinkers. Here are the highlights and some advice on what to do now .....Page 6

### Commodities Corner:

Things are quiet except for a strong revival in the wheat market. Our conservative approach has yielded big gains and we're still pursuing it.....Page 7

## 1996 IS COMING IN LIKE A BULL— A FICKLE BULL—YOU'LL HAVE TO BE CAREFUL AND SELECTIVE THIS YEAR

How high can General Motors go? There should be a limit, but it may be higher than you think in the current market. This is not only one of the great bull markets of all time, but a unique one in being so dominated by institutions. (The "pools" of the good old days may have had a somewhat similar effect at times, but even that wasn't as pervasive.)

Pension funds became a huge force starting in the '60s, and in the '80s mutual funds regained their popularity and went on to pile their assets to undreamed of heights. Success breeds success. We have a new generation that has never invested in anything but funds. These people have done well, so they'll stick with funds until disaster strikes. The combination of so much money and so much confidence has to result in a big jolt eventually, but the party probably will go on a lot longer than the pessimists expect. If the threat of a U.S. government default didn't shake confidence, what will?

We've been looking for a correction or consolidation, though not yet a bear market. In fact, the broad market has been consolidating since September, though you wouldn't know it from looking at the Dow. The technology stocks have undergone a severe correction—or rather a series of sharp corrections and recoveries—since last fall. The funds represent concentrated selling, as well as buying power. Some of them knocked the techs down and others quickly brought them back up—but only on a selective basis. Companies that dared miss earnings targets by a penny or two are still languishing.

Which brings us back to our point about GM (and similar stocks). All the money has to go somewhere and a portion of it is going into the usual blue chips. They may seem tired, but where else can you put a billion dollars if the tech stocks look scary? This *Higher Returns* issue features a proven way to buy blue chips and far outperform the rest of the group almost every year.

Some money will leak into other corners of the market as well, even some secondaries. Last year we were right about biotech stocks and about many of our natural resources picks, though not all of them did well. A month ago we singled out emerging global markets and they have taken off with a bang. They are up 10% to 20% but from depressed levels—so the move has further to go. We review the past year in this issue and give advice on previous recommendations.

This year is likely to be quite different, even though the funds will still dominate. One new factor is the emergence of gold. A report in this issue discusses the implications and suggests some attractive gold stocks.

# GOLD BREAKS OUT ON THE UPSIDE— HERE'S WHAT IT MEANS AND HOW TO PROFIT

Big round numbers have little fundamental significance for the market but can be very important psychologically. The Dow first reached 1000 thirty years ago. It took 18 years to break through that level, but look what has happened since.

Now gold has closed above \$400 an ounce. A few market technicians and gold bugs are excited about it; most observers are unimpressed. They're saying the action is "technical"—but most major moves appear to be merely technical when they start. For several reasons, this could be the start of something important.

Since the collapse from the speculative high in 1980, gold has been making smaller and smaller gyrations.

mainly to the problems of the large South African mines, many of which have been operating for the best part this century and have depleted a large part of their reserves. Further, costs are up sharply for those mines, making it uneconomic to mine lower grade ore.

The central banks are always eager to keep the gold price down and some governments also found it expedient to raise money. So official selling helped keep the gold market quiet until now. Official and unofficial lending also played a part. Some years ago, several major producers caught on to the idea that they could smooth out their earnings by hedging their output, or selling it in advance. Then forward selling also became

## Attractive Gold Stocks

Symbol	Traded	Company	Price	12-Month High	12-Month Low	Shares Out (Mil. fd)	Market Cap US \$	Telephone
<i>Speculative Exploration</i>								
CXF	Vancouver	Continental Pacific Res.	1.48	2.64	0.87	8.1	\$8.8	800-449-4435
MVE	Vancouver	Minvita Enterprises	1.50	3.10	0.19	6.0	6.6	604-685-9255
PVO	Vancouver	Peruvian Gold	1.45	2.10	0.35	12.2	12.9	604-682-3680
TRC	Vancouver	Teryl Resources	0.31	0.46	0.13	16.0	3.6	604-681-0110
<i>Exploration-Development</i>								
KRY	Vancouver	Crystallex International	2.54	4.00	1.80	18.8	34.9	800-661-6465
OGO	Vancouver	Oliver Gold	1.55	2.30	1.15	21.5	24.3	604-278-5996
RYQ	Vancouver	Royalstar Resources	0.53	0.94	0.48	16.1	6.2	604-683-0672
TLQ	Toronto	Trillion Resources	4.45	4.85	2.81	23.5	76.3	604-669-6656
All prices are in Canadian dollars, except market caps.								

That implies the potential for a large move. The break-out from a particularly tight trading range that confined gold during the last two years suggests that the move may come soon.

Mention precious metals and almost all investors think, "hedge against inflation." But the current move has little to do with inflation—the figures on that score look better than they have for most of the last 30 years. Europe and Japan are still mired in recession and the U.S. is not far from economic standstill. That doesn't ordinarily make for rising prices.

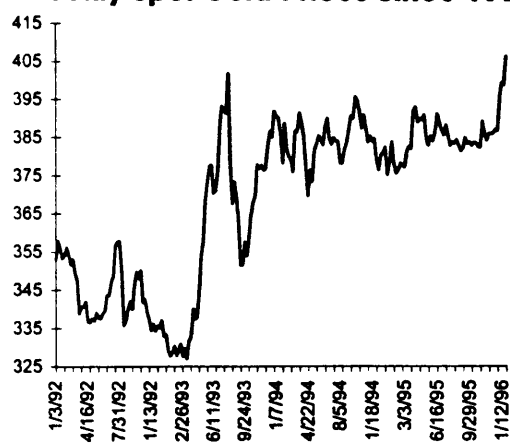
To be sure, governments and central banks often try to stimulate stagnant economies, and that can be inflationary. Maybe some gold players are worried about this, but it's a long-term threat and surely not the cause of the recent strength in gold. What's behind the move seems even more fundamental—a very basic question of supply and demand.

The fact is that gold consumption has outstripped new supply for years. Selling by central banks and hedging have kept the market stable in the face of this imbalance. Last year, gold production actually declined by 0.6% (for the first time since 1975) while offtake continued its steady climb. The drop in output was due

one of the main vehicles for financing the development of new mines.

The producer or prospective producer simply borrows gold and sells it on the market, taking in the money. It's repaid from gold production over the next year or longer. Of course, there are fees and interest charges involved. These transactions are private so it's difficult

## Weekly Spot Gold Prices Since 1992



to know what's going on. But it's safe to say that people other than the central banks have gotten involved—people with far smaller resources—and that some of them are outright short the gold market.

If there's a substantial move they'll have to cover. Further, it seldom fails that when complicated transactions, leverage and lack of regulation converge, there are eventually surprises and financial blowups. In this case the fireworks could blow gold skyward. Sharply higher lease rates for borrowed gold hint at strains and at the shortage of bullion.

Of course, most gold that's "consumed" doesn't disappear. A lot is hoarded and can return to the market if the price is right. Also, mining low-grade ore becomes more economic if prices rise, so there are limits to any bull market. But it takes a substantial and sustained price rise to bring on new supplies—as in 1980, when gold topped out at more than twice today's price.

For now, while the central banks don't want gold to rise, they probably have sold all they feel comfortable selling. They can still lend gold but may find far fewer customers who want in effect

to go short in a rising market. On the demand side, the biggest factor is a huge new market in Asia. People in China, India and other countries have a fascination with gold and for the first time a great many of them have the means and the freedom to buy it. With good historic reasons, they don't trust their currencies or their governments, so will accumulate increasing amounts of gold jewelry and bullion.

When gold moves, gold stocks always move farther and faster. It's natural since more people buy stocks than gold bars and since a relatively small increase in the gold price can double the earnings of a mining company (because most of its costs are fixed). This time around the stocks (at least the major companies) are already up more than gold, so the leverage won't be as great—but it will still work.

Stocks move faster than bullion and small stocks move much faster than larger ones. Note, however, that the total capitalization of all gold stocks is a tiny fraction of the market—which is another reason these stocks can make dramatic moves.

The small companies are better buys at this point, so those are the ones we have chosen. However, we've divided our selections into two groups. The first is strictly speculative, but with very great upside potential. These companies are still in the exploration stage, but they have properties and those properties contain gold. The question is how much. These outfits are still in the process of proving their deposits—a favorable verdict will multiply the stock price at least several times. So exploration results will be more important than the gold price as such. But rising gold would contribute to a greatly improved psychological climate that should help most speculative mining stocks.

The second group of companies is farther along. They are also juniors, but they have a resource that is worth something. The question is whether they have

enough ore to make a profitable mine—or how big the mine will be. Hence there's less risk, but the risk is still significant.

Companies like **Barrick Gold**, **Battle Mountain** or **Newmont Gold** (all listed on the NYSE) are of course safer, but have already responded to the rise in gold.

They have

much less potential at this point and have less favorable risk-reward ratios. We might be interested on a substantial pullback.

If you want much less risk, consider mutual funds specializing in gold. We profiled **Midas Fund**, with last year's best record in the field, in our October issue. (Call 800-400-6432 for information.) Others with good records include **IDS Gold** (800-328-8300) and **Invesco Gold Equities** (800-525-8085).

We've selected a range of gold stocks, from quite speculative to some with substantial resources. All have an element of risk, but so do the major producers at their current prices—and these stocks have a lot more upside potential. All but one of our picks are traded in Vancouver, because that's where the action is in junior mining stocks. Such stocks can easily lose 50% of their value but they can and do go up 500% or more as well.

We think our selections are at least as likely to do the latter as the former, but you must diversify. Call the

**Monthly Spot Gold Prices Since 1976**



(continued on page 8)



# GOLD

(continued from page 3)

companies for information, get comfortable with them, then buy using limit orders. If a stock has run up a lot, pass it by unless you are very sure it's worth the higher price.

**Continental Pacific Resources** has been recommended before at both higher and lower prices. It's up a bit right now but still near the low end of its three-year price range. We've been following CXF a long while and believe this summer is the time it's likely to make its big hit. Admittedly, we thought so last year, but not with so high a degree of confidence. Last summer Continental found its target and drilled several rich holes. There wasn't time or money enough to finish the job before the snows arrived.

This year the company knows where to drill and may have a partner (there have been offers). Going right to the discovery (after having studied the drill cores and geophysics all winter) the chances for success look very good. This is not strictly speaking a gold stock, but the discovery zone contains sulfide ore that's rich in zinc and copper, with some gold and silver. Other strikes on the company's far-northern land holdings were primarily gold, so there's a good chance of a gold discovery as well.

**Minvita** also had a discovery last summer, along with partner Teuton Resources. Teuton is more widely held and more active, but for that reason Minvita is the better value at current prices. The discovery seemed to be one of the richest gold strikes in a very long time, judging by the surface trenching.

Results from a brief drilling program (cut short by weather, as the location is in northern British Columbia) were very good. There were intervals of up to 4.68 ounces of gold per ton. One of the best intersections was 1.85 ounces over a true width of 14 feet. That's the width of the shear zone hosting the gold. There are at least four such zones, extending a considerable length and open to depth, though the average width so far is less than that 14 feet.

Excellent results, but the speculators had run up the stock and were expecting more. It came down by more than half and is a great speculative buy. Homestake, which knows something about gold, bought shares 150% above the current price in a private placement. That money will fund a major program to explore not only the discovery zone but the rest of Minvita and Teuton's very large property.

**Peruvian Gold Mines** is up in price but is still well below the highs of last year and the year before. The company has a stake in several promising South American properties, including one with an exciting recent high-grade gold discovery. We don't know much about it yet, but it could be similar to the Minvita find. Earlier, the company jumped on the Voisey Bay bandwagon and acquired a lot of acres in Labrador. That's a longshot, but the land has been farmed out for exploration (now going

on) and any significant discovery would be explosive.

**Teryl** is a cheap stock with a potentially valuable property. The company owns land right next to the area where Amax is building the largest open-pit gold mine in North America. Teryl has farmed out its land to Amax, which has drilled 25 holes averaging substantially better grades than that of the property to be mined. While more work remains to be done, we think there's a good chance that the Teryl land will become part of the Amax project. Teryl has several other properties with less favorable odds, but any one of them would be a company maker if a significant deposit were found.

**Crystallex** has what seems to be a major gold deposit in Venezuela. That country was the focus of intense enthusiasm several years ago. There's almost no interest now because of the country's financial and political situation—but those are improving, and the minerals that created the excitement are still there. Reform of the mining laws and regulations is going forward and the country is recovering. This looks like a good time for a contrary-opinion bet on Venezuela.

## Fertile Frontier

Africa is one of today's most fertile frontiers for minerals exploration. Despite the political risk, if you are a venture-some natural resources investor you should probably have some exposure there because of the high potential. **Oliver Gold** is a great vehicle for that—unlike others with similar properties, the stock has not run away. The main asset now is a concession in Mali, where the company has already proven some 700,000 ounces of gold. That's approaching the size necessary for a mine and the property still has the potential for a lot more ore. There are other assets as well.

**Trillion** offers an excellent, diversified portfolio of African properties. To start, the company has a 31% stake in **Consolidated Mining**, the South African mining finance house that itself is high-quality, diversified and very undervalued (see *Higher Returns* for November 1995). Then there's a 10% stake in **Oliver Gold** and the company's own concessions, which include promising diamond prospects in Zimbabwe and a nickel deposit in the Ivory Coast. This may be the safest stock on our list, yet it has big potential.

**Royalstar** is an unusual situation—a company that's likely to develop a mine but still has a very low market capitalization. Management bought and later sold a European property at very good prices, giving it the cash to invest in several projects. Most of the money went into acquiring an interest in a gold project in Nevada that already had a mill and other infrastructure plus over 400,000 ounces of proven reserves. An independent evaluation estimated a total resource of over 1.3 million ounces, and a drilling program is now underway to prove up those additional reserves. There's great leverage here if gold moves up, and it looks like a solid situation even at current gold prices.

Pursuant to the provisions of Rule 206 (4) of the Investment Advisors Act of 1940, we advise all readers to recognize that they should not assume that all recommendations made in the future will be profitable or will equal the performance of any recommendations referred to in this issue.

The information presented in this issue has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. The security portfolio of our employees, officers or affiliated companies may, in some instances, include securities mentioned in this issue.

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# KAISER EXPRESS

95-11

Premium Release: October 13, 1995

Tel: (510) 299-0214

Written by John Kaiser

Bargain Release: October 17, 1995

Fax: (510) 299-1288

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## New Red Mountain Gold Discovery

Teuton Resources Corp (TUO-V: \$1.02) and Minvita Enterprises Ltd (MVE-V: \$2.00) have made a significant high grade gold discovery on their 50:50 owned Red Mountain property in the Stewart area of northwestern British Columbia. The discovery is located about 20 km southeast of Stewart within an 80,000 acre parcel south of Royal Oak's million ounce Red Mountain gold deposit. Teuton and Minvita have been conducting grassroots exploration in this area since 1984. On October 5 they released partial trenching results at the request of the VSE when it became apparent that leaks from the field were stimulating buying activity in these normally sleepy bottom-fish (Teuton is one of my 100 picks for 1995 featured in the November-December 1994 issue of the Kaiser Bottom-Fishing Report). At first reluctant to mount a drill program this late in the exploration season, Dino Cremonese, president of the two companies, has succumbed to market pressures and is mobilizing a drill rig for a 6-8 hole drill program to test the high grade gold zone for grade consistency and vertical extent. It is not unreasonable to speculate that Teuton and Minvita may have a million ounce gold discovery on their hands, and given the current low market capitalizations (Teuton 9.75 million fully diluted, Minvita 5.74 million fully diluted), both stocks represent excellent short term speculations with \$3 and \$5 respective targets. Teuton is the more liquid trader, since October 5 Teuton has traded 7.9 million shares while Minvita has traded 1.95 million.

The focus of the excitement is a 150 metre wide system of chloritized and hematized volcanic and intrusive rocks with a minimum 500 metre strike length that hosts a series of sub-parallel, gold-bearing 2-8 metre wide shear zones. Drilling will be conducted on the discovery shear zone, which has been traced over a 100 metre strike length. Trench #4 yielded 3.587 opt gold over a 5.5 metre width (including 1.5 metres of 8.309 opt gold), trench #11 located 35 metres along strike to the northwest yielded 2.7 metres of 0.71 opt gold, and trench #15 located 20 metres to the southeast yielded 7.5 metres of 0.76 opt gold. On a parallel shear 20 metres to the northeast, trench #16 yielded 1.5 metres of 7.18 opt gold. Grab samples have shown that high grade gold values occur throughout the system. Assays for the rest of the 81 trenches cut this summer are expected by the end of October.

Topographically, the zone undergoes an elevation rise of about 200 metres, which leads Cremonese to speculate that the near vertical shear zones will extend to a depth of at least 100-200 metres. A bit of crude scoping generates a potential resource of 300,000-400,000 tonnes for the trench #4 zone using a 5 metre average width. Considering that 3-4 such zones exist, there is room for a total resource of 1-1.5 million tonnes of high grade ore. The drill program on the trench #4 zone will help establish how core assays compare with trench sample assays. It will also give us a third dimension to support tonnage estimates. At a 0.7 opt average gold grade we would be looking at a 1 million ounce gold reserve.

The drill program will also reveal the discovery's potential as a bulk tonnage deposit. The high grade gold values are associated with strong hematite mineralization within the shears. However, milder hematite mineralization exists in the wall rock between the parallel shears. It is possible that the entire system hosts gold mineralization, albeit at a lower grade. A 150 m wide by 500 m long by 200 m deep mineralized system would represent a resource of about 50 million tonnes with several million ounces gold.

At this stage we have only several zones exposed on surface by trenching. Cremonese, who has dedicated the past 15 years of his geology career to the Stewart area, states that the gold-bearing hematite mineralization does not compare to any of the known deposits in the Eskay Creek-Stewart area. Although the area is known for its rich deposits such as Eskay Creek (1.1 million tons 1.91 opt gold & 85.5 opt silver), Snip (870,000 tons 0.85 opt gold) and Red Mountain (2.6 million tonnes 0.37 opt gold & 1.1 opt silver), it is also infamous for its small, high grade lenses with hard to define tonnages such as Camnor's nearby Willoughby project. The speculative question is whether or not Teuton and Minvita have found a decent sized gold deposit. Because Teuton/Minvita do not plan to buck fog and deep snow with a winter drilling program, the upcoming late season drill program is critical. Management is not noted for its promotional abilities, so market action will depend on results and investor mood. The appetite for this type of discovery play, however, is strong. I feel comfortable recommending Teuton to a \$1.50 limit and Minvita to a \$2.50 limit based on the information on hand and the upcoming drill program.

No statement or expression of opinion, or any other matter herein, directly or indirectly, is an offer to buy or sell the securities mentioned. While we believe the sources of information to be reliable, we in no way represent or guarantee the accuracy thereof, nor the statements contained herein. This issue of the Kaiser Express is intended for the exclusive use of Premium subscribers until the Bargain release date posted above. Annual subscriptions to the Premium Kaiser Express are \$300.00 US and can be ordered from Canspec Research at PO Box 6488, Moraga, CA, 94556. Tel: (510) 299-0214. Fax: (510) 299-1288.

MINVITA ENTERPRISES LTD.  
509-675 W. Hastings Street  
Vancouver, B.C.  
V6B 1N2

Quarterly period ended  
Dec. 31, 1995

**Schedule "A" - Financial Information**

**BALANCE SHEET**

**STATEMENT OF OPERATIONS AND DEFICIT**

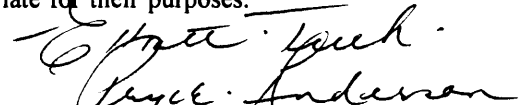
**STATEMENT OF CHANGES IN FINANCIAL POSITION**

**SCHEDULE OF MINERAL PROPERTY EXPENDITURES**

MINVITA ENTERPRISES LTD.  
FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED  
DECEMBER 31, 1995  
(Unaudited - see Notice to Reader)

NOTICE TO READER

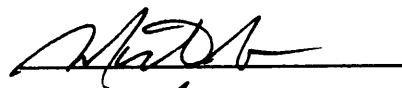

We have compiled the balance sheet of Minvita Enterprises Ltd. as at December 31, 1995 and the statements of operations and deficit and changes in financial position for the nine month period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

  
CHERYL ANDERSON  
CHARTERED ACCOUNTANTS

Vancouver, B.C.  
February 13, 1996

BALANCE SHEET  
AS AT DECEMBER 31, 1995  
(Unaudited - See Notice to Reader)

	1995 \$	1994 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	2,058,551	4,371
Accounts receivable	3,174	3,799
Prepaid expenses	1,545	500
Due from related party	44,747	-
	<hr/>	<hr/>
	2,108,017	8,670
INVESTMENT (market value - \$13,500)	12,500	13,550
CAPITAL ASSETS	995	1,245
MINERAL PROPERTIES (Schedule 1)	527,559	326,130
	<hr/>	<hr/>
	2,649,071	349,595
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals	3,793	1,520
Due to related parties	-	9,138
Due to a shareholder	26,987	32,000
	<hr/>	<hr/>
	30,780	42,658
	<hr/>	<hr/>
<b>SHAREHOLDERS' EQUITY</b>		
CAPITAL STOCK	3,500,591	1,010,091
CONTRIBUTED SURPLUS	100	100
DEFICIT	(882,400)	(703,254)
	<hr/>	<hr/>
	2,618,291	306,937
	<hr/>	<hr/>
	2,649,071	349,595
	<hr/>	<hr/>
<b>APPROVED BY THE BOARD</b>		

 Director  
 Director

MINVITA ENTERPRISES LTD.  
STATEMENT OF OPERATIONS AND DEFICIT  
FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 1995  
(Unaudited - see Notice to Reader)

	1995 \$	1994 \$
EXPENSES		
Finder's fee	76,500	-
Interest and bank charges	402	280
Office and rent	12,475	7,529
Professional fees	11,265	3,964
Management fees	18,000	18,000
Transfer agent and regulatory	8,681	4,158
Shareholder relations	756	457
	<u>128,079</u>	<u>34,388</u>
Less interest income	9,717	271
	<u>          </u>	<u>          </u>
NET LOSS FOR THE PERIOD	(118,362)	(34,117)
DEFICIT - BEGINNING OF PERIOD	<u>          </u>	<u>          </u>
DEFICIT - END OF PERIOD	<u>(882,400)</u>	<u>(703,254)</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 1995  
(Unaudited - see Notice to Reader)

	1995 \$	1994 \$
OPERATING ACTIVITIES		
Net loss for the period	(118,362)	(34,117)
Less non-cash charges	76,500	-
	<u>(41,862)</u>	<u>(34,117)</u>
Change in non-cash working capital items		
Current assets	(42,495)	(1,812)
Current liabilities	(76,388)	35,083
	<u>(160,745)</u>	<u>(846)</u>
FINANCING ACTIVITY		
Issue of capital stock	2,490,500	118,950
Less issued for non-cash consideration	(76,500)	-
	<u>2,414,000</u>	<u>118,950</u>
INVESTING ACTIVITIES		
Acquisition of and expenditures upon mineral properties, net	(195,083)	(145,813)
Investment	-	(7,500)
	<u>(195,083)</u>	<u>(153,313)</u>
INCREASE (DECREASE) IN CASH	2,058,172	(35,209)
CASH - BEGINNING OF PERIOD	379	39,580
CASH - END OF PERIOD	<u>2,058,551</u>	<u>4,371</u>

MINVITA ENTERPRISES LTD.  
SCHEDULE OF MINERAL PROPERTY EXPENDITURES  
FOR THE NINE MONTH PERIOD ENDED  
DECEMBER 31, 1995

(Schedule 1)

	\$
Aircraft	31,980
Assays	23,466
Camp supplies	11,362
Diamond drilling	51,692
Engineering	3,970
Equipment rental	4,211
Geological	18,822
Personnel	28,653
Supplies	19,619
Travel and accommodation	1,308
	<hr/> 195,083
BALANCE - MARCH 31, 1995	332,476
	<hr/>
BALANCE - DECEMBER 31, 1995	<u>527,559</u>



**MINVITA ENTERPRISES LTD.**  
**Quarterly Period ended**  
**Dec. 31, 1995**

**Schedule "B" - SUPPLEMENTARY INFORMATION**

1. Payments made to non-arm's length parties:  
Management fees totalling \$18,000 accrued to a company owned by an officer during the year to date.

2. For the quarter under review:

**a) SUMMARY OF SECURITIES ISSUED DURING THE PERIOD:**

Common shares issued:

Date	Shares	Price \$	Proceeds \$	Consideration
October	120,000	1.70	204,000	Cash
	480,000	1.70	816,000	Cash
	45,000	1.70	76,500	Finder's Fee
December	35,000	3.79	132,650	Cash
	315,000	3.79	1,193,850	Cash

Warrants issued:

Date	Shares	Price \$	Expiry
October	645,000	1.70	October 12, 1996
		<u>Or</u> 2.00	October 12, 1997

**b) OPTIONS GRANTED DURING THE PERIOD UNDER REVIEW**

No options were granted during the quarter.

3. As at the end of the quarter:

**a) Particulars of authorized capital and summary of shares issued and outstanding**

Authorized: 100,000,000 common shares no par value  
Issued and outstanding: 4,563,159 common shares no par value

<u>No. of shares</u>	<u>Price</u>	<u>Description</u>
986,206*	\$0.1904	Pre-consolidation financings
393,620	\$0.15	Debt settlement
600,000	\$0.15	Private Placement
400,000	\$0.16	Director's Reactivation Financing
100,000	\$0.24	Property Acquisition
18,333	\$0.24	For services
520,000	\$0.285	Private Placement
100,000	\$0.42	Property Acquisition
450,000	\$0.15	Private Placement
600,000	\$1.70	Private Placement
45,000	\$1.70	Finder's Fee (re Private Placement)
<u>350,000</u>	<u>\$3.79</u>	<u>Private Placement</u>
4,563,159		

**MINVITA ENTERPRISES LTD.**  
**Quarterly Period ended**  
**Dec. 31, 1995**

\* Following is a summary of shares issued prior to the 3:1 consolidation

740,000	\$0.01	Escrow stock
500,000	\$0.20	Seed stock
100,000	\$0.25	Seed stock
111,000	\$0.50	Seed stock
57,620	\$0.40	Debt settlement
550,000	\$0.35	Primary distribution
250,000	\$0.20	Private placement
150,000	\$0.20	Private placement (flow-through)
100,000	\$0.15	Property acquisition
300,000	\$0.15	Private placement
100,000	\$0.20	Property acquisition
<u>2,958,620</u>		[986,206 shares after 3:1 consolidation]

b) Summary of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry dates.

Director and Employee Options Outstanding    None outstanding

Private Placement Warrants Outstanding

Number	Type	Exercise Price	Expiry Date
520,000	Share Purchase Warrant	\$0.335	Mar. 14, 1996
450,000	Share Purchase Warrant	\$0.15	July 10, 1996
		Or, \$0.175	July 10, 1997
645,000	Share Purchase Warrant	\$1.70	Oct. 12, 1996
		Or, \$2.00	Oct. 12, 1997

c) Total number of shares in escrow or subject to a pooling agreement:

246,666 common shares are being held by the Company's transfer agent, in escrow. There are no shares subject to a pooling agreement.

d) List of Directors

Dino Cremonese	Michael Ginn
Gertrud Cremonese	Eugene Stonehocker

**SCHEDULE "C" - MANAGEMENT DISCUSSION**

During the quarter the Company completed a trenching and drilling program on its Red property gold discovery east of Stewart, British Columbia, jointly owned with Teuton Resources Corp. Results of this program have been reported in a series of news releases. Because of the discovery, the Company was able to complete two private placements on favourable terms raising in total \$2.3 million. The Company is now in the strongest financial position it has ever been in and is well funded for the 1996 exploration program on the Red property scheduled to commence in May or June.





**TEUTON RESOURCES CORP.**

509 – 675 West Hastings Street  
Vancouver, B.C.  
V6B 1N2

Trading Symbol: TUO-VSE

**MINVITA ENTERPRISES LTD.**

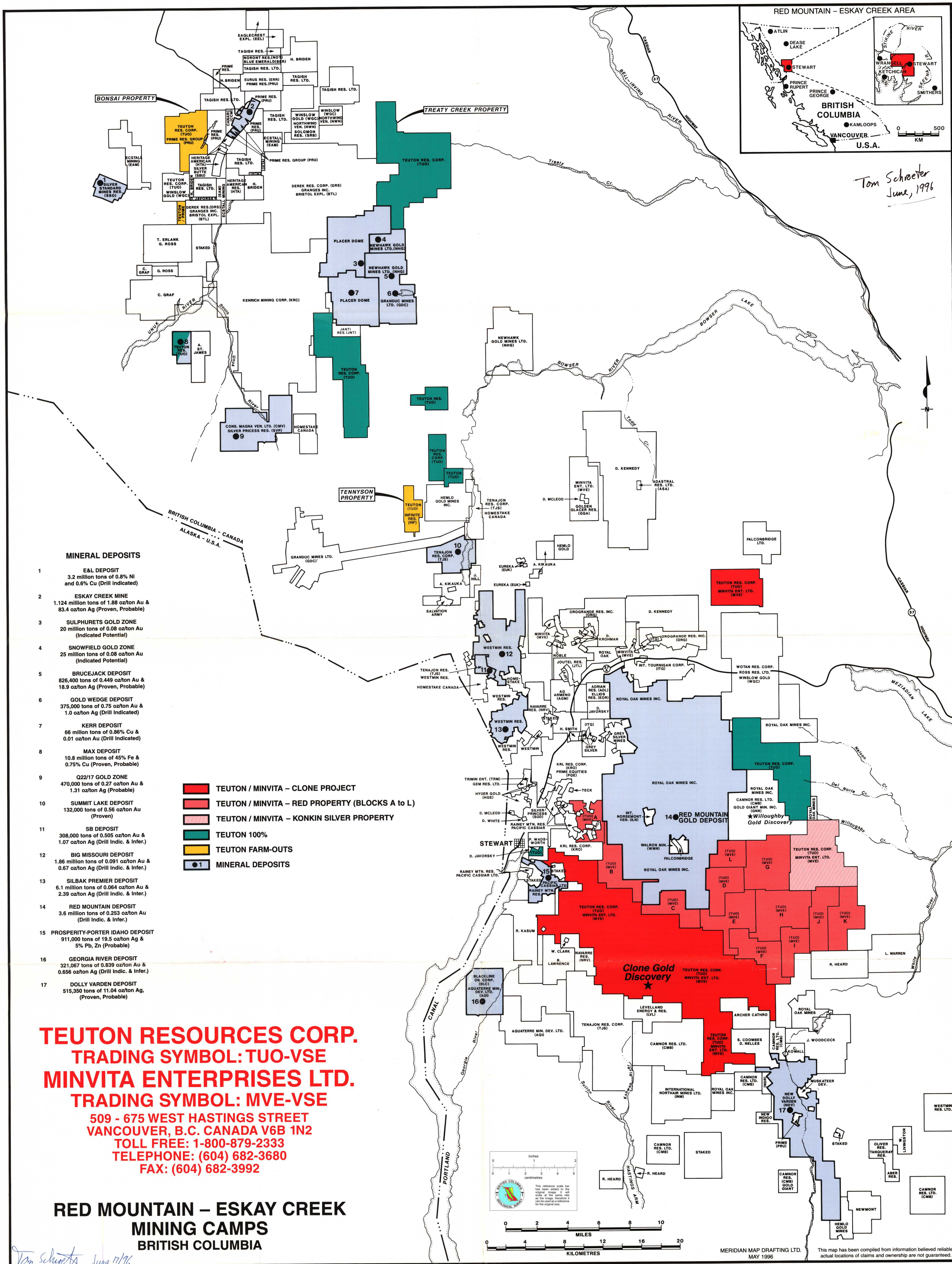
509 – 675 West Hastings Street  
Vancouver, B.C.  
V6B 1N2

Trading Symbol: MVE-VSE

For additional information contact  
the companies at:

Telephone: 604-682-3680  
Facsimile: 604-682-3992  
E-mail: [teuton@mindlink.bc.ca](mailto:teuton@mindlink.bc.ca)





**MINERAL DEPOSITS**

- 1 E&L DEPOSIT  
3.2 million tons of 0.8% Ni  
and 0.6% Cu (Drill Indicated)
- 2 ESKAY CREEK MINE  
1.124 million tons of 1.88 oz/ton Au &  
83.4 oz/ton Ag (Proven, Probable)
- 3 SULPHURETS GOLD ZONE  
20 million tons of 0.08 oz/ton Au  
(Indicated Potential)
- 4 SNOWFIELD GOLD ZONE  
25 million tons of 0.08 oz/ton Au  
(Indicated Potential)
- 5 BRUCEJACK DEPOSIT  
826,400 tons of 0.449 oz/ton Au &  
18.9 oz/ton Ag (Proven, Probable)
- 6 GOLD WEDGE DEPOSIT  
375,000 tons of 0.75 oz/ton Au &  
1.0 oz/ton Ag (Drill Indicated)
- 7 KERR DEPOSIT  
66 million tons of 0.86% Cu &  
0.01 oz/ton Au (Drill Indicated)
- 8 MAX DEPOSIT  
10.8 million tons of 45% Fe &  
0.75% Cu (Proven, Probable)
- 9 Q22/17 GOLD ZONE  
470,000 tons of 0.27 oz/ton Au &  
1.31 oz/ton Ag (Probable)
- 10 SUMMIT LAKE DEPOSIT  
132,000 tons of 0.56 oz/ton Au  
(Proven)
- 11 SB DEPOSIT  
308,000 tons of 0.505 oz/ton Au &  
1.07 oz/ton Ag (Drill Indic. & Infer.)
- 12 BIG MISSOURI DEPOSIT  
1.86 million tons of 0.091 oz/ton Au &  
0.67 oz/ton Ag (Drill Indic. & Infer.)
- 13 SILBAK PREMIER DEPOSIT  
6.1 million tons of 0.064 oz/ton Au &  
2.39 oz/ton Ag (Drill Indic. & Infer.)
- 14 RED MOUNTAIN DEPOSIT  
3.6 million tons of 0.253 oz/ton Au  
(Drill Indic. & Infer.)
- 15 PROSPERITY-PORTER IDAHO DEPOSIT  
911,000 tons of 19.5 oz/ton Ag &  
5% Pb, Zn (Probable)
- 16 GEORGIA RIVER DEPOSIT  
321,067 tons of 0.839 oz/ton Au &  
0.856 oz/ton Ag (Drill Indic. & Infer.)
- 17 DOLLY VARDEN DEPOSIT  
515,350 tons of 11.04 oz/ton Ag,  
(Proven, Probable)

- TEUTON / MINVITA - CLONE PROJECT
- TEUTON / MINVITA - RED PROPERTY (BLOCKS A to L)
- TEUTON / MINVITA - KONKINI SILVER PROPERTY
- TEUTON 100%
- TEUTON FARM-OUTS
- MINERAL DEPOSITS

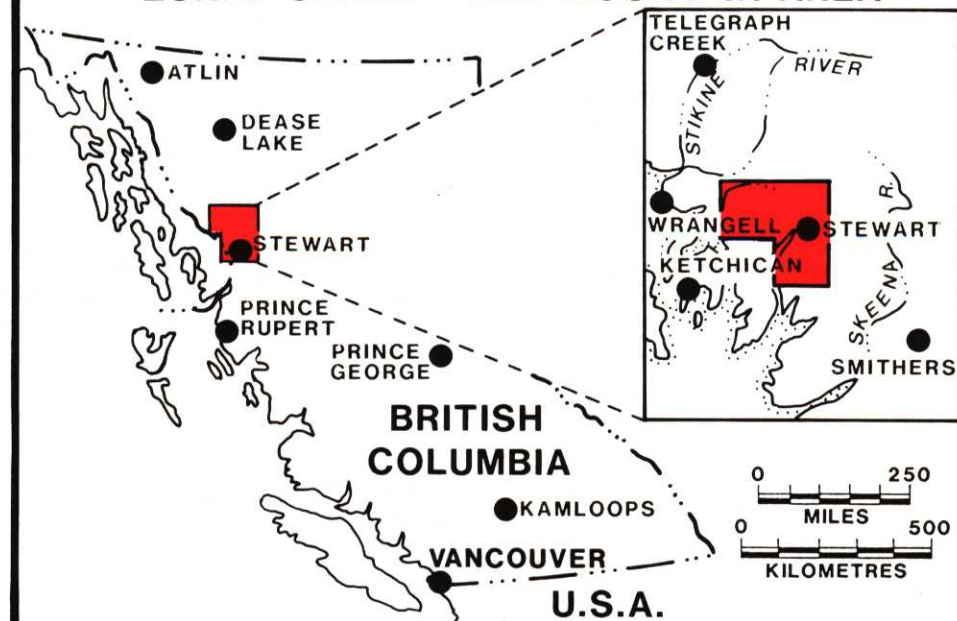
**TEUTON RESOURCES CORP.**  
**TRADING SYMBOL: TUO-VSE**  
**MINVITA ENTERPRISES LTD.**  
**TRADING SYMBOL: MVE-VSE**  
509 - 675 WEST HASTINGS STREET  
VANCOUVER, B.C. CANADA V6B 1N2  
TOLL FREE: 1-800-879-2333  
TELEPHONE: (604) 682-3680  
FAX: (604) 682-3992

**RED MOUNTAIN - ESKAY CREEK  
MINING CAMPS  
BRITISH COLUMBIA**



# ESKAY CREEK AREA

# ESKAY CREEK - RED MOUNTAIN AREA



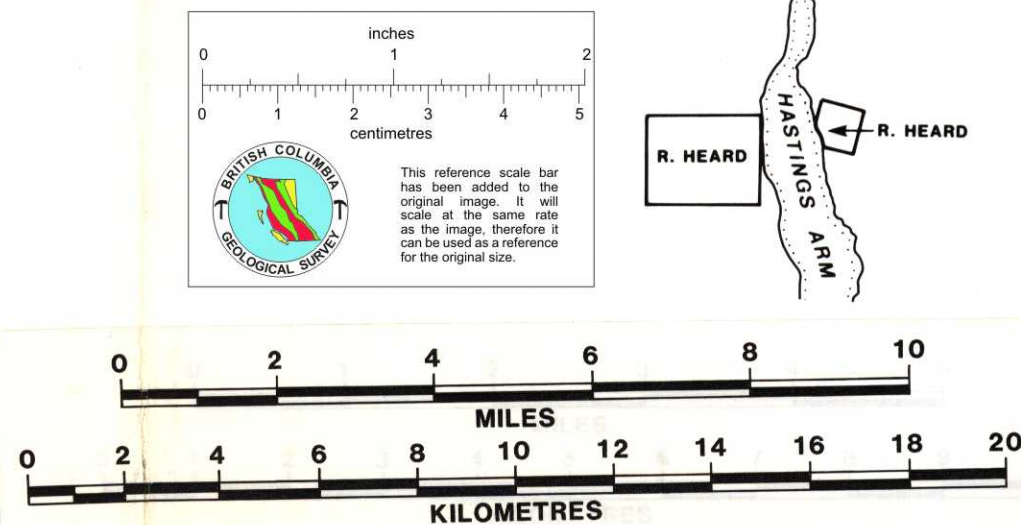
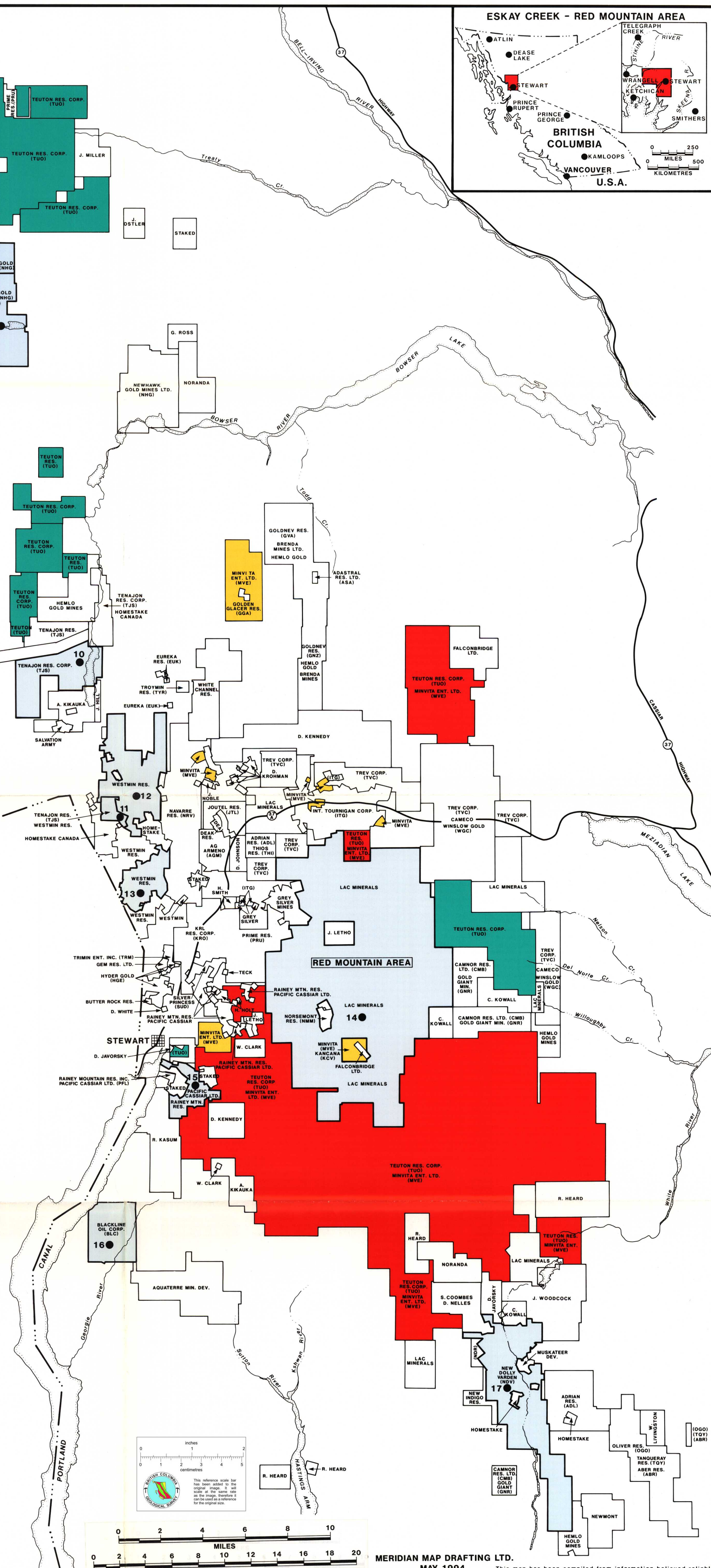
## MINERAL DEPOSITS

- 1 E&L DEPOSIT  
3.2 million tons of 0.8% Ni and 0.6% Cu (Drill Indicated)
- 2 ESKAY CREEK DEPOSIT  
1.19 million tons of 1.91 oz/ton Au & 85.5 oz/ton Ag, 5.6% Zn and 0.77% Cu (Proven, Probable)
- 3 SULPHURETS GOLD ZONE  
20 million tons of 0.08 oz/ton Au (Indicated Potential)
- 4 SNOWFIELD GOLD ZONE  
25 million tons of 0.08 oz/ton Au (Indicated Potential)
- 5 BRUCEJACK DEPOSIT  
826,400 tons of 0.449 oz/ton Au & 18.9 oz/ton Ag (Proven, Probable)
- 6 GOLD WEDGE DEPOSIT  
375,000 tons of 0.75 oz/ton Au & 1.0 oz/ton Ag (Drill Indicated)
- 7 KERR DEPOSIT  
66 million tons of 0.86% Cu & 0.01 oz/ton Au (Drill Indicated)
- 8 MAX DEPOSIT  
10.8 million tons of 45% Fe & 0.75% Cu (Proven, Probable)
- 9 Q22/17 GOLD ZONE  
470,000 tons of 0.27 oz/ton Au & 1.31 oz/ton Ag (Probable)
- 10 SUMMIT LAKE DEPOSIT  
132,000 tons of 0.56 oz/ton Au (Proven)
- 11 SB DEPOSIT  
308,000 tons of 0.505 oz/ton Au & 1.07 oz/ton Ag (Drill Indic. & Infer.)
- 12 BIG MISSOURI DEPOSIT  
1.86 million tons of 0.091 oz/ton Au & 0.67 oz/ton Ag (Drill Indic. & Infer.)
- 13 SILBAK PREMIER DEPOSIT  
6.1 million tons of 0.064 oz/ton Au & 2.39 oz/ton Ag (Drill Indic. & Infer.)
- 14 RED MOUNTAIN DEPOSIT  
2 million ounces of Au (Indicated Potential)
- 15 PROSPERITY-PORTER IDAHO DEPOSIT  
911,000 tons of 19.5 oz/ton Ag & 5% Pb, Zn (Probable)
- 16 GEORGIA RIVER DEPOSIT  
321,067 tons of 0.839 oz/ton Au & 0.656 oz/ton Ag (Drill Indic. & Infer.)
- 17 DOLLY VARDEN DEPOSIT  
515,350 tons of 11.04 oz/ton Ag, (Proven, Probable)

- TEUTON RES. / MINVITA ENT. JOINT VENTURE
- TEUTON RES. CORP.
- MINVITA ENT. LTD.
- MINERAL DEPOSITS

**TEUTON RESOURCES CORP.**  
**TRADING SYMBOL: VSE-TUO**  
**MINVITA ENTERPRISES LTD.**  
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 509 - 675 WEST HASTINGS STREET  
 VANCOUVER, B.C. CANADA V6B 1N2  
 TELEPHONE: (604) 682-3680  
 FAX: (604) 682-3992

**ESKAY CREEK - RED MOUNTAIN**  
**MINING CAMPS**  
**BRITISH COLUMBIA**



MERIDIAN MAP DRAFTING LTD.  
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