



SULPHURETS GOLD CAMP

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The Sulphurets Gold Camp is rapidly developing into a major gold exploration area. Recent discoveries by Newhawk Gold Mines and Brinco Mining have led to the participation of no less than 10 different companies in the Sulphurets camp. The centre of the camp is only 50 km north of Stewart, B.C., one of the most productive precious metal mining districts in British Columbia. From 1907 to 1968 the Premier Silbak, Big Missouri and a number of smaller mines produced close of 2 million oz. of gold and 44 million oz. of silver along with significant tonnages of base metals. During this time little exploration work was carried out in the Sulphurets area because of more difficult access and predominant ice cover. However, in recent years the rapid retreat of the ice cover has exposed a large number of previously undiscovered mineralized areas. Initially the search was for a porphyry-type copper deposit similar in nature to the Granduc mine just to the west of the Sulphurets gold camp. Today the exploration emphasis has dramatically switched to the search for gold and silver. Because of the geological similarity to the gold rich Stewart area the Sulphurets is an ideal area for precious metal exploration.

The Sulphurets gold camp lies east of the Coast Crystalline complex on the western edge of the Bowser Basin. The rocks in the area are predominantly sedimentary and volcanic rocks of Mesozoic age (Hazelton Group) and are intersected by a large number intrusive dykes, dyke swarms, stocks, etc., of both Cenozoic and Mesozoic age. It is with these intrusives that mineralization is generally associated. The mineralization can take a number of different forms in the geologic environment, however, the emphasis to date has been to look for either low grade bulk tonnage gold deposits, e.g. Sulphurets Zone, or epithermal type mineralization associated with shearing and faulting, e.g. Brucejack Lake Zone. The surface expression of many of the mineralized zones are gossans, most of which were only recently exposed by the melting ice cover and have yet to be extensively explored.

Although the number of companies in the Sulphurets camp has increased substantially over the past year, only two V.S.E. junior exploration companies have conducted significant exploration programs. They are Newhawk Gold Mines and Teuton Resource Corporation.

Newhawk Gold Mines Ltd. - NHG-V - Recent Price: \$1.40
Issued Shares: 2,629,471

In July, 1985, Newhawk Gold Mines entered into a 50:50 joint venture agreement with Lacana Mining of Toronto to earn a 60% interest from Granduc Mines Ltd.'s 243 unit claim. Through the agreement Granduc can be reduced to a minimum 20% of net proceeds. Previous work on the property costing over 2.3 million dollars concentrated on exploration for a porphyry gold-copper molybdenite deposit. However, in 1981, when Esso Minerals turned its attention to gold rather than copper, two interesting gold zones were discovered near Brucejack Lake.

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Exploration on the Sulphurets claims ceased until the Newhawk/Lacana joint venture drilled a total of 13,066 feet last summer. (To date a total of 39,134 feet has been drilled on the Brucejack Lake area.) The drilling was concentrated in three zones and delineated a mineral reserve of approximately 1,000,000 tonnes grading 0.826 oz/tonne an equivalent* over an average width of 12 feet. The newly discovered Gossan Hill Zone yielded the most spectacular assays, e.g. 10.93 oz/ton Au and 11.90 oz/ton Ag over 4 feet. Of the over 15 known mineralized zones on the property only two others, the Snowfields Zone and the Sulphurets Breccia Zone, have been drilled or trenched to any degree. Although drilling has been limited, the results, combined with the trenching values, indicate a total mineral inventory of 40,000,000 tonnes grading 0.08 oz/tonne Au in the two zones. Of considerable interest to the Newhawk/Lacana joint venture is work being carried out by Ed Kruchkowski of Catear Resources on a 50m by 200m claim section. The aptly named Gold Wedge bore 900 lbs of hand cobbled rock grading 600 - 800 oz/ton Au from 300 tons of rock. The claim section lies totally within the Newhawk/Lacana held claims.

Since the signing of the Newhawk/Lacana agreement additional staking has increased the joint venture holdings to 343 units. This summer a 1.5 million dollar exploration program is planned with the main emphasis on the Brucejack Lake area. The program will consist of close spaced infill drilling followed by an underground development phase. Limited exploration will be performed on other areas of the property.

As with all developing mines, there are hurdles to overcome before success can be achieved on the Newhawk/Lacana joint venture. The primary negative factor against mine development is the property's remoteness. The property is about 52 km from a main road (Highway 37). In addition, there is no readily accessible source of power near the site at this time. However, a private logging company has begun plans for construction of a road which will, when completed, come to within 15 km of the Brucejack Lake zones. This, combined with the provincial governments expressed willingness to assist the more remote Toodoggone region with road construction and thus provision of access to power, indicates that the problem of remoteness to the Sulphurets gold camp may only be temporary.

The shares of Newhawk Gold Mines are strongly recommended for purchase because:

1. the exploration on the Sulphurets property is well advanced and has produced three significant gold bearing zones which are still open in all directions,
2. a number of other anomalous gold zones remain to be explored

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* Silver:Gold (Ag:Au) ratio of 50:1

3. the property has known base metal mineralized zones which could be developed when base/metal prices rebound and
4. the management team is experienced in mineral exploration, mine financing and mine development. Accumulate below \$2.00.

Other V.S.E. listed companies which hold ground in the area include Allure Resources (ARU), Calnor Resources (CUU), Carmac Resources (CMA), Catear Resources (CAA.A), Granduc Mines (GDC), Northair Mines (NRM), Scottie Gold Mines (SDL), and Tenajon Silver (TJS).

PACIFIC INTERNATIONAL SECURITIES INC.

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