

VANANDA GOLD LTD. (VAG-V)
30,000-FOOT DRILL PROGRAM PLANNED TO TEST
NEW COPPER/GOLD MASSIVE SULPHIDE GEOPHYSICAL TARGETS
ADJOINING HISTORIC MINE PRODUCTION

New, large tonnage, structurally controlled, massive sulphide, skarn-hosted, copper/gold targets have been interpreted from recently completed induced polarization surveys on the Vananda 100%-owned, 148 claim block, on Texada Island, in Georgia Strait, 75 miles north of Vancouver, B.C. The property is subject to 6% net profits interest. (SEE MAP OVERLEAF PAGE 1.)

S.L. Beale, president, M. Ryan, director, and Charles M. Forster, P.Eng., consultant, in a recent interview outlined recent exploration results at the Vananda property. This work has included: wide and close-spaced induced polarization surveys, reinterpretation of historic induced polarization data using recently recognized techniques; VLF electromagnetic and magnetometer data; old and new geological data.

The new geophysical surveys were conducted and interpreted by Grant Hendrickson, Delta Geoscience Ltd. who has been familiar with the property through similar work done over the last few years. By using 2,000-meter and 3,000-meter spread of reading for the IP survey and the recently recognized/refined interpretation techniques he located a series of large targets at between 1,200 and 1,500 feet below surface. By correlating this data with previously executed VLF electromagnetic and magnetometer surveys together with surface and underground geology from both diamond drilling and underground workings, the targets were further refined. The targets are close to the volcanic limestone skarn contact. The underground workings were developed to mine highgrade massive sulphide, 2% to 3% copper ores, in the 1970's. One of the keys to the work is the IP targets correlating with magnetic lows indicating the new targets are close to but separate from the area of high magnetics where the iron mining operations were located. The iron mine, last worked in 1976, produced more than 20,000,000 tons of iron ore, 32,000 oz. gold, 850,000 oz. silver and 59,000,000 pounds of copper.

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The new targets also correlate with the areas mined underground for copper along the edge or boundary of the magnetite ore bodies. When last mined underground near the new targets, the copper grades were high, with ore in the veins when mining stopped. The ore is bornite/chalcopyrite found in skarn host.

The new targets are identified as: Sandy anomaly, 700 m along strike, 500 m wide, 15 m thick suggesting a 22,000,000-tonne potential; Northwest diorite anomaly, 1,000 m along strike, 500 m wide, 15 m thick suggesting a 24,000,000-tonne potential and four manto-type targets each with a 1,000,000-tonne potential and much closer to surface in the 50 to 100-meter depth range.

Vananda has planned a 30,000-foot diamond drilling program to test these anomalous targets and is in discussions for the funding with which to start the work. Representatives of 10 major and junior mining companies have examined the new data with offers to participate in various stages of discussion.

Vananda recently appointed Neil Maedel vice-president of investor relations. On Dec. 7, 1990, Vananda agreed to sell 750,000 flow-through shares at

15¢ each to fund a drilling program which extended the Little Billie known reserves to 200,000 tons of 0.32 oz. gold/t, 1.1 oz. silver/t, 2.08% copper. Currently the company has 4,182,878 share issued. On April 9, 1991, there were 375,000 shares released from escrow. No share remain in escrow. (SEE GCNL No.118, 19Jun91, P.3 FOR PREVIOUS PROJECT INFORMATION)

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