

**REPORT ON THE BIG TROUT LAKE
PLATINUM-PALLADIUM
EXPLORATION PROPERTY**

**PREPARED FOR
PLATINEX INC.**



October 8, 1999

ROSCOE POSTLE ASSOCIATES INC.

**Toronto, Ontario.
Vancouver, B.C.**

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SUMMARY

At the request of Mr. James R. Trusler, President, Platinex Inc. (Platinex), Roscoe Postle Associates Inc. (RPA) has prepared a combined Qualifying Report and Valuation Report on the Big Trout Lake platinum-palladium project situated some 230 km north of Pickle Lake, Ontario, for Platinex. The purpose of this report is to provide our independent assessment of the Big Trout Lake Property in relation to an initial public offering (IPO) of flow-through shares of Platinex on the Vancouver Stock Exchange (VSE).

Platinex is a private Canadian junior company involved with exploration for platinum group mineral (PGM) deposits, with a corporate office in Aurora, Ontario.

During the past 12 to 18 months a number of Canadian junior mining companies have been involved in acquisition and exploration for PGM deposits in the Sudbury region and Northwestern Ontario. The Sudbury area contains layered intrusions which may host PGM deposits, similar in type or style to other PGM deposits around the world.

The recent activity in exploration in Ontario for PGM mineralization is due to the anticipated increase in future consumption of Pt and Pd, the exhaustion of stockpiles at Noril'sk, in northern Russia, and investments in Ontario exploration properties by the major Pt-Pd producers from South Africa.

PGE DEPOSITS OF THE WORLD

Platinum group elements (PGE) consist of six elements: Iridium (Ir), Osmium (Os), Palladium (Pd), Platinum (Pt), Rhodium (Rh) and Ruthenium (Ru). PGE deposits are classified into three types, as follows:

- Magmatic deposits: PGE deposits present in magmatic rocks may be stratabound, discordant, marginal to the host rocks, associated with zoned intrusions such as Alaskan types, or other intrusions such as Coldwell complex near Marathon, northwestern Ontario or Skaergaard intrusion in Greenland.

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- Hydrothermal deposits: These are subdivided into two types, deposits with Pt-Pd-Au-(Cu) association such as at New Rambler, Wyoming and Rathbun near Sudbury, Ontario, and others with a U-Au-Pt-Pd association such as the Coronation Hill deposit, Australia and Nicholson Bay, Saskatchewan.
- Surficial deposits: These include the alluvial deposits.

PGE mineralization in magmatic rocks occurs in various environments, as follows:

- Ultramafic rocks of orogenic environments, such as Mt. Clifford, Australia, ophiolitic peridotites at Thetford, Québec, and non-orogenic kimberlites, such as in southern Africa, India and Yakutia (Siberia).
- Mafic rocks, such as tholeiitic basalts of the mid-Atlantic Ridge and continental basalts in Brazil, southwestern Africa, Deccan Flats in India, the Columbia River region of Washington and Oregon in the USA, and alkali basalt flows of Kazakhstan. The Duluth Intrusion in Minnesota and the Muskox Intrusion in the Northwest Territories also contain these rocks.
- Mafic-ultramafic layered complexes. These include the world-class deposits of the Bushveld complex in South Africa, Stillwater complex in Montana, and the Great Dike in Zimbabwe.

Pt:Pd ratios of PGE deposits and occurrences vary from 2.5:1 to 1:>12 and are listed below.

Area	Pt:Pd Ratio
Bushveld, South Africa	
Merensky Reef	2.5:1
UG2 Chromitite	1 to 1.5:1
Platreef	1:1
Stillwater, Montana	
JM Reef	1:3.5
Picket Pin Zone	1:1
Fox River, Manitoba	1:1
Duluth Complex	1:1 to 1:3
Lac des Isles, Ontario	1:>12

All current significant PGE production and reserves are contained within either layered mafic intrusions or mantle derived Cu-Ni deposits. The Big Trout Lake Property has geological characteristics in common with other layered mafic-ultramafic complexes which produce PGEs.

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PGE concentration is commonly associated with three groups of mineral assemblages. The first group includes oxides, mostly chrome spinel (chromite), which is an efficient concentrator of PGE in many geological settings, e.g. Bushveld, Great Dike, Stillwater and Alaska-type intrusions. The second group is sulphides, which includes the most common and the most important association of the PGE, e.g. Noril'sk, Sudbury, Merensky Reef (Bushveld), and essentially all magmatic Ni-Cu sulphide deposits. A third group of silicate minerals, such as ferromagnesian minerals, may concentrate PGE but economic grades are not reported.

LOCATION AND ACCESS

The Big Trout Lake Property is located some 580 km north of Thunder Bay and 230 km north of Pickle Lake, in the Patricia Mining Division of northwestern Ontario. Access is by float-equipped aircraft or by winter road. The closest all-weather road extends north from Pickle Lake to within 160 km of the property. From there a winter road extends to the Big Trout Lake Indian Reserve, located on the north shore of Big Trout Lake.

EXPLORATION HISTORY

The Big Trout Lake area has had little exploration work in the past. From 1960 to 1980 Inco Limited (Inco) carried out airborne magnetometer surveys and limited diamond drilling. Inco's exploration target, however, was initially nickel and later chromite mineralization and the PGE potential of the area was not recognized until 1980 when P. J. Whittaker carried out a mineralogical research study on chromites of the Inco diamond drill core and speculated on the PGE potential of the chromitites. In the 1970s, Inco also attempted to assess the potential of large chromite deposits in the area.

From 1980 to 1982 Canadian Occidental Petroleum Ltd. (Canoxy) carried out ground geophysical surveys and completed 3 diamond drill holes in 1981 and 8 holes in 1982. One of the 1981 holes (Hole BT-2-81) intersected 7 g/t combined Pt+Pd over 2 m. The property was dormant until 1985 when Platinum Exploration Canada acquired it by staking.

From 1985 through 1989, Platinum Exploration Canada and its successor companies carried out

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airborne and ground geophysical surveys and completed 11,885 m of diamond drilling in 54 holes to explore the Big Trout Lake layered intrusive complex. These drill holes were designed to test the potential for stratabound PGE mineralization along a 6 km strike length of the basal ultramafic unit of the layered intrusive complex in the area.

In 1986, upon merging with Silver Lake Resources Inc., Platinum Exploration Canada changed its name to International Platinum Corporation (IPCO) and later in 1995, to International Precious Metals Corp. (IPM). On March 23, 1987, IPCO and Fuellstoff GmbH (Degussa) of Frankfurt, Germany, formed a joint venture whereby Degussa would earn 50% interest in certain exploration properties including the Big Trout Lake Property. In December 1987, a new joint venture was formed including Jenkim Investments Ltd. (Jenkim) along with IPCO and Degussa.

The property was again dormant from 1990 to 1998, except for a limited Max-Min II EM survey in 1997. In 1998, the property rights were transferred to Mr. J. R. Trusler, and in 1999 from Mr. J. R. Trusler to Platinex.

GEOLOGY AND MINERALIZATION

The Big Trout Lake Property comprises 221 contiguous mineral claims covering a total area of approximately 3,580 ha. The area covers parts of the Big Trout Lake ultramafic-mafic intrusive complex (BTL Complex) which is situated within the God's Lake Subprovince of the Archean Superior Structural Province of the Canadian Shield. The BTL Complex comprises sills with peridotite, pyroxenite, dunite and chromitite rich layers.

Within the basal ultramafic unit of the BTL Complex sulphide mineralization of 0.5% commonly occurs as fine disseminations. In places, however, sulphide content may reach 2% to 5%. Narrow semi-massive to massive sulphide zones occur along the basal contact and within the underlying mafic volcanic rocks. Sulphide constituents are pyrite, pyrrhotite, chalcopyrite and pentlandite. Anomalous amounts of Pt and Pd are commonly associated with the sulphides.

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PGE mineralization has been encountered along a 6 km long trend of a magnetic high defined by several “thumbprint” magnetic anomalies within the BTL complex. The magnetic high extends for more than 8 km along strike. Two anomalous trends of PGE mineralization have been recognized. These are the more extensive East Zone and the West Zone some 700 m to 1 km further to the west. The East Zone occurs in the 600 m wide Ultramafic Zone usually 100 m to 200 m above the basal contact with mafic volcanic rocks. Mineralization ranges from 0.6 g/t combined PGE over 1 m to 8.4 g/t combined PGE over 2.3 m. Pt:Pd ratios are reported to be commonly in the range of 1.2:3 to 1:5. In the West Zone, PGE mineralization occurs as 200 ppb to 500 ppb combined PGE over 2 m to 20 m, with Pt:Pd ratios generally in the range from 1:1 to 1:1.5.

CONCLUSIONS

The Big Trout Lake Property is situated in an environment with good potential for economic PGE mineralization. Past exploration work has identified a geologic environment similar to the layered igneous complexes at Bushveld, South Africa and Stillwater, Montana. Much of the world’s primary Pt and Pd production comes from these two areas. Past exploration at Big Trout Lake has shown that:

- Anomalous Pt-Pd mineralization occurs along a trend about 6 km long.
- Anomalous Pt-Pd mineralization has been intersected in diamond drill holes down to 200 m below the surface.
- Intersections with anomalous Pt-Pd mineralization appear to be correlated from drill section to drill section along a 2 km long trend of higher drill hole density in the East Zone.
- PGE mineralized zones are continuous along the plane of the ultramafic layering, but the significant concentrations are generally in narrow zones and appear to be within shoots with steep as well as subhorizontal plunges along the plane of the igneous layering.
- A Max-Min II EM conductor, some 400 m to 500 m east of the southern part of the East Zone is not yet tested by drilling. This conductor may represent a zone of sulphide mineralization which is wider than those intersected in drill holes completed to date.
- Anomalous Pt-Pd mineralization occurs along the layered gabbro/anorthosite contact of the West Zone.

In RPA’s opinion, further work on the Big Trout Lake Property is justified to explore for economic concentrations of PGE.

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RECOMMENDED PROGRAM AND BUDGET

Platinex has proposed an exploration program of diamond drill testing of the down-plunge extension of the mineralized shoots interpreted from previous drilling, and of hitherto untested geophysical targets. RPA concurs with this program and considers an initial budget of about \$600,000, including some 3,000 m of diamond drilling, as a Phase 1 program. Platinex also has planned an exploration budget of \$600,000 for a Phase 2 program. RPA is of the opinion that the Phase 2 program will be dependent on successful results of the initial program. RPA is also of the opinion that a detailed compilation of past exploration must be carried out prior to commencement of the recommended diamond drilling.

VALUATION

Based on our discussion in Appendix B, the value of the Big Trout Lake Property by the three methods described is summarised as follows:

Appraised Value Method: \$635,000

Comparable Transaction Method: \$300,000 to \$2 million

Option Agreement Terms Method: \$525,000 to \$1.2 million

RPA is of the opinion that the wide range of the values by the Comparable Transactions Method is due to two recent transactions involving Anglo American Platinum Corp. Ltd. (Amplats) and Impala Platinum Holdings Ltd. (Impala). Both of these are major PGE producers and South African companies, and are eager to invest in countries other than South Africa. Consequently, the transactions values of around \$2 million do not necessarily reflect the inherent values of the Sudbury area properties which were acquired.

RPA is of the opinion that the Fair Market value of the Big Trout Lake Property is in the range of \$500,000 to \$700,000. At the 75% interest, Platinex's share of the Big Trout Lake Property is in the range of \$375,000 to \$525,000.

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INTRODUCTION

At the request of Mr. James R. Trusler, President, Platinex Inc. (Platinex), Roscoe Postle Associates Inc. (RPA) has prepared a combined Qualifying Report and Valuation Report on the Big Trout Lake Platinum-Palladium Project situated some 230 km north of Pickle Lake, Ontario, for Platinex (Figure 1). The property comprises 221 contiguous mineral claims covering a total area of approximately 3,580 ha.

Platinex is a private Canadian junior company involved with exploration for platinum group mineral (PGM) deposits, with a corporate office in Aurora, Ontario.

The purpose of this Qualifying Report is to provide our independent assessment of the Big Trout Lake Property in relation to an initial public offering (IPO) of flow-through shares of Platinex on the Vancouver Stock Exchange (VSE).

During the past 12 to 18 months a number of Canadian junior mining companies have been involved in acquisition and exploration for PGM deposits in the Sudbury region and Northwestern Ontario. The Sudbury area contains several layered intrusions which may host two types or styles of PGM deposits, similar to other PGM deposits around the world. Contact style deposits are formed through interaction between Pt and Pd-rich magmas and the enclosing rocks. Reef style deposits are formed during late stage crystallization of the magma.

The recent activity in exploration for PGE mineralization is due to the anticipated increase in future consumption of Pt-Pd, the exhaustion of stockpiles at Noril'sk in northern Russia and investments in exploration properties by the major Pt-Pd producers from South Africa.

To become familiar with the Big Trout Lake Project, Mr. Hrayr Agnerian, M. Sc. (Applied), P. Geo., Consulting Geologist with RPA, reviewed technical documents and reports on the Big Trout Lake Property supplied by Platinex. RPA also retained the services of Mr. Ian Chisholm, P. Eng.,



Figure 1
Platinex Inc.
Big Trout Lake Property
Patricia Mining Division, Ontario
Location Map

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Manager of Geological Services with Pearson, Hofman & Associates Ltd. of Toronto, who is familiar with the Big Trout Lake Project and supervised the field program for a company which held the Big Trout Lake Property during the last active exploration period in 1987-1990.

For this report, the project area was not visited and diamond drill core from previous exploration was not examined, because no new work has been done on the property since the last diamond drilling program in 1989, other than the Max-Min II EM (HLEM) survey in 1997 which was carried out to confirm a previously detected airborne EM anomaly. RPA considers that this HLEM survey has not materially changed the status of the property.

For this study, RPA has not carried out any independent sampling and has not searched title to the Big Trout Lake Property. RPA has relied on assessment data - contained in detailed results of past exploration work - and title documents supplied by Platinex. Metric units are used in this report and all costs are in Canadian dollars. The sources of information used to prepare this Qualifying Report are listed at the end of this report.

The valuation of the Big Trout Lake Property is documented in a separate Valuation Report and is attached as Appendix B to this Qualifying Report.

The present Qualifying Report and the Valuation Report on the Big Trout Lake Property are prepared in accordance with the listing requirements of the VSE.

TERMS OF REFERENCE

On August 5, 1999, RPA was contacted and retained by Mr. James R. Trusler, P. Eng., President of Platinex, to prepare the Qualifying Report and carry out the current valuation. On August 12, 1999, RPA sent an engagement letter to Mr. Trusler and work began on that date.

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QUALIFICATIONS OF RPA

Roscoe Postle Associates Inc. (RPA), is an independent firm of Geological and Mining Consultants with offices in Toronto and in Vancouver. Since its establishment in 1985, RPA has carried out several hundred consulting assignments for more than two hundred clients, including major mining companies, junior mining and exploration companies, financial institutions, governments, law firms and individual investors. Clients are principally Canadian, American and European companies.

The business of RPA primarily involves providing independent opinion on ore reserves, technical aspects and economics of mining projects, valuation of mining and exploration properties, qualifying reports and prefeasibility work. RPA has prepared numerous qualifying reports for junior mining companies and has carried out independent valuations of more than a thousand exploration properties across Canada. These qualifying reports were usually in conjunction with issuing of shares to the public or listing of the company at one of the stock exchanges in Canada. The valuations were usually in conjunction with financial transactions involving the properties. RPA personnel and associates are Senior Geologists and Mining Engineers with extensive experience in the exploration and mining industries, and have worked on assignments in all parts of Canada, the United States and in other countries.

RPA's corporate experience with platinum group elements (PGE) deposits include; a report on the PGE deposits in Ontario for the Ontario Ministry of Northern Development and Mines, Mines and Minerals Division (Postle et al, 1986); a consulting assignment on PGE properties in Canada (1980s); a review of mining of the Lac des Isles Project (RPA, 1997); and the recent Preliminary Valuation of the Big Trout Lake Project for Platinex (Agnerian, 1999).

In addition, employees of RPA have carried out tasks related to PGE mineralization while employed with other companies. These included the preparation of an exploration program and strategy for North America for Dome Mines, and exploration for PGE deposits and property evaluations in the Stillwater District, Montana and in the Niquelandia District, Brazil.

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Hrayr Agnerian, M.Sc. (Applied), P. Geo., a Consulting Geologist with RPA, has extensive experience in mineral exploration in a wide variety of geological environments in Canada and abroad. Mr. Agnerian has been involved in many of RPA's assignments related to qualifying reports on exploration properties, valuations of mineral properties, and Mineral Resource estimates. He has published on the values of recent mineral property transactions by Canadian junior mining companies, on valuation of exploration properties and on the Contour Method of estimating Mineral Resources.

Mr. Ian Chisholm, P. Eng., is Manager of Geological Services with Pearson, Hofman & Associates Ltd. (PHA) of Toronto. He has extensive experience in mineral exploration worldwide and has worked on PGE projects throughout Africa, Europe and North America including the Bushveld, Lac des Isles and Musko complexes. He supervised the exploration program and was associated with the Big Trout Lake Project while working for a company which held the Big Trout Lake Property in the late 1980s.

PROPERTY STATUS AND AGREEMENTS

The Big Trout Lake Property consists of 221 contiguous mineral claims covering a total area of approximately 3,580 ha situated in the Patricia Mining Division of northwestern Ontario (Figure 2). Originally the property comprised 240 claims including the 19 North Claims, but the latter have been allowed to lapse. The claims are currently in good standing and minimum assessment work totalling \$88,300 - commonly about \$400 per claim - is due on July 17, 2000. The claims, however, are eligible to be transferred to lease before those dates. The claim numbers together with their assessment status are presented in Table 1 (Appendix A).

On May 29, 1998, International Precious Metals Corporation (IPM, formerly International Platinum Corporation) and James R. Trusler executed an option agreement whereby Mr. Trusler has an option to earn a 75% interest in the Big Trout Lake Property by spending \$900,000 on exploration over five years.

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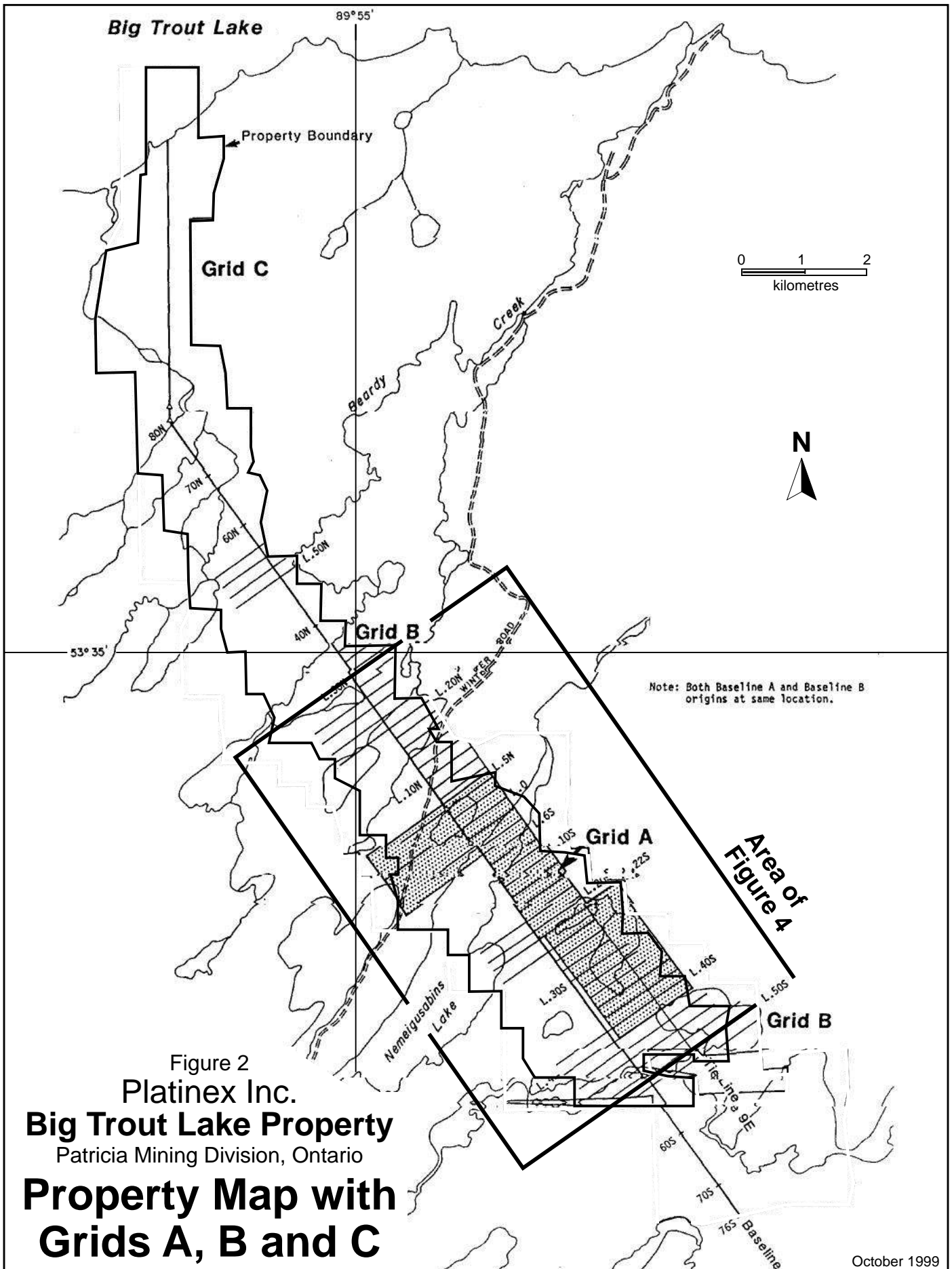


Figure 2
Platinex Inc.
Big Trout Lake Property
Patricia Mining Division, Ontario
**Property Map with
Grids A, B and C**

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On June 2, 1998, IPM signed an agency agreement transferring all of the 221 claims of the Big Trout Lake Property to James R. Trusler. On June 19, 1998, IPM filed for protection from creditors under the Chapter 11 rules of the United States Bankruptcy Court, Arizona Division.

In August 1998, Platinex Inc. was founded by Mr. James R. Trusler to search for platinum group minerals in North America.

In an agreement dated November 6, 1998, Mr. James R. Trusler assigned all of his rights under the May 29, 1998 agreement with IPM to Pacific North West Capital Corporation (PFN).

On November 27, 1998, James R. Trusler and IPM amended their May 29, 1998 option agreement into a purchase agreement, to the effect that Mr. Trusler will be entitled to a 100% equity interest in the Big Trout Lake Property for the same commitment of \$900,000 to be spent on exploration over five years. This amendment is subject to approval of the court administrator through a formal hearing. To date, however, such a hearing has not been scheduled.

On November 28, 1998, James R. Trusler and IPM amended their November 27, 1998 purchase agreement whereby Mr. Trusler acquired all rights, title and interest in the Big Trout Lake Property. This agreement is subject to the approval of the court administrator or bankruptcy trustee.

In November, 1998, the Big Trout Lake First Nations Band notified Mr. Trusler that it was opposed to exploration on the Band's "traditional and customary" lands. In a meeting on December 8, 1998, the band council reasserted its position with respect to exploration on the Big Trout Lake Property lands. The Ontario Ministry of Northern Development and Mines and the Ministry of Natural Resources have confirmed, however, that by virtue of Treaty 9, the Big Trout Lake First Nations Band has no rights to the land in question.

On January 29, 1999, PFN terminated its November 6, 1998 agreement with Mr. James R. Trusler.

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On February 24, 1999, James R. Trusler and Platinex entered into an agreement whereby Platinex acquired all of Mr. Trusler's interests in the Big Trout Lake Project for 1.6 million shares of Platinex at a deemed value of \$0.25 per share, subject to adjustment of the number of shares.

LOCATION, ACCESS AND INFRASTRUCTURE

The Big Trout Lake Property is located some 580 km north of Thunder Bay and 230 km north of Pickle Lake, in the Patricia Mining Division of northwestern Ontario (Figure 1). The property is within NTS Map Sheet 53H/12 and between 89°40' and 90°00' west Longitude and 53°29' and 53°43' north Latitude. Access is by float-equipped aircraft or by winter road. The closest all-weather road extends north from Pickle Lake to within 160 km of the property. From there a winter road extends to the Big Trout Lake Indian Reserve, located on the north shore of Big Trout Lake. Infrastructure for exploration and contract work is not available near the site and material has to be brought in from Sioux Lookout or Pickle Lake, Ontario.

TOPOGRAPHY AND PHYSIOGRAPHY

The Big Trout Lake Property lies within a large area of low relief leading to the Hudson Bay lowlands. Maximum elevation is about 265 m above mean sea level (AMSL) on two drumlin-like hills south of Nemeigusabins Lake which has an elevation of about 242.6 m. The predominant drainage in the area is northeast into Big Trout Lake. Swampy areas are common. Thick hummocky moss covers most of the ground even at higher elevations.

Outcrop covers less than 0.5% of the property area and is limited to small islands and shoreline on Big Trout Lake and three areas on Grid B, south of Nemeigusabins Lake. The area is covered by thick overburden ranging up to 32 m in thickness. It consists of boulder till with granitic, mafic volcanic and lesser ultramafic boulders. Overburden thickness appears to decrease in the northern part of the property. Unconsolidated lake sediments up to 5 m thick and clay up to 7 m thick are also

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present at Nemeigusabins Lake and nearby lakes. Two distinctly different glacial tills are reported to be present in the area (Hudec, 1964).

HISTORY OF PREVIOUS WORK AND RESULTS

GENERAL

The Big Trout Lake area was first mapped on a reconnaissance scale by J. B. Tyrrell of the Geological Survey of Canada (GSC) in 1913. After a long hiatus P. P. Hudec of the Ontario Department of Mines carried out similar reconnaissance scale geological mapping of the area in 1964. More detailed mapping was done by Thurston et al (1979) for the Ontario Geological Survey.

From 1960 to 1980 Inco Limited (Inco) carried out airborne magnetometer surveys and limited diamond drilling. Inco's exploration target, however, was initially nickel and later chromite mineralization, and the PGM potential of the area was not recognized until 1980 when P. J. Whittaker carried out a mineralogical research study on chromites of the Inco diamond drill core and speculated on the PGM potential of the chromitites. In the 1970s, Inco also attempted to assess the potential of large chromite deposits in the area.

From 1980 to 1982 Canadian Occidental Petroleum Ltd. (Canoxy) carried out ground geophysical surveys (magnetometer and VLF-EM) and completed 3 diamond drill holes in 1981 and 8 holes in 1982. One of the 1981 holes (Hole BT-2-81) intersected 7 g/t combined Pt+Pd over 2 m. The 1982 follow-up holes failed to extend this zone along strike (Trusler, 1999). The property was dormant until 1985 when Platinum Exploration Canada acquired it by staking.

From 1985 to 1989 Platinum Exploration Canada and its successor companies carried out airborne and ground geophysical surveys and completed 11,885 m of diamond drilling in 54 holes to explore the Big Trout Lake layered intrusive. The objective was to intersect stratiform PGE mineralization within certain units of the intrusive which were detected as formation magnetic anomalies. PGE mineralization was intersected in ultramafic rocks of the East Zone and gabbros

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of the West Zone. Extensive lithogeochemical sampling and structural analysis was done on drill core.

In 1986, upon merging with Silver Lake Resources Inc., Platinum Exploration Canada changed its name to International Platinum Corporation (IPCO) and later in 1995, to International Precious Metals Corp. (IPM). On March 23, 1987, IPCO and Fuellstoff GmbH (Degussa) of Frankfurt, Germany, formed a joint venture whereby Degussa would earn 50% interest in certain exploration properties including the Big Trout Lake Property. In December 1987, a new joint venture was formed including Jenkim Investments Ltd. (Jenkim) along with IPCO and Degussa. A summary of previous exploration is presented in Table 2 (Appendix A).

The property was again dormant from 1990 to 1998 except for a limited Max-Min II EM survey in 1997, as discussed below. In 1998, the property rights were transferred to Mr. J. R. Trusler, and in 1999 from Mr. J. R. Trusler to Platinex.

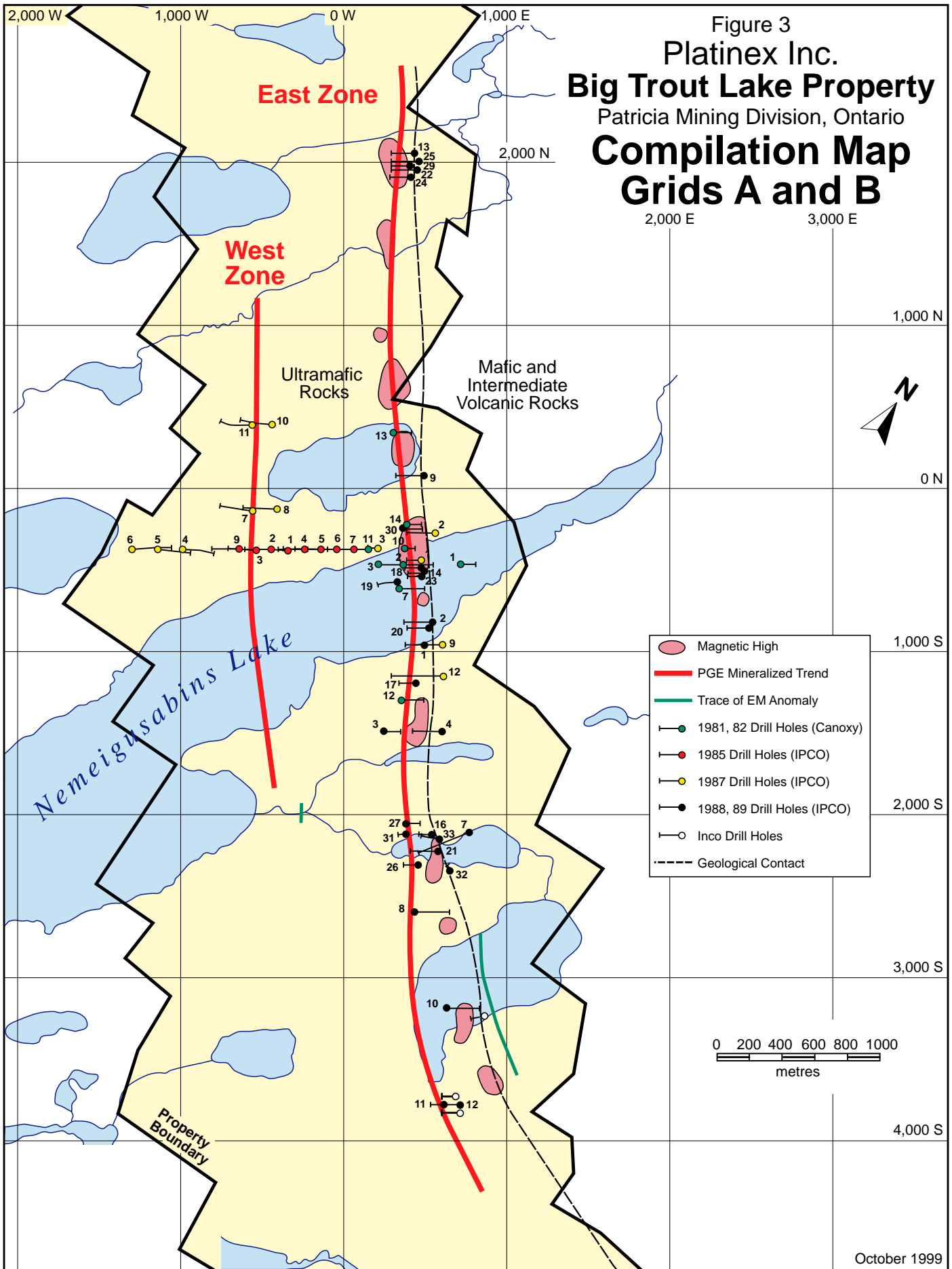
DIAMOND DRILLING

From 1985 through 1989 Platinum Exploration Canada and IPCO carried out diamond drilling on the Grids A, B and C of the Big Trout Lake area. In total, 11,885 m of diamond drilling (BQ core) was completed in 54 drill holes (Figure 3 and Table 3 in Appendix A). All drill moves and servicing of the drill sites were carried out by helicopter.

In 1985, Platinum Exploration Canada Inc. carried out a 9 hole reconnaissance drilling program with the objective of interpreting the igneous stratigraphy of the area. Anomalous PGE concentrations included intersections of 1,035 ppb Pt and 295 ppb Pd over 1.39 m in Hole BT-85-2, and 251 ppb Pt and 146 ppb Pd over 1.75 m in Hole BT-85-8.

In 1987, IPCO carried out a 12 hole program with the objective of completing a stratigraphic cross section of the Big Trout Lake intrusive complex. PGE mineralization was encountered in both the ultramafic unit of the East Zone and the anorthosite unit of the West Zone. Anomalous PGE concentrations were encountered in several holes. These included intersections of :

Figure 3
 Platinex Inc.
Big Trout Lake Property
 Patricia Mining Division, Ontario
Compilation Map
Grids A and B



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- 424 ppb Pt and 435 ppb Pd over 1.0 m in Hole BT-87-01
- 672 ppb Pt and 1,086 ppb Pd over 0.4 m in Hole BT-87-09
- 491 ppb Pt and 2,110 ppb Pd over 1.0 m in Hole BT-87-12

These intersections are commonly associated with chromite-rich layers with more than 1% Cr (Table 4, Appendix A).

In 1988, a 11 hole program by IPCO intersected significant PGE mineralization along a 5.8 km strike length of the East Zone. These included intersections of

- 1,490 ppb Pt and 3,170 ppb Pd over 60 cm in Hole BT-88-01
- 426 ppb Pt and 1,846 ppb Pd over 50 cm in Hole BT-88-02
- 259 ppb Pt and 1,121 ppb Pd over 80 cm in Hole BT-88-03
- 1,148 ppb Pt and 383 ppb Pd over 1 m and <15 ppm Pt and 10,610 ppm Pd over 45 cm in Hole BT-88-07
- 86 ppb Pt and 1,871 ppb Pd over 1 m in Hole BT-88-09
- 1,268 ppb Pt and 1,255 ppb Pd over 50 cm in Hole BT-88-12
- 412 ppb Pt and 1,350 ppb Pd over 1.3 m; 705 ppb Pt and 2,699 ppb Pd over 76 cm; 571 ppb Pt and 1,361 ppb Pd over 58 cm; and 589 ppb Pt and 1,401 ppb Pd over 1 m in Hole BT-88-13 (Table 4, Appendix A).

In 1989, a 20 hole program by IPCO was concentrated on extending the anomalous PGE mineralization encountered in 1988, at 25 m to 50 m step-outs. The program was successful in outlining apparent shoots of PGE mineralization within the basal ultramafic unit. Significant PGE mineralization mainly in the Main Zone included intersections of:

- 1,453 ppb Pt and 11,351 ppb Pd over 1 m and 859 ppb Pt and 5,338 ppb Pd over 1 m in Hole BT-89-14
- 1,637 ppb Pt and 3,177 ppb Pd over 2 m and 1,417 ppb Pt and 615 ppb Pd over 1.3 m in Hole BT-89-16

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- 742 ppb Pt and 587 ppb Pd over 1 m in Hole BT-89-18
- 1,322 ppb Pt and 3,985 ppb Pd over 1 m in Hole BT-89-21
- 1,323 ppb Pt and 7,003 ppb Pd over 2.3 m in Hole BT-99-22
- 1,532 ppb Pt and 2,935 ppb Pd over 30 cm in Hole BT-89-23
- 1,242 ppb Pt and 325 ppb Pd over 70 cm in Hole BT-89-26
- 1,079 ppb Pt and 1,111 ppb Pd over 1 m in Hole BT-89-27
- 2,602 ppb Pt and 1,270 ppb Pd over 50 cm in Hole BT-89-32 (Table 4, Appendix A).

The collar locations for all the holes were based on the grid co-ordinates and elevations were recorded for all the holes. Acid dip tests were taken in all holes. Directional surveying was not carried out “due to irregular magnetics in the ultramafic sequence” (Bryant, 1989).

Core was logged in detail with continual use of a binocular microscope. In 1988 and 1989 the drill core was logged using a portable computer with the then current version of the Log II software and the Log II database was later merged with the assay data.

SAMPLING AND ANALYTICAL METHODS

The entire length of each drill hole was split in half. Sample lengths were 0.3 m to 1.0 m based on lithology. Split core samples were sent for analysis to Bondar-Clegg and Co. Ltd. Laboratories (Bondar-Clegg) in Ottawa. At Bondar-Clegg, samples were crushed to -10 mesh (-1.7 mm) using jaw and cone crushers. A 100 g representative split of the -10 mesh material was obtained using a Jones Riffle Splitter. The remaining “reject” material was retained for reference. In addition, as a cost saving measure, 3 m composite samples were prepared for some samples which were thought to be of lesser interest by combining representative -10 mesh splits from two or three samples.

At Bondar-Clegg, the individual or composite samples were pulverized to -200 mesh (-75 µm) pulp using a ring and puck pulverizer, and were homogenized. Geochemical analyses were carried out for Pt, Pd, Au, Cu, Ni and Cr on all individual or composite samples. The analytical method and the detection limits for each method are tabulated below (Walls, 1990).

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Big Trout Lake Property Analytical Methods and Detection Limits for Geochemical Determinations by Bondar-Clegg and Co. Ltd. (1987-1989)				
Order	Element	Lower Detection Limit	Extraction	Analytical Method
1	Pt	5 ppb	Aqua Regia	Fire assay / DC Plasma
2	Pd	1 ppb	Aqua Regia	Fire assay / DC Plasma
3	Au	1 ppb	Aqua Regia	Fire assay / DC Plasma
4	Ni	2 ppm	HCl-HNO ₃ (3:1)	Atomic Absorption
5	Cu	1 ppm	HCl-HNO ₃ (3:1)	Atomic Absorption
6	Cr	2 ppm		X-ray Fluorescence

Composite samples that contained more than 1 g/t Pt+Pd (combined) were re-assayed and samples which contained more than 20,000 ppm Cr were assayed for percent Cr. Highly mineralized samples were also assayed for all PGE plus gold. The analytical method and detection limits for each element are tabulated below.

Big Trout Lake Property Analytical Methods and Detection Limits for High Grade Mineralized Samples Bondar-Clegg and Co. Ltd. (1987-1989)		
Element	Lower Detection Limit	Analytical Method
Ru	20 ppb	Fire Assay/NiS ₂ Collect/INAA
Rh	5 ppb	Fire Assay/NiS ₂ Collect/INAA
Pd	20 ppb	Fire Assay/NiS ₂ Collect/INAA
Os	10 ppb	Fire Assay/NiS ₂ Collect/INAA
Ir	1 ppb	Fire Assay/NiS ₂ Collect/INAA
Pt	20 ppb	Fire Assay/NiS ₂ Collect/INAA
Au	1 ppb	Fire Assay/NiS ₂ Collect/INAA

Check assays were done on selected samples at the Degussa/AG facilities in Frankfurt, Germany. RPA understands that Degussa's facilities include a reputable analytical laboratory. RPA also understands that Degussa's methodology for PGE determinations was considered to be proprietary

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information. Degussa is one of the world's principal users and refiners of precious metals and frequently acts as a referee on precious metal analyses, particularly PGEs. Degussa also carried out considerable business with the South African producers. Along with the internal checks at Bondar-Clegg, suites of samples from all PGE projects active at the time were selected and sent to Degussa for check analysis. This included material from the Picket Pin Zone in the Stillwater Area, the Muskox Intrusion, Lac des Isles and the Duluth complex. In addition, the original Canoxy intersection at Big Trout Lake was reassayed as a check. Check assay results from Degussa's laboratory correspond well with the Bondar-Clegg results, as presented in Table 5 (Appendix A).

1997 GEOPHYSICAL SURVEY

During the period April 14 to 29, 1997 and in late October, 1997, limited Max-Min II EM surveys were carried out by Sweeny Mining Services of Dryden, Ontario, for IPM. In total, 14.5 line km of survey was completed on the southern part of Grid A (Figure 4). Max-Min II EM data were obtained on two frequencies, 888 Hz and 1777 Hz, using a 100 m coil separation with readings at 25 m intervals on lines spaced 100 m apart.

Results of the above survey indicate that one bedrock conductor may be present between lines 28+00 S and 35+00 S and 300 m to 500 m east of the base line, in the southern part of the grid. This conductor is situated some 400 m to 500 m east of the East Zone as discussed under the section PGE Mineralization below. Another shorter and weak conductor is also present on Line 20+00 S and 300 m west of the base line, at the southwestern shore of Nemeigusabins Lake (Trusler, 1997). This may be the extension of the West Zone also discussed under the section PGE Mineralization below.

GEOLOGY AND MINERALIZATION

GENERAL

PGEs consist of six elements; Iridium (Ir), Osmium (Os), Palladium (Pd), Platinum (Pt), Rhodium (Rh) and Ruthenium (Ru). They tend to be mutually soluble and can frequently substitute for one another in compounds with other minerals. They also form solid solutions with nickel, e.g.

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Pt and Pd form solid solutions in Ni sulphides (Berlincourt et al, 1981). PGE mineralization occurs in various environments, as follows:

- Ultramafic rocks of orogenic environments including
 - Volcanic terrains, such as Mt. Clifford, Australia and the thick komatiitic flows of Munroe Township, Ontario.
 - Intrusive terrains, such as ophiolitic peridotites of Thetford, Québec, Troodos, Cyprus, dunites at the Urals, Russia and Alaska-type peridotite-dunite-gabbro complexes.
 - Non-orogenic kimberlites, such as in southern Africa, India and Yakutia (Siberia).
- Mafic rocks, such as tholeiitic basalts of the mid-Atlantic Ridge and continental basalts in Brazil, southwestern Africa, Deccan Flats in India, the Columbia River region of Washington and Oregon in the USA, and alkali basalt flows of Kazakhstan. The Duluth Intrusion in Minnesota and the Muskox Intrusion in the Northwest Territories also contain these rocks.
- Mafic-ultramafic layered complexes. These include the world-class deposits of the Bushveld complex in South Africa, Stillwater complex in Montana, and the Great Dike in Zimbabwe.

PGE concentration is commonly associated with two groups of mineral assemblages, these are:

- Oxides: chrome spinel (chromite) is an efficient concentrator of PGE in many geological settings, e.g. Bushveld, Alaska-type intrusion (hornblende-clinopyroxene assemblages), ophiolites and layered gabbro complexes (Thetford, Québec). There are two major associations between chromite and PGE abundance. These are:
 - Association of large chromite deposits and large PGE concentration, e.g. Bushveld, which is a major source of chromium and contains one of the world's largest PGE deposits. Other examples are the Great Dike in Zimbabwe, with high purity large chromium deposit associated with large concentrations of PGE, and Stillwater, Montana, which once was the largest producer of chromium in North America and contains the highest grade PGE deposit in the world.
 - Spatial relationship between chromium and PGEs in layered intrusives. Not all of the stratiform bodies, however, contain chromite and sulfur also appears to be the collector of PGEs. "The role of chromite as concentrator of PGE is probably strongly dependent on the sulphur content of the relevant magma from which it crystallized. In cases where sulphide-poor magmas are apparently involved, as in the cumulus series of some ophiolites, chrome spinel is probably an important concentrator of certain PGE, including Ru, Os, and Ir. If, however, sulphide saturation is reached, as for example at Merensky Reef, South Africa, then there is likely a very strong partition of PGE in the sulphide phases" (Crocket, 1981).

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- Sulphides: Association of economic levels of PGE with sulphides, particularly pyrrhotite-pentlandite-chalcopyrite, is the most common and the most important association of the PGE, e.g. Sudbury, Noril'sk, Merensky Reef, essentially all magmatic Ni-Cu sulphide deposits. One PGE sulphide association that is virtually universal is the tendency of pentlandite to concentrate Pd, such as at the Strathcona Mine in the North Range of the Sudbury irruptive Pd with Cu minerals, Stillwater, Lac des Isles and Merensky Reef (Crocket, 1981).
- A third group, ferromagnesian silicates, may concentrate PGE but economic grades are not reported.

PGE MINERALIZED AREAS AND DEPOSITS IN THE WORLD

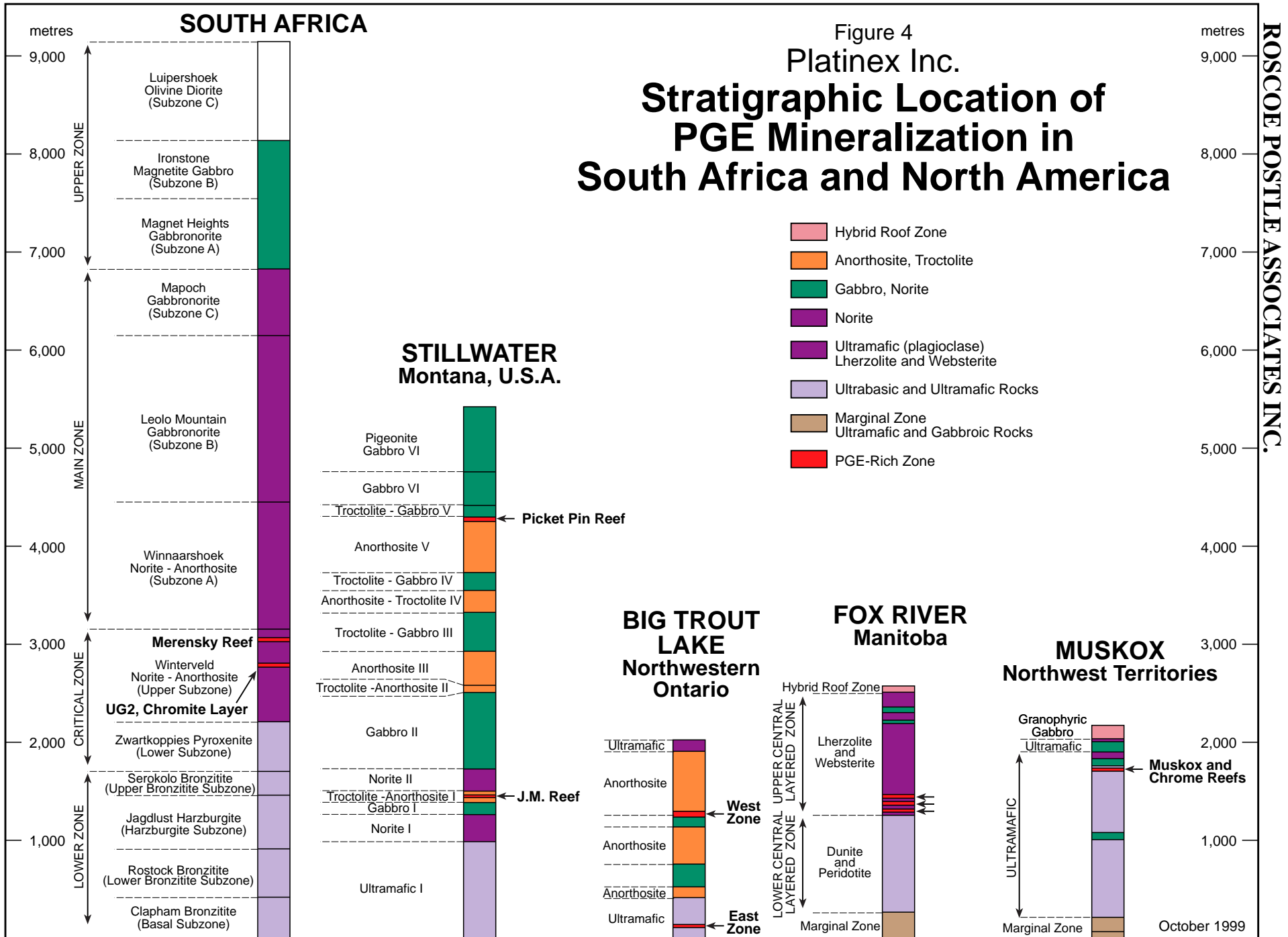
The following is a discussion of the geologic environment of PGE mineralization in the world with emphasis on North American occurrences. A comparison of stratigraphic location of PGE mineralization in South Africa and North America is presented in Figure 4. PGE deposits are classified into three types, these are:

- Magmatic deposits: PGE deposits present in magmatic rocks may be stratabound, discordant, marginal to the host rocks, associated with zoned intrusions such as Alaskan types, or other intrusions such as Coldwell complex near Marathon, northwestern Ontario or Skaergaard intrusion in Greenland.
- Hydrothermal deposits: These are subdivided into two types, deposits with Pt-Pd-Au-(Cu) association such as at New Rambler, Wyoming and Rathbun near Sudbury, Ontario and others with an U-Au-Pt-Pd association such as the Coronation Hill deposit, Australia and Nicholson Bay, Saskatchewan.
- Surficial deposits: These include the alluvial deposits.

Layered igneous complexes with mineralization in stratabound "reefs" provide the bulk of world PGE production. This includes the Merensky Reef of the Bushveld, the JM Reef of the Stillwater Complex and the Reef Zone on the Great Dike of Zimbabwe.

Significant byproduct PGE from magmatic Cu-Ni deposits provides the next largest source. This includes production from the Sudbury Cu-Ni deposits, The Noril'sk and Talnakh deposits of Russia, the Ungava Cu-Ni deposits and lesser amounts from many Cu-Ni producers.

Figure 4 Platinex Inc. Stratigraphic Location of PGE Mineralization in South Africa and North America



- Hybrid Roof Zone
- Anorthosite, Troctolite
- Gabbro, Norite
- Norite
- Ultramafic (plagioclase) Lherzolite and Websterite
- Ultrabasic and Ultramafic Rocks
- Marginal Zone Ultramafic and Gabbroic Rocks
- PGE-Rich Zone

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The following is a brief description of some of the layered deposits with varying contents of PGE mineralization located in North America and South Africa. The Pt:Pd ratios of PGE deposits and occurrences vary from 2.5:1 to 1:>12 and are listed below.

Area	Pt:Pd Ratio
Bushveld, South Africa	
Merensky Reef	2.5:1
UG2 Chromitite	1 to 1.5:1
Platreef	1:1
Stillwater, Montana	
JM Reef	1:3.5
Picket Pin zone	1:1
Fox River, Manitoba	1:1
Duluth Complex	1:1 to 1:3
Lac des Isles, Ontario	1:>12

The PGE occurrences at Big Trout Lake have certain similarities to a number of these settings.

Bushveld Complex

The 380 km by 480 km Bushveld Complex of South Africa is the world's largest differentiated layered mafic intrusion. It contains about 70% of the known PGE resources as well as large resources of chromite, magnetite, titanium and vanadium. The complex is dated at 2.10 GA and intrudes Proterozoic sedimentary rocks.

In stratigraphic sequence, the 8,000 m thick body consists of:

- A 1,200 m thick Lower Zone of basal ultramafic cumulate zone consisting of hartzburgite, bronzitite and dunite.
- The 1,400 m thick Critical Zone which contains the Merensky Reef, the UG2 chromitite layer and the Platreef unit in norite and anorthosite.

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- The 3,700 m thick Main Zone which contains units of gabbro-norite, norite and anorthosite.
- The 2,000 m thick Upper Zone of ferrodiorite and granophyre (Figure 4). This zone contains the 21 stratabound magnetite layers which range in thickness from 0.3 m to 10 m.

The complex is overlain by felsic volcanic rocks, tuffs and sedimentary rocks. Rocks of the intrusion all dip gently towards the centre of the complex at about 9 degrees.

The Critical Zone containing the three principal PGE bearing units, the Merensky Reef, the UG2 chromite and the Platreef unit, consists of an alternating cyclic series of anorthosites, norites, chromitites and bronzite-bearing pyroxenites which exhibit regular banding and great lateral continuity over distances exceeding 100 km. Three groupings of chromite seams (Lower, Middle and Upper) are present in the Critical Zone with metallurgical quality and Cr to Fe ratio decreases upwards. Most commercial production is from the middle group and to a lesser extent, from the lower group seams. From bottom to top, there is an apparent increase in Pt:Pd ratios, from a ratio of 1:1 in the lower Platreef unit to 2.5:1 in the upper Merensky Reef.

The Merensky Reef forms part of a composite pyroxenite layer located close to the top of the Critical Zone and forms the basal unit of the Merensky cyclic unit of mottled and spotted anorthosites. The reef is best described as a coarse-grained (pegmatitic) feldspathic pyroxenite characterized by the presence of one or two thin chromite (cm scale) seams and contains disseminated copper and nickel sulphides. A Pt:Pd ratio of 2.5:1 is characteristic of this zone and Au, Cu, and Ni credits are a significant part of the overall value.

The UG2 Chromitite layer contains a thick chromite seam ranging in thickness from 0.15 m to 2.55 m and an average thickness of about 1 m. It represents the uppermost major seam of the chromitites in the Critical Zone. It is situated about 30 m to 400 m below the Merensky Reef depending on its location within the complex. PGE mineralization with a Pt:Pd ratio of 1 to 1.5:1 is associated with this chromitite unit. Overall grades are lower than the Merensky Reef and Cu-Ni content is negligible but the Rh content is 3 times higher than in the Merensky Reef.

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The Platreef unit represents a different PGE zone in a north lobe of the intrusion in which the distinctive layers of the Critical Zone are not well developed. The basal contact zone is progressively truncated along this limb until the Critical Zone (and Platreef) directly overlies the underlying Archean granites and Proterozoic age dolomites. Base metal sulphides are commonly present and the Pt:Pd ratio is 1:1.

Other occurrences of PGE mineralization in the Bushveld region include small crosscutting platiniferous zoned dunite pipes which are distributed throughout the intrusion. Three occurrences are known to contain high Pt values (5 g/t Pt to 14 g/t Pt, reaching locally up to 80 g/t Pt).

Stillwater Intrusion, Montana

The Stillwater intrusion of Archean age (2.7 GA) currently represents one of the most significant PGE producers in the world. The others are the Bushveld Complex of South Africa and Noril'sk in northern Russia. Noril'sk, however, is primarily a Ni-Cu producer and PGEs are bi-products. At Stillwater, two PGE rich horizons are identified, the currently producing JM Reef and the Picket Pin Zone.

The Stillwater intrusion consists of a 48 km long by 7.4 km thick succession of cumulate layered rocks trending west-northwest and dipping 65 degrees to the northeast. It has been divided into 5 series by McCallum et al (1980) into a Basal Zone, an Ultramafic Zone and another zone containing Lower, Middle and Upper Banded units.

The 50 m to 150 m thick Basal Zone, consisting of norite and bronzitite, is overlain by the 800 m to 1,200 m thick ultramafic sequence of lower cyclic peridotites with an upper bronzitite zone. Thirteen bands of chromitites are developed within the peridotites and one is present in the bronzitite. The 4,700 m thick Upper, Middle and Lower banded series consist of a series of gabbros, norites, anorthositic and troctolitic rocks. The Lower Unit is mixed containing all rock types. The Middle unit is dominantly anorthosite with two olivine rich subzones and the Upper zone grades from olivine rich rocks to gabbro-norite.

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The JM Reef is located in the Lower banded series about 400 m to 450 m above the top of the ultramafic series and can be traced for 40 km. It is a heterogeneous layered succession of olivine cumulates and pyroxene-olivine pegmatoids between hanging wall norites and footwall gabbro which mark a sharp break in the crystallization sequence of the complex. The reef is of variable thickness, generally ranging from 1 m to 3 m. The deposit is characterized by a series of steeply plunging ore shoots generally associated with thicker reef sections.

PGE mineralization is associated with sulphides, mainly chalcopyrite and pyrrhotite, with lesser pentlandite, and the Pt:Pd ratio in the deposit is 1:3.5. The mineralized zone fluctuates in grade, thickness and specific stratigraphic position but is visually identified by the presence of sulphides.

The stratabound Picket Pin Zone occurs as a 10 m to 20 m thick unit situated within the top of the Middle banded series at or below the contact of the two anorthositic rocks and is traceable for 22 km. Mineralization occurs as podiform sulphide lenses along the contact and Pt:Pd ratios are commonly 1:1. The Picket Pin Zone is the uppermost one of six sulphide rich zones in the Middle zone. The other zones do not carry significant PGE values.

Fox River Sill, Manitoba

The Fox River Sill is a 2 km to 2.5 km thick and 160 km long, well layered ultramafic sill intruding the east trending Proterozoic Fox River volcanic and sedimentary belt which consists of komatiitic to tholeiitic basalts and sedimentary rocks. The lavas are considered to be related to the intrusion. This belt forms one of a series of basins developed along the tectonic boundary between the Churchill and Superior Provinces of the Canadian Shield. According to Scoates (1981) the sill is composed of four main zones, as follows:

- A basal marginal zone of mixed gabbro and peridotite.
- A two phase central zone consisting of
 - A lower cyclic layered zone (with 10 units) grading from dunite to olivine clinopyroxenite, and
 - An upper zone containing similar but thinner units as well as gabbros and plagioclase,

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orthopyroxene and sulphide rich units. Pyrrhotite and pentlandite are the most common sulphide minerals but seldom exceed 1% by volume.

- The upper roof hybrid zone consisting of granophyric gabbro, ultramafics and xenoliths of country rock.

Thirty-five cyclic zones and 70 layers are recognized to date in the intrusion. Anomalous PGE values are present in four zones, mostly associated with olivine clinopyroxenite at or near the site of the first major occurrence of plagioclase in the upper central zone. Pt:Pd ratios vary but ratios of 1:1 are not uncommon. PGE concentrations are in the 0.1 g/t Pt+Pd to 0.5 g/t Pt+Pd range over 1 m to 8 m.

Muskox Intrusion, Northwest Territories

The Muskox layered intrusion located in the NWT consists of a feeder dike and funnel shaped layered ultramafic body exposed over 120 km along strike. The main differentiated body plunges gently to the north-northwest. It appears to have been intruded along the unconformity between Early and Middle Proterozoic rocks and is covered to the north by a thick pile of coeval to slightly younger basalts of the Coppermine Series. The intrusion is divided into four units, as follows:

- Units 1 and 2: The feeder dike and the marginal contact zone both consist of bronzite gabbro and picrite.
- Unit 3: The central layered series consists of an 730 m thick ultramafic zone consisting of 29 distinct layers from dunite to peridotite to pyroxenite, overlain by an olivine gabbro unit. At least 3 sulphide rich horizons and 2 chromite bearing units are present in the ultramafic portion near the gabbro contact.
- Unit 4: The upper border zone consisting of granophyric gabbros.

To date, significant PGE values have been associated with small Ni-Cu rich massive to semi-massive sulphide pods along the marginal contact zone. These include values of up to 1.65 oz/ton PGEs in grab samples (Northern Miner, 1986) and as anomalous values within the uppermost chromite unit (Muskox Reef), which is sulphide bearing. No distinctive PGE rich layer has been identified similar to the other layered intrusions. Disseminated sulphides occur within the marginal contact zones and generally contain no significant PGE values as only 15% of samples contain more than 50 ppm Pt and 800 ppb Pd (Hulbert et al, 1988).

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Duluth Complex, Minnesota

The 240 km by 32 km wide Duluth Igneous Complex in Minnesota is the largest differentiated mafic body of its type in North America. The 1.1 GA old complex outcrops in the Mesabi Iron Ranges as a north trending elongate sheet dipping 20° to 60° stepwise to the southeast along the axis of the Mid Continental Rift system.

The complex is overlain by the thick coeval Keweenaw age mafic volcanic rocks filling the rift trough. A thick central anorthositic zone is capped by granophyre and underlain by a basal zone of troctolites, picrites, gabbros, and pyroxenites with scattered magnetite-ilmenite oxide layers. Like the well known Bushveld and Stillwater intrusions, igneous layering with cumulus textures have been identified and stratigraphic layering has been mapped in recent years. The intrusion is considered to be composed of a series of separate individual magmatic pulses. This is supported by the igneous stratigraphy which varies slightly from one body to another.

The Duluth Complex has been noted for its large resources of low grade Cu-Ni mineralization located over a 64 km trend along the basal contact of the intrusion with the country rocks. Reported resources of this basal contact zone are some 4 billion tonnes at an average grade of 0.66% Cu and 0.2% Ni. These resources contain minor PGE credits (about 0.27 g/t PGE), similar to many other tholeiitic Cu-Ni deposits.

In addition to the disseminated Cu-Ni mineralization described above, stratabound PGE mineralization has now been identified to be associated with a subhorizontal melatroctolitic layer with varying widths from 1.8 m to 4.1 m in the South Kawishiwi intrusion, such as the occurrence about 11 km east-northeast of the town of Babbitt. Diamond drilling results to date indicate that:

- Oxide layers with chromite and hercynite are locally present.
- Pt:Pd ratios vary from 1:1 to 1:3 and grades vary from 2 g/t Pt+Pd to 5 g/t Pt+Pd.
- The troctolite occurs near the top of the basal mafic to ultramafic series and is generally overlain by a pegmatitic-anorthositic-gabbro phase.
- Disseminated Cu and Ni sulphides are present in variable proportions.

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- The underlying disseminated Cu-Ni zone along the basal contact contains the more typical PGE values associated with the intrusion in general.

Lac des Isles, Ontario

The Lac des Isles PGE deposit in Ontario is one of the most recent producers and is within a zoned intrusion. The Lac des Isles intrusion is an Archean age (2.7 GA) composite, zoned, mafic intrusive complex consisting of a circular central layered pyroxenite - peridotite body centred around Lac de Isles and a southerly striking "tail" of gabbroic rocks originally subdivided into Eastern and Western gabbroic phases. The Western gabbro is dominantly a leucocratic plagioclase cumulate with intercumulus augite. The Eastern gabbro is an oxide rich layered gabbro containing cumulus plagioclase and pyroxene, which is presently interpreted to be a younger unit of the Western gabbro incorporated into the main body of the intrusion. The body intrudes granitic and gneissic rocks of the Wabigoon Greenstone Belt.

The Lac des Isles intrusion is the largest of a series of at least 20 zoned bodies extending in a 200 km long belt towards Atikokan along the margin between the Wabigoon and Quetico structural Provinces. All are reported to contain varying amounts of PGE values.

PGE mineralization occurs within the Roby zone which contains disseminated sulphides (up to 5%) in a 60 m to 300 m thick heterogeneous layer of gabbro developed along the contact area of the Western and Eastern gabbros. Pyrrhotite, pentlandite and chalcopyrite are the most common sulphide minerals associated with the PGE and the Pt:Pd ratio is 1: >12 .

Kiglapait Intrusion, Labrador

The Kiglapait layered anorthosite is dated at 1.3 GA and covers an exposed area of about 560 km², with a maximum projected thickness of 9 km. It consists of 3 principal zones (Border Zone, Upper Zone and Lower Zone) and is characterized by a zone of layered magnetite bands within the Upper Zone. The Border Zone is variable consisting of gabbro to olivine gabbro, and pyroxenite with abundant xenoliths. It grades inwards to massive subophitic olivine gabbro orthocumulates.

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The Lower Zone (78% of the volume) consists of well layered troctolites and olivine gabbros with minor anorthosite and pyroxenite. The Upper Zone consists of banded olivine gabbros separated by oxide bearing gabbro and layered magnetite bands from the uppermost ferrosyenites.

No significant PGE or chrome rich areas have been identified to date. However, some sulphides are reported in the rocks of the upper zone and sporadic sulphides are reported along the border zone contact with the intruded sedimentary horizons.

REGIONAL GEOLOGY

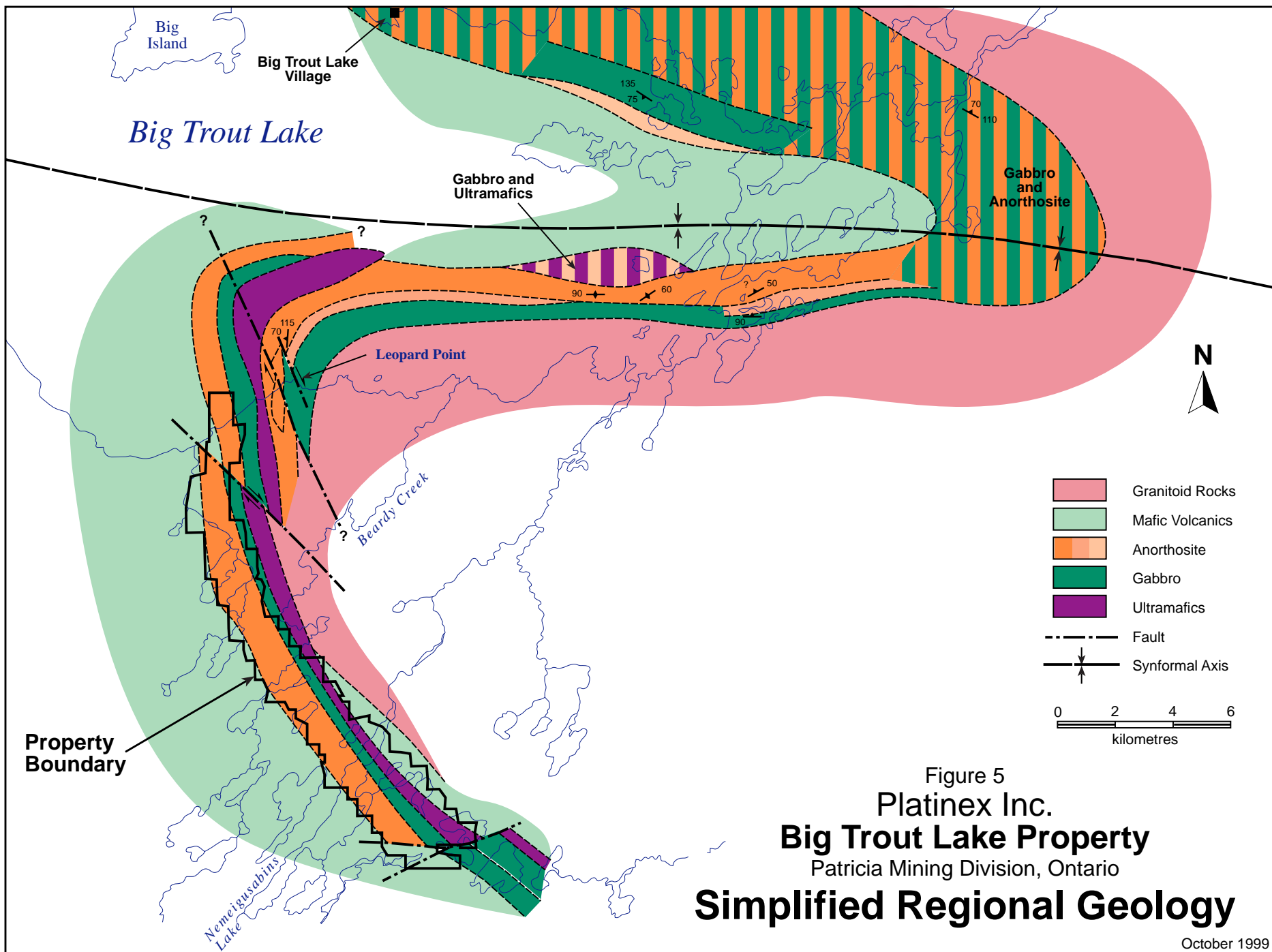
The Big Trout Lake Property covers parts of the Big Trout Lake ultramafic-mafic intrusive complex (BTL Complex) which is situated within the God's Lake Subprovince of the Archean Superior Structural Province of the Canadian Shield. The western and central parts of the complex are underlain by poorly exposed ultramafic to mafic intrusive sequence of the Nemeigusabins Lake Arm, which comprises basal peridotite, pyroxenite, dunite and chromitite rich layers in its eastern part, and an upper gabbroic and anorthositic sequence in its western part. These rocks are interpreted to comprise the eastern arm of a syncline, with an east trending axis in the north and a north trending axis in the Nemeigusabins Arm of Big Trout Lake, where the rocks are steeply east dipping to sub-vertical (Figure 5).

PROPERTY GEOLOGY

General

The Big Trout Lake Property covers most of the 22 km strike length of layered intrusive rocks which constitute the Nemeigusabins Lake Arm of the BTL Complex (Figure 5). The current geological interpretation relies almost entirely on diamond drill hole data. In this area an 1,800 m thick sequence of rocks covers some 90% of the property (Bryant, 1989). In a younging direction, the sequence is subdivided as follows:

- An ultramafic basal sequence about 400 m to 600 m thick
- A 330 m thick gabbroic zone



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- A 1,100 m thick anorthositic zone which includes a 450 m to 500 m thick layered subzone of gabbro, anorthosite and minor pyroxenite
- A thin, 15 m to 20 m, upper ultramafic zone that may be a separate, late stage sill.

In the area of the Nemeigusabins Lake Arm of the BTL complex stratigraphic top direction is to the west. This is largely based on the overall east to west succession of ultramafic rocks to anorthosite representing a typical differentiated sequence (Fischer, 1987).

Stratigraphy

The base of the BTL complex is in intrusive contact with Archean mafic to intermediate volcanic rocks of the Nemeigusabins Lake volcano-sedimentary belt. The eastern “Footwall Contact” has been intersected in several drill holes in the East Zone. The volcanic rocks are fine to medium-grained with pillowed as well as tuffaceous varieties. Gabbro occurs as discontinuous lenses in the volcanic rocks. Sulphides are commonly present as fine disseminations, veinlets and as narrow semi-massive veins.

The basal Ultramafic Zone comprises the assemblage of rocks between the basement volcanic rocks to the east and the first gabbroic body to the west. It is 400 m to 600 m thick and, based on drill hole data, shows considerable variation in thickness along strike. In stratigraphic younging direction this zone includes the separate units, as follows:

- Ultramafic schist and talc schist: This 5 m to 200 m thick unit occurs at the basal contact with the mafic to intermediate volcanic rocks. It is light grey, soft, massive to foliated talcose rock with chlorite and serpentine. Sulphides and chromite commonly occur as accessory minerals.
- Pyroxenite: This 40 m to 120 m thick unit consists of dark green to grey, generally massive, medium grained rock with large serpentized primarily clinopyroxene grains and minor olivine. Pyroxenites tend to “grade” into peridotites with relatively increasing amount of cumulate olivine.
- Lower Peridotite: This 4 m to 60 m thick unit is the most common and most variable unit of the basal ultramafic sequence. Generally, it is dark to light green, hard, serpentized and moderately to strongly magnetic rock, consisting of 1 mm to 3 mm olivine grains in a fine-grained, usually lighter coloured, matrix of talc and serpentine. Peridotites tend to grade into dunite with increasing olivine content.

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- Upper Marker Peridotite: This 30 m to 80 m thick is a distinctive, dark green to black, coarse-grained massive rock with well preserved relict textures of olivine. The distinctive “marble like” appearance of the rock makes it easily identifiable.
- Dunite: This 20 m to 70 m thick unit comprises massive dark green rock which is brighter green on weathered surfaces. It contains densely packed olivine grains. In places where olivine is altered to serpentine disseminated magnetite is usually present as secondary mineral.

The gabbroic and anorthositic assemblage makes up the largest portion of the Nemeigusabins Lake Arm of the Big Trout Lake intrusion. It consists of a lower 330 m thick gabbroic zone and an upper anorthositic zone 1,100 m thick. The latter is divided into three subzones; Lower anorthosite subzone; Layered gabbro-anorthosite sub-zone and; Upper anorthosite subzone (Figure 6).

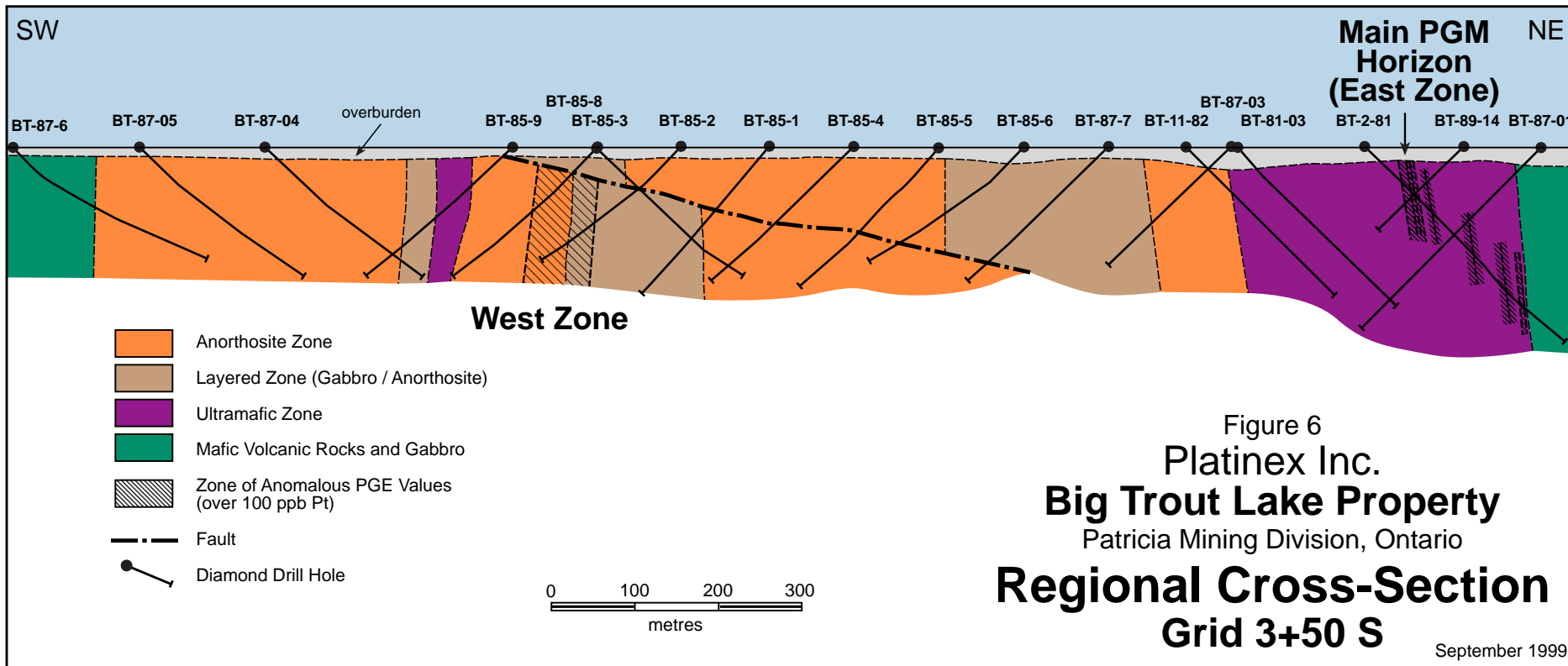
The gabbro in the East Zone serves as an excellent stratigraphic top marker. It is generally hard, light green rock consisting of 70% plagioclase crystals (2 mm to 5 mm in size), and a chloritized and amphibolized (altered pyroxene) matrix. Pyrrhotite and chalcopryrite (1% to 3%) are common and irregularly distributed.

The stratigraphy of the West Zone, from west to east, consists of:

- 300 m to 400 m thick anorthosite
- About 50 m thick interlayered gabbro and anorthosite
- About 50 m thickness of ultramafic schist
- 150 m thick anorthosite
- 150 m to 200 m thick interlayered gabbro with minor anorthosite (Figure 6)

Dikes are common throughout the entire intrusive complex but constitute only a small part of the rocks encountered. Their thickness ranges from 1 cm to 10 m. Three types of dikes are recognised.

- Diabase dikes: These occur in ultramafic, gabbroic and anorthositic zones



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- Ultramafic dikes: These are commonly thin, strongly hydrated and schistose
- Felsic dikes: Encountered only west of the intrusive in ultramafic talc schist

A diagnostic feature of the ultramafic rocks, in terms of the contained PGE mineralization, is the presence of chromitite. Chromitite is defined as an ultramafic unit consisting of over 85% fine (0.1 mm) well packed chromite grains. Chromitites serve as excellent markers and, though usually less than 0.5 m in thickness, are visually very distinctive as black, fine-grained rock with a metallic appearance, with moderately to strongly magnetic horizons and with sharp contacts.

Structure

There are few major structural features recognized in the Nemeigusabins Arm of the BTL Complex due to the paucity of outcrops in the area. A northwest trending right-lateral fault is interpreted to cut the sequence of rocks in the northern part of the property, with an offset in the order of 400 m to 500 m. Two north-northwest trending faults are also interpreted to be present near Leopard Point (Figure 5). A number of northeast trending magnetic lineaments are interpreted to be present, such as the one along the south shore of Nemeigusabins Lake, which coincides with numerous lineaments with a similar orientation interpreted from the surface drainage pattern. These lineaments may represent cross-cutting faults. A sub-horizontal fault is also interpreted to be present in the regional cross section (Figure 6).

PGE MINERALIZATION

General

PGE mineralization has been encountered near the basal contact between ultramafic rocks and mafic volcanic rocks along a 6 km long trend of a magnetic high defined by several “thumbprint” magnetic anomalies. Anomalous concentrations of PGEs are commonly associated with this set of “thumbprint” magnetic highs. The loci of these magnetic anomalies are interpreted to be related to the intersections of two structural features: a set of northeast trending topographic lineaments which intersect the north-northwest oriented regional trend of the Nemeigusabins Arm of the BTL intrusive. Two anomalous trends of PGE mineralization have been recognized. These are the more extensive East Zone and the West Zone some 700 m to 1 km farther to the west.

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Within the basal ultramafic unit of the BTL Complex sulphide mineralization of 0.5% is common as fine disseminations and veinlets as well as narrow semi-massive to massive sulphide zones near the contact with mafic volcanic rocks. In places, sulphide content may reach 2% to 5%. Sulphide constituents are pyrite, pyrrhotite, chalcopyrite and pentlandite. Anomalous amounts of Pt and Pd are commonly associated with the sulphides. Results of electron microprobe studies in selected samples indicate that distinct Pt and Pd minerals can be identified. The PGMs that are recognized are sperrylite (PtAs_2), hollingworthite (RhAsS_5), irarsite (IrAsS), laurite (RuS_2), geversite (PtSb_2) and a compound of Pt, Sb and Bi (Trusler, 1999). A list of drill hole intersections with significant PGE mineralization is provided in Table 4 (Appendix A).

East Zone

The East Zone occurs in the 400 m to 600 m wide basal Ultramafic Zone, usually 100 m to 200 m above the basal contact with mafic volcanic rocks (Figure 6). The mineralized zone has been tested by 35 diamond drill holes over a strike length of about 6 km and it is interpreted to extend farther to the north (Figures 7, 8, 9, 10, 11 and 12). PGE mineralization is interpreted by Platinex to be similar to other stratiform PGE mineralization such as Merensky Reef-type (Bushveld) or J-M Reef-type (Stillwater) deposits. Typical PGE mineralization include intersections of:

- 1,490 ppb Pt and 3,170 ppb Pd over 60 cm in Hole BT-88-01 (Figure 7)
- 426 ppb Pt and 1,846 ppb Pd over 50 cm in Hole BT-88-02
- 259 ppb Pt and 1,121 ppb Pd over 80 cm in Hole BT-88-03 (Figure 8)
- 1,148 ppb Pt and 383 ppb Pd over 1 m and <15 ppb Pt and 10,610 ppb Pd over 45 cm in Hole BT-88-07 (Figure 9)
- 86 ppb Pt and 1,871 ppb Pd over 1 m in Hole BT-88-09 (Figure 10)
- 1,268 ppb Pt and 1,255 ppb Pd over 50 cm in Hole BT-88-12 (Figure 11)
- 412 ppb Pt and 1,350 ppb Pd over 1.3 m; 705 ppb Pt and 2,699 ppb Pd over 76 cm; 571 ppb Pt and 1,361 ppb Pd over 58 cm; and 589 ppm Pt and 1,401 ppm Pd over 1 m in Hole BT-88-13 (Figure 12)

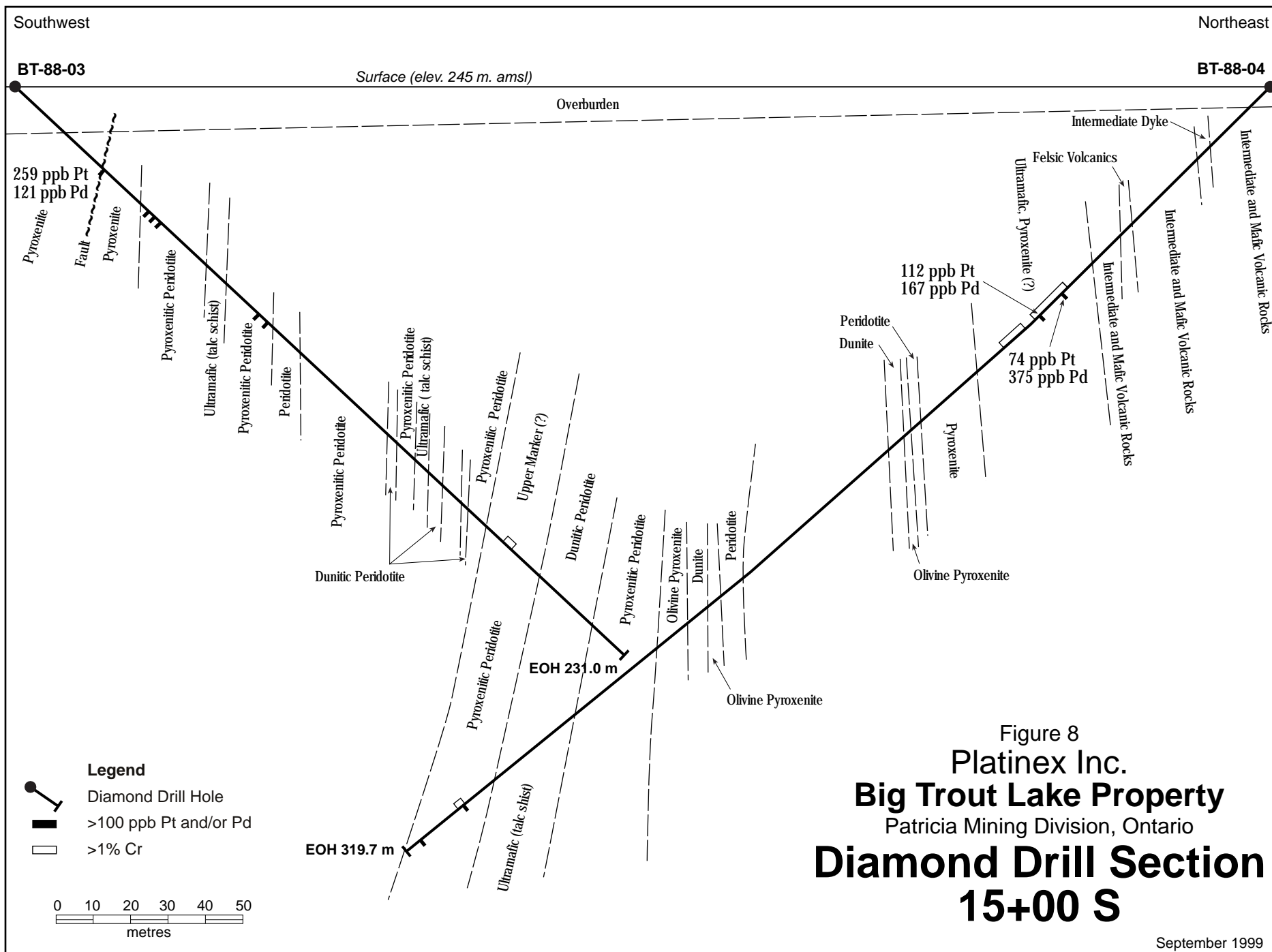
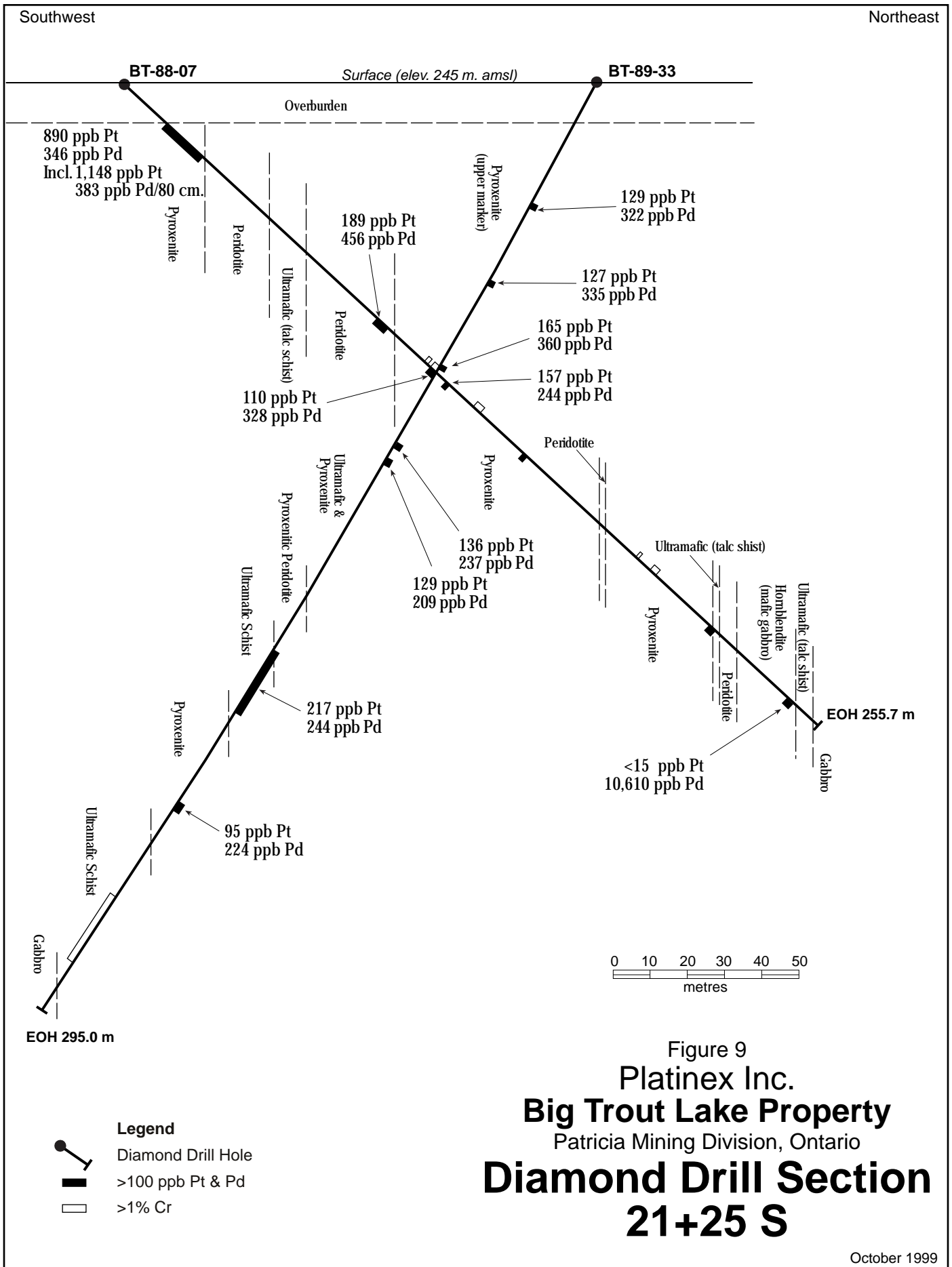
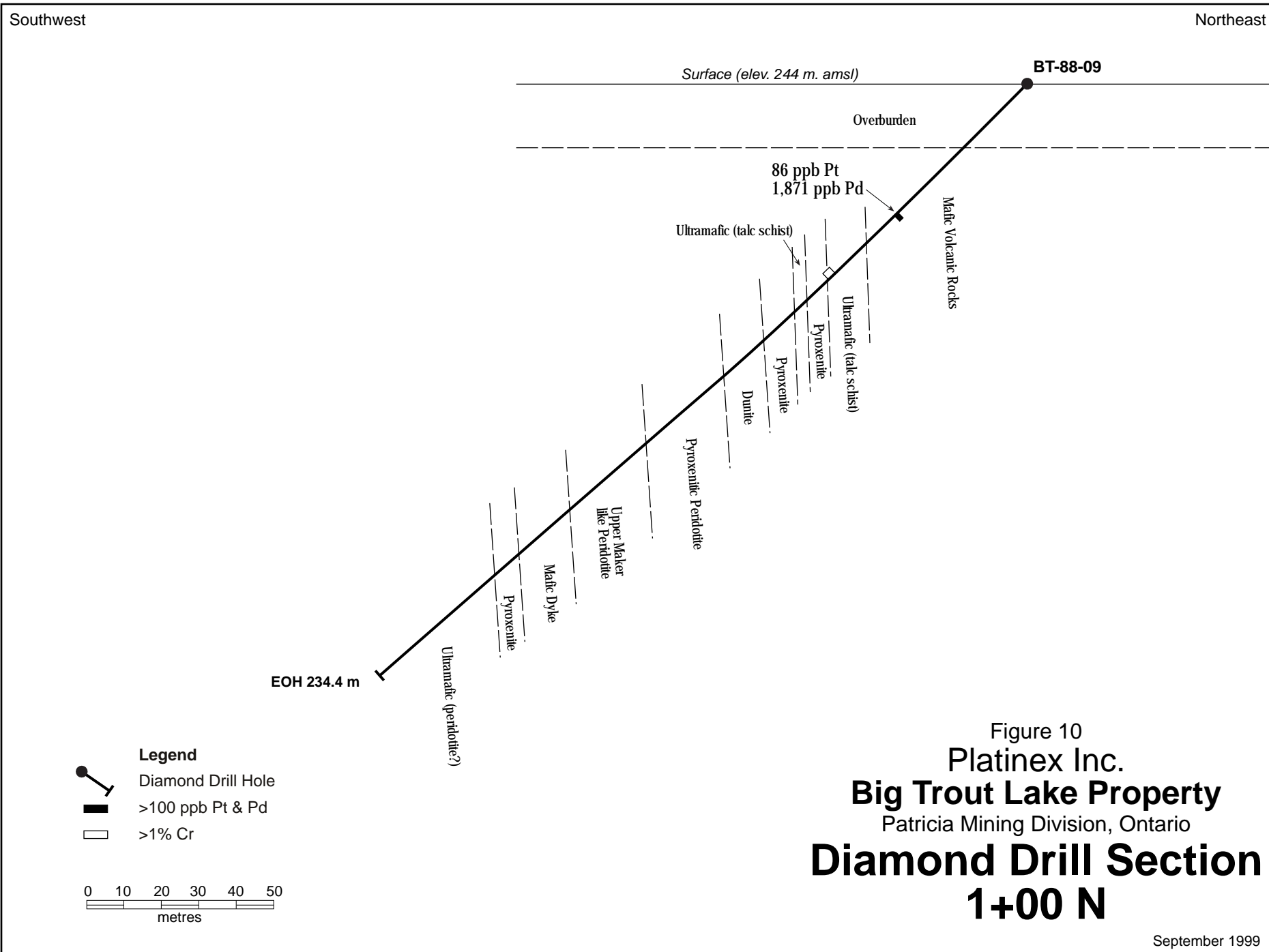


Figure 8
 Platinex Inc.
Big Trout Lake Property
 Patricia Mining Division, Ontario
Diamond Drill Section
15+00 S





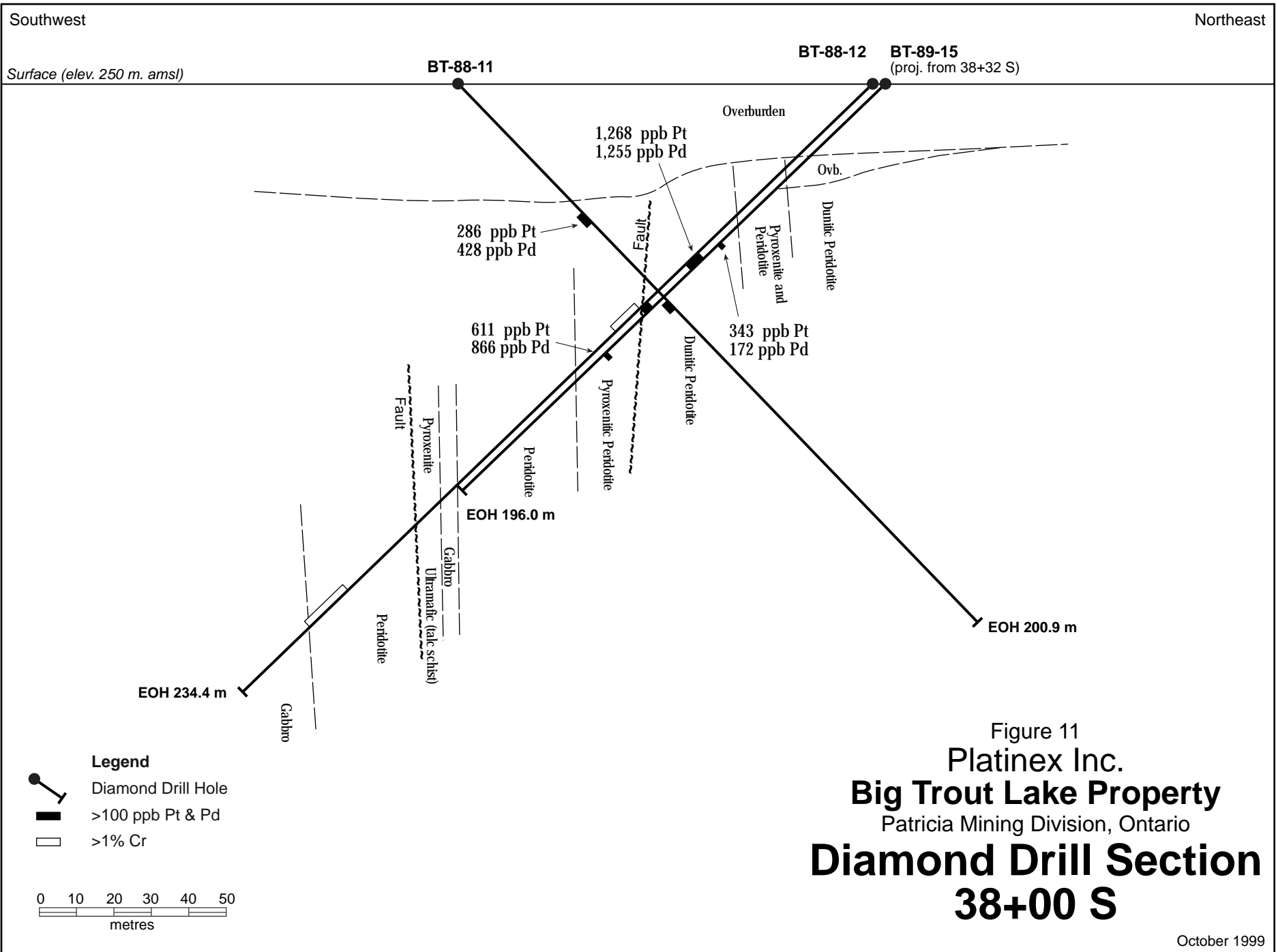


Figure 11
 Platinex Inc.
Big Trout Lake Property
 Patricia Mining Division, Ontario
Diamond Drill Section
38+00 S

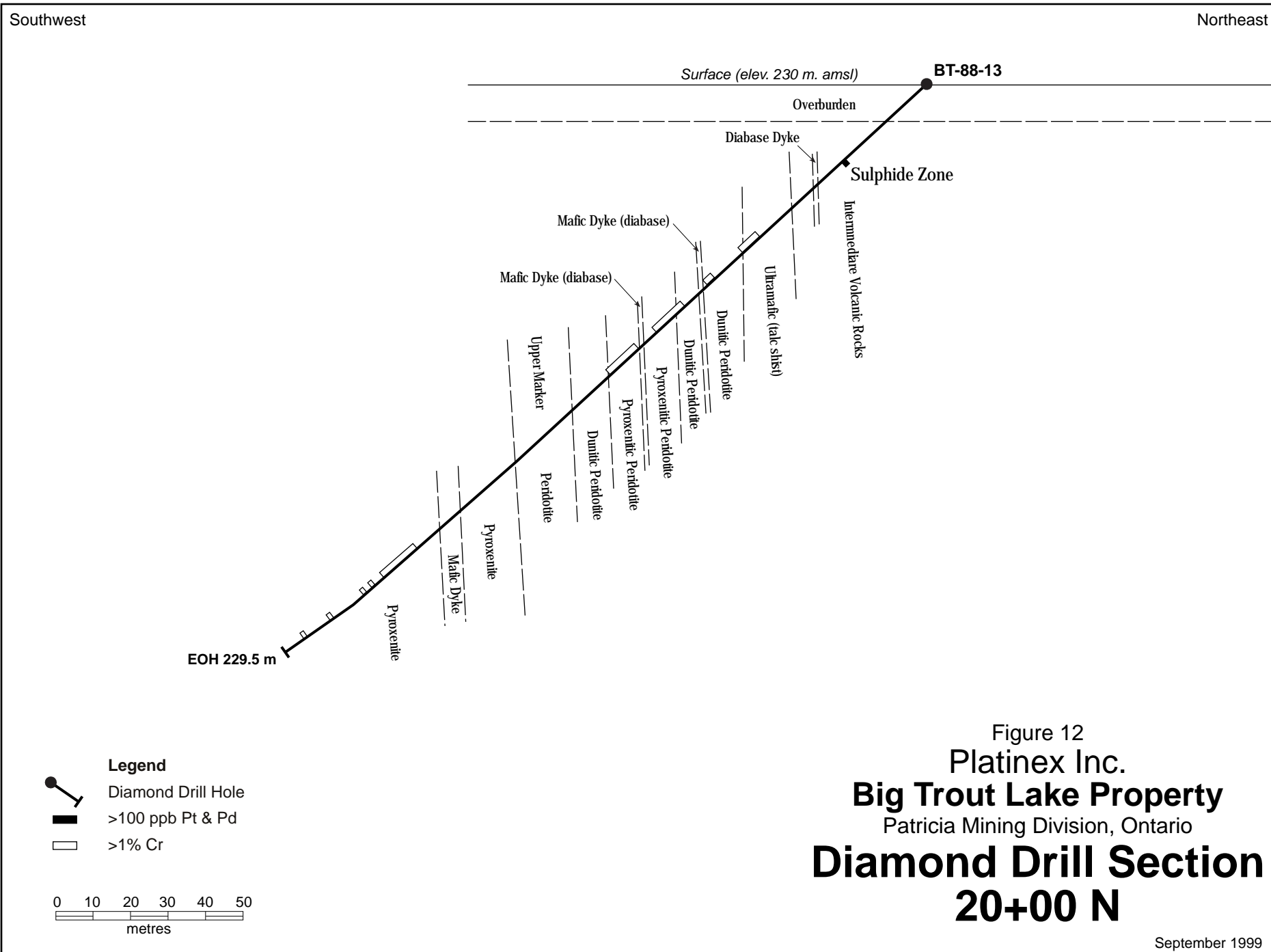


Figure 12
 Platinex Inc.
Big Trout Lake Property
 Patricia Mining Division, Ontario
Diamond Drill Section
20+00 N

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PGE mineralized zones are continuous along the plane of the ultramafic layering, but the significant concentrations are generally in narrow zones and appear to be within shoots with steep as well as subhorizontal plunges along the plane of the igneous layering. Wider zones with lower grade mineralization are commonly associated with the higher grade drill hole intersections which show lateral variation in the East Zone. The frequency distribution of Pt+Pd values in mineralized intersections in the East Zone (Table 4) presented in Figure 13 indicates that the bulk of the values (267 of 341 assays) are less than 1 ppm Pt+Pd. Of the remaining 74 assays, 71 are in the range of 1 ppm Pt+Pd to 8 ppm Pt+Pd and 3 values are up to 25 ppm Pt+Pd.

In the East Zone the Pt:Pd ratios are reported to be commonly in the range of 1.2:3 to 1:5. These ratios are used to correlate lithologic units between drill sections. Even though the plots of these ratios show a considerable scatter of points in most stratigraphic units, a distinct cluster is recognized in the basal Ultramafic Zone with a Pt:Pd ratio in the order of 1:2.57 (Figure 14).

There is a close relationship between chromite content and PGE values at Big Trout Lake. In general, chromite grains surround pyroxene grains in the peridotite, dunite and chromitite units of the basal ultramafic rocks, which contain more than 3% Cr₂O₃ (Trusler, 1989).

Correlation of host lithologic units and of broad zones of anomalous chromite concentrations is good for distances up to 250 m, e.g. stratigraphic section 3+50 S (Figure 6). Elsewhere, however, correlation is poor where anomalous PGE mineralization may be encountered in slightly different stratigraphic positions (Fischer, 1988). In addition, the plot of Cr vs. Pt+Pd values of mineralized intersections from Table 4 indicates that except for a few intersections of greater than 5 ppm Pt+Pd the PGE concentration is independent of chromite content (Figure 15). Nevertheless, there is a general correlation between Cr and PGE concentration.

Three horizons of PGE mineralization are recognised within the basal Ultramafic Zone. These are Zones I, II and III of the schematic presentation of the mineralized zones in Figure 16.

- **Zone I** is situated immediately adjacent to and below the Lower Marker Peridotite. The best intersections to date are 1,490 ppb Pt and 3,170 ppb Pd over 30 cm in Hole BT-87-01 (Figure 7) and 705 ppb Pt and 2,699 ppb Pd over 60 cm in Hole BT-88-13 (Figure 12) within dunite, peridotite and pyroxenite with chromite.

FIGURE 13
PLATINEX INC. - BIG TROUT LAKE
Frequency Plot Of Pt + Pd Values In Mineralized Intersections

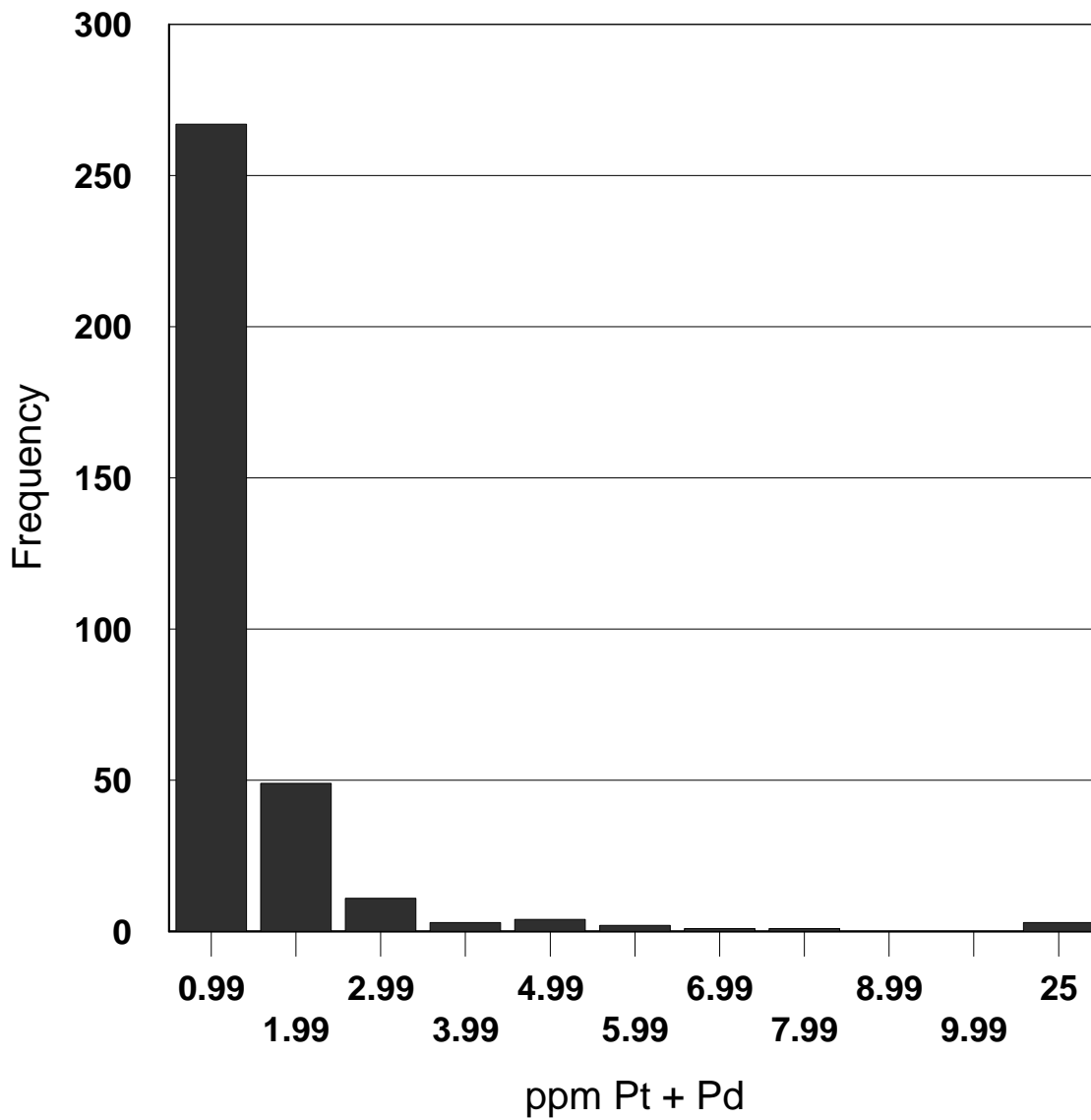


FIGURE 14
PLATINEX INC. - BIG TROUT LAKE PROPERTY
Pt vs Pd Plot Of Intersections In Diamond Drill Holes, 1981 - 1989

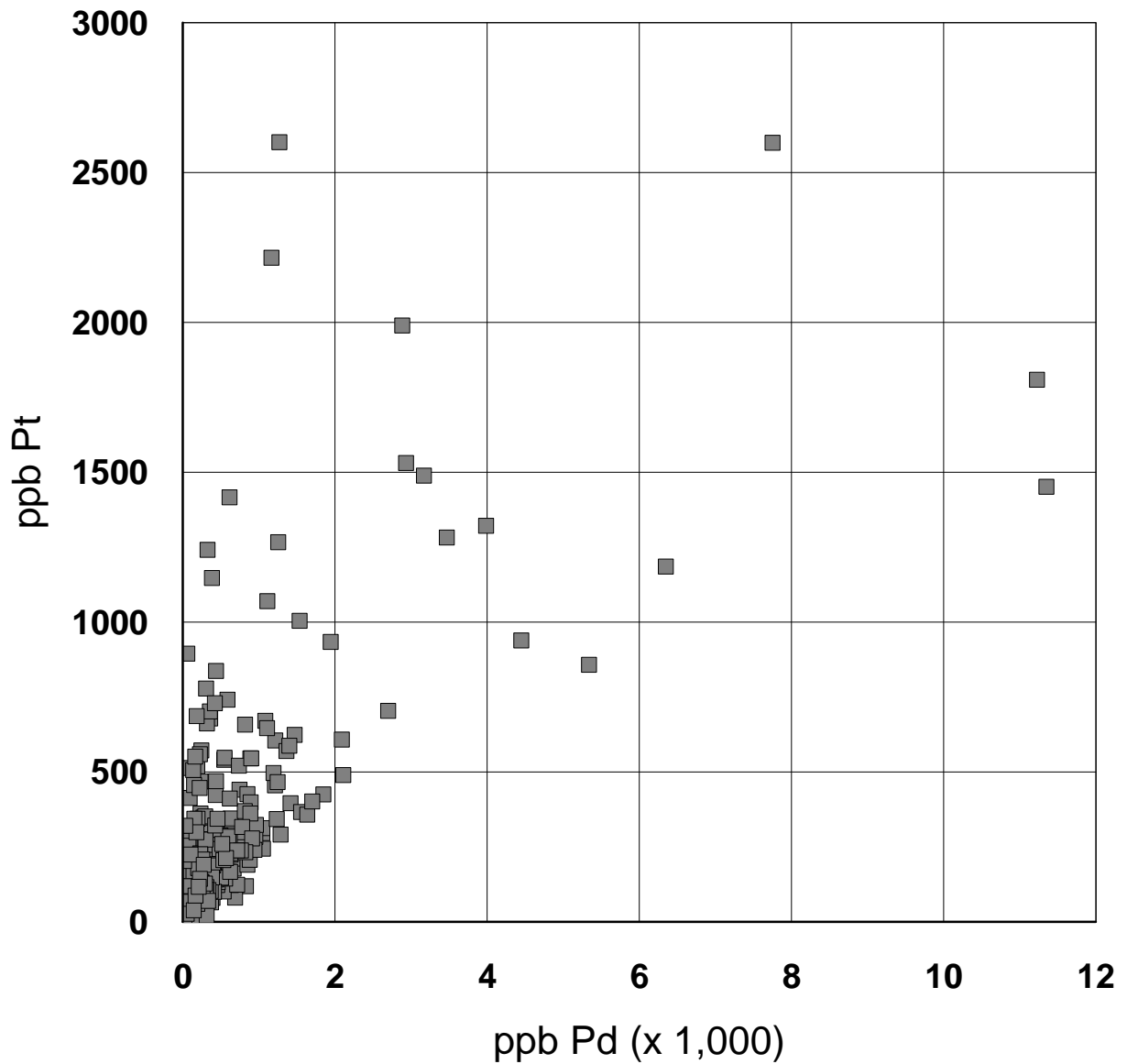
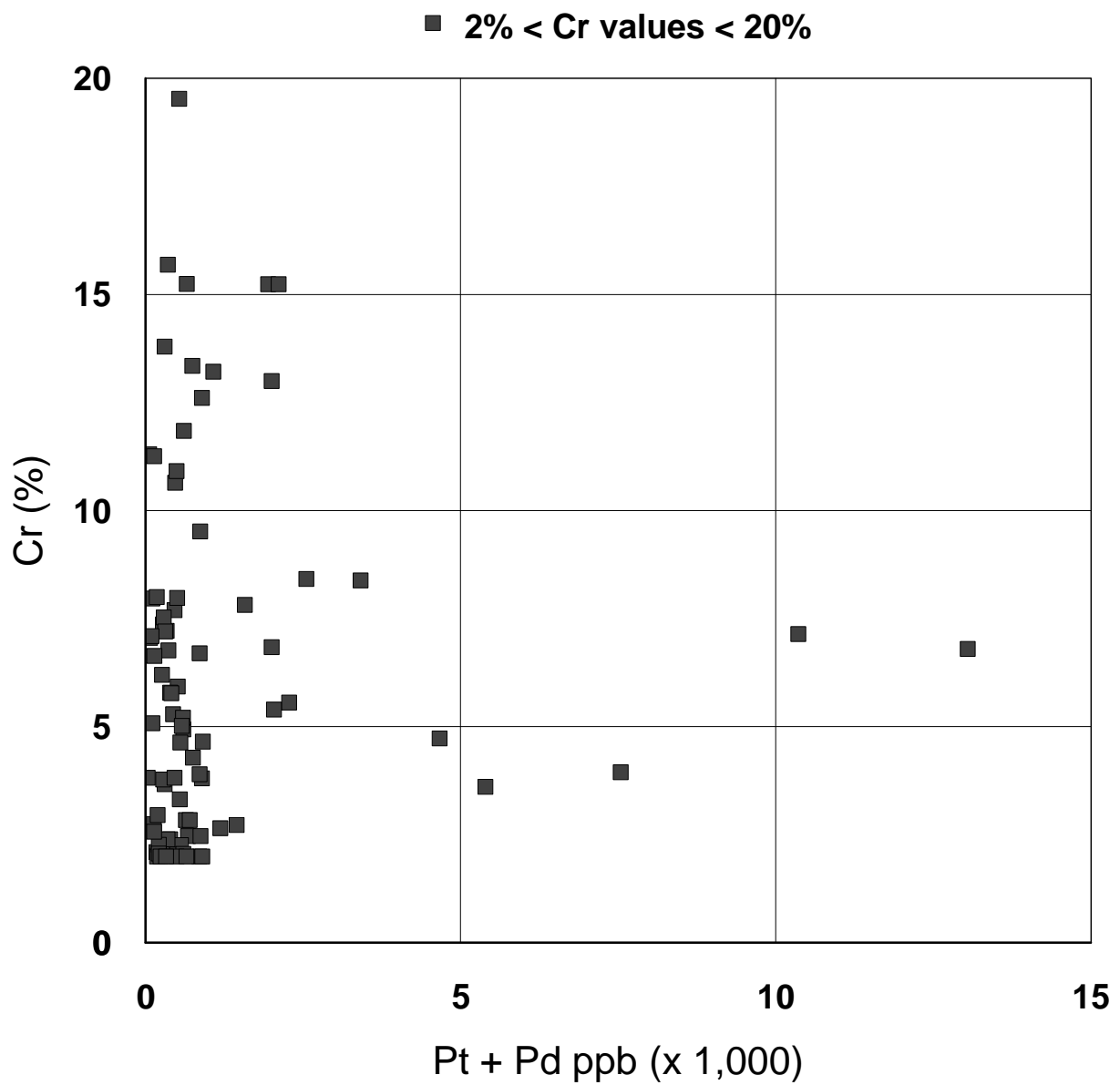


FIGURE 15
PLATINEX INC. - BIG TROUT LAKE PROPERTY
Pt + Pd vs Cr Plot Of Intersections In Diamond Drill Holes, 1981 - 1989



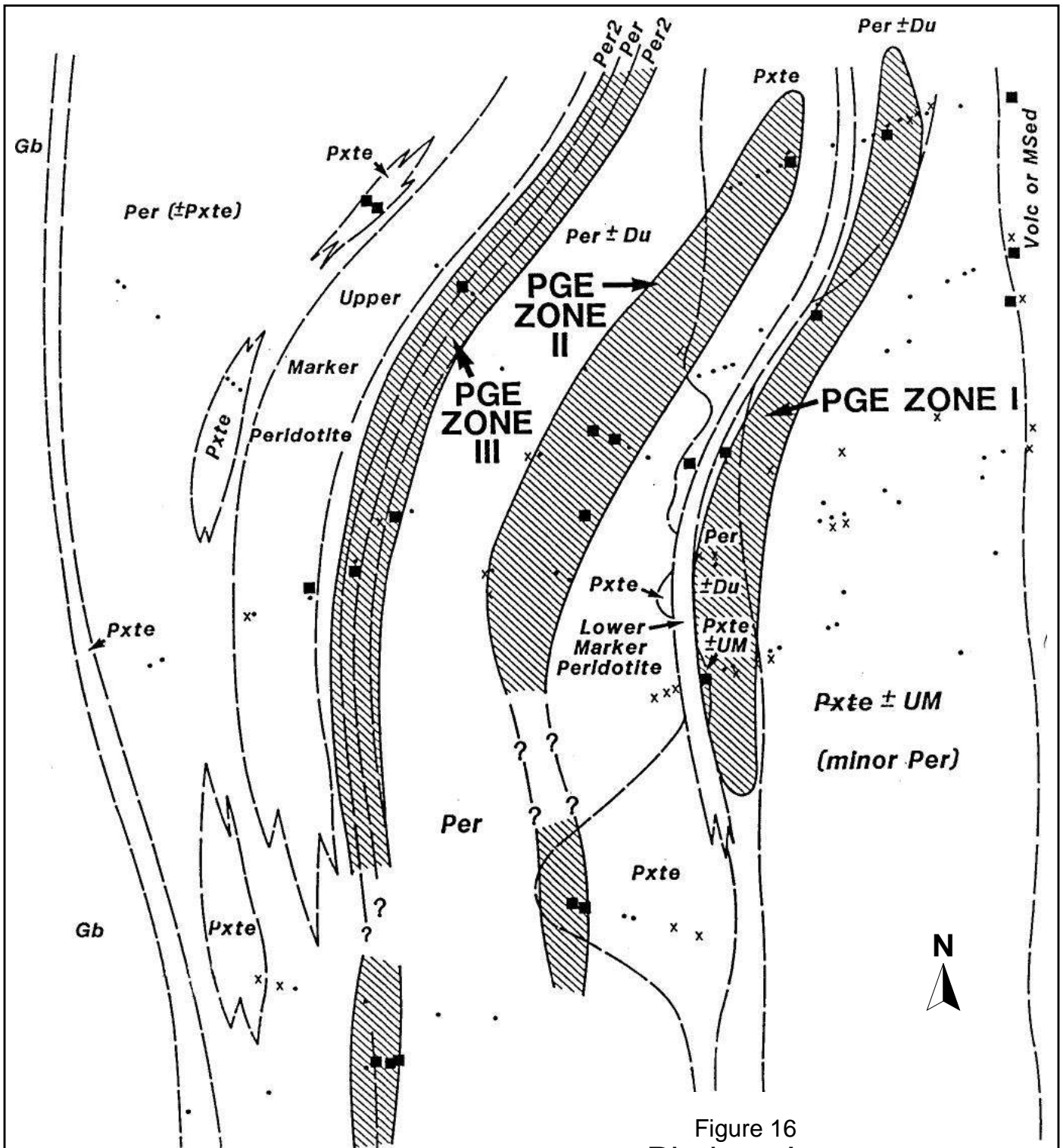


Figure 16
 Platinex Inc.
 Big Trout Lake Property
 Patricia Mining Division, Ontario
**Schematic Presentation
 of Mineralized Zones
 in Basal Ultramafic Sequence**
 Nemeigusabins Lake Area

- Anomalous PGE (>1g/t Pt & Pd)
- x Elevated Background
- Anomalous Cr
- Du Dunite
- Per Peridotite
- Pxte Pyroxenite
- UM Ultramafic Rocks (talc schist)
- Volc Volcanic Rocks
- Msed Metasedimentary Rocks
- Gab Gabbro

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- **Zone II** is situated above the Lower Marker Peridotite and below the Upper Marker Peridotite. It includes the best PGE mineralization to date with an intersection of 1,970 ppb Pt and 6,700 ppb Pd over 2 m in Canoxy Hole BT-81-02, within “ultramafic with chromite”. This intersection correlates with another mineralized intersection of 1,148 ppb Pt and 383 ppb Pd over 1 m in Hole BT-88-07 (Figure 9).
- **Zone III** is situated below the Upper Marker Peridotite.

Results of past work, however, have not been sufficient to select the most likely horizon favourable for PGE mineralization. This is because chromite occurs in most of the ultramafic units and chromite content changes laterally within these units. In addition, anomalous PGE concentrations are also encountered in mafic to intermediate rocks (Figure 10).

In 1998, IPCO assessed the chromite potential of the Big Trout Lake property (Bryant, 1988). Results of this study indicated that:

- Eight or more chromite rich layers or lenses are present in the 330 m thick basal ultramafic portion of the Big Trout Lake Complex. This favourable stratigraphic succession extends over 8.3 km on the Big Trout Lake Property and is known to extend another 10 km north to the south shore of Big Trout Lake and beyond. Significant chromite intersections have also been reported by Inco in drill fences 1.8 km, 5.2 km and 8.7 km farther along the stratigraphic trend from the property boundary.
- The chromite rich layers or lenses range from <1 m to 14.65 m thick. Narrow layers (<1.0 m) grade up to 28.1% Cr₂O₃ and thicker layers average up to 4.2% Cr₂O₃ over 14.65 m, 9.1% Cr₂O₃ over 7.15 m and 14.8% Cr₂O₃ over 2.18 m. Variability of results to date from drill section to drill section indicates significant additional work is required to ascertain the continuity and grade consistency of individual zones.

West Zone

The West Zone occurs in anorthosite and gabbro approximately 750 m above the top of the basal Ultramafic Zone (Figure 6). It has been tested by three drill sections over a 750 m strike length. PGE mineralization occurs as 200 ppb to 500 ppb combined PGE over 2 m to 20 m, with Pt:Pd ratios generally in the range from 1:1 to 1:1.5 (Trusler, 1999). RPA notes that similar low grade PGE mineralization is associated with other stratiform PGE mineralization such as Merensky Reef-type (Bushveld) or J-M Reef-type (Stillwater) deposits, and the character of the PGE mineralization could change along strike.

CONCLUSIONS

Based on the results of work carried out to date RPA concludes that the Big Trout Lake Property warrants additional work to explore for PGE deposits. The exploration potential and targets are highlighted below.

- The Big Trout Lake Property is situated in an environment with good potential for economic PGE mineralization. Past exploration work has identified a geologic environment similar to the layered igneous complexes at Bushveld, South Africa and Stillwater, Montana. Much of the world's primary Pt and Pd production comes from these two areas.
- Anomalous PGE mineralization occurs along a 6 km long trend of the Nemeigusabins Lake Arm of the BTL intrusive.
- Anomalous PGE mineralization has been intersected in diamond drill holes down to 200 m below the surface.
- Intersections with anomalous PGE mineralization appear to be generally correlated from drill section to drill section along a 2 km long trend of higher drill hole density in the East Zone.
- PGE mineralized zones are continuous along the plane of the ultramafic layering, but the significant concentrations are generally in narrow zones and appear to be within shoots with steep as well as subhorizontal plunges along the plane of the igneous layering.
- Some 22% of the 341 samples of mineralized drill core assayed to date contain more than 1 ppm combined Pt+Pd, and 3 samples contain up to 25 ppm Pt+Pd.
- Results of past work, however, have not been sufficient to select the most likely horizon favourable for PGE mineralization. This is because chromite occurs in most of the ultramafic units. Nevertheless, several chromite rich horizons appear to be PGE rich.
- A Max-Min II EM conductor, some 40 m to 500 m east of the southern part of the East Zone is not yet tested by drilling. This conductor may represent a zone of semi-massive to massive sulphide mineralization which is wider than those intersected in drill holes completed to date.
- Anomalous PGE mineralization occurs along the layered gabbro/anorthosite of the West Zone.
- Ground magnetic surveys appear to be the most effective exploration technique to identify diamond drill targets for PGE mineralization.

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RECOMMENDED PROGRAM AND BUDGET

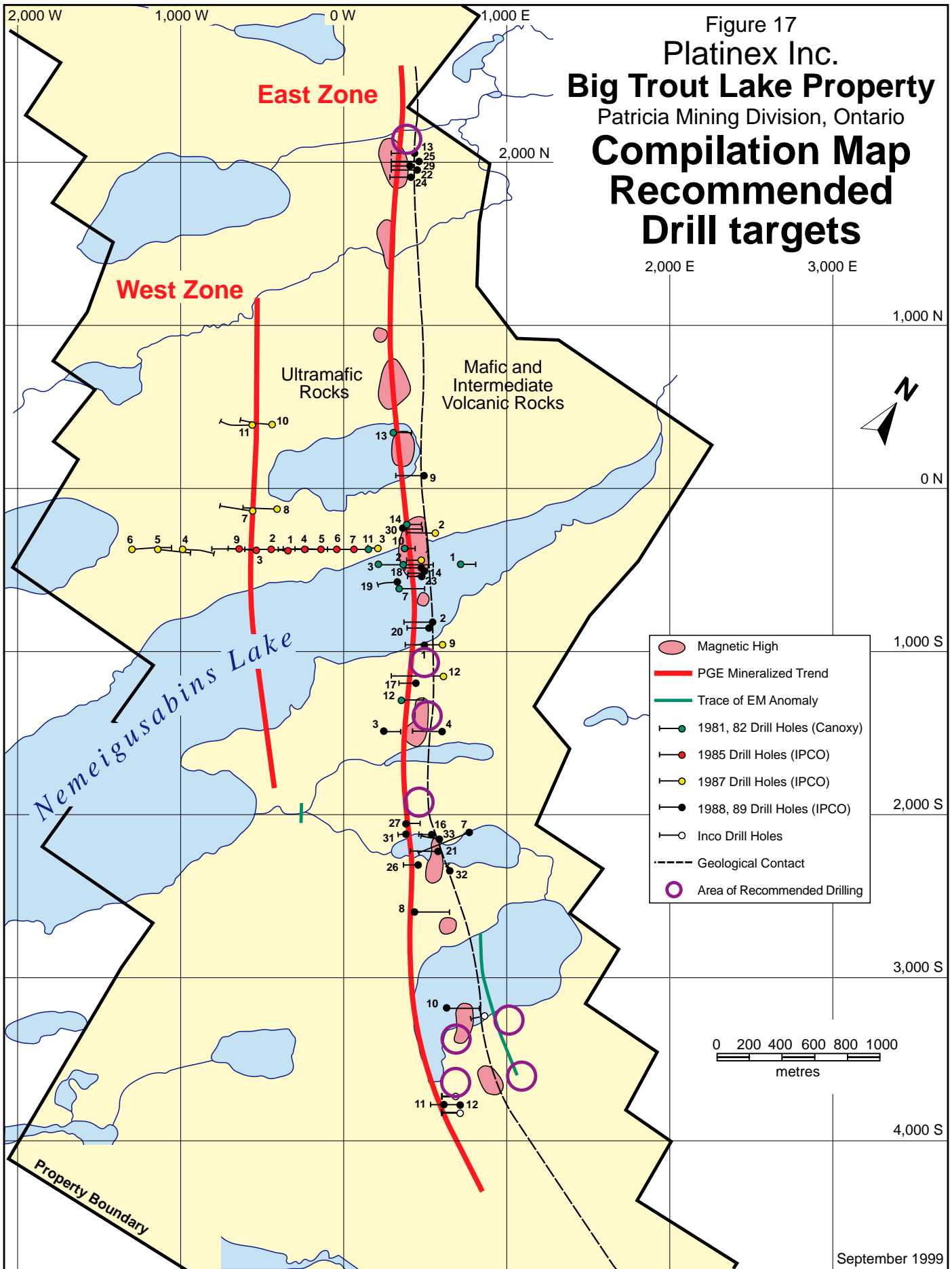
Platinex has proposed an exploration program and budget to test the down-plunge extensions of the mineralized shoots interpreted from previous drilling, and to drill test hitherto untested geophysical targets. In total, some 5,500 m of NQ drilling is planned for Phases 1 and 2. RPA concurs with this program and considers the specific targets down to 100 m below the surface of the Phase 1 drilling are to be as follows:

- A two - hole test on line 22+00 N and 4+00 E.
- A one - hole test on line 11+00 S and 5+00 E.
- A one - hole test on line 15+00 S and 5+00 E.
- A two - hole test on line 20+00 S and 5+00 E.
- A three - hole test on line 33+00 S and 7+00 E to 10+00 E.
- A three - hole test on line 37+00 S and 7+00 E to 10+00 E.

The planned diamond drilling for the near surface targets is in the order of 2,000 m. RPA also recommends a 1,000 m of additional Phase 1 drilling to test the extensions of these targets as well as previous mineralized intersections at depth.

The budget for the 3,000 m Phase 1 diamond drilling program is about \$600,000 (Figure 17 and Table 7, Appendix A). Platinex also has planned an exploration budget in the order of \$600,000 for a Phase 2 program. RPA is of the opinion that an additional drilling of some 2,500 m may be carried out to extend mineralized PGE intersections along strike. RPA is also of the opinion that the Phase 2 program will be dependent on successful results of the initial program and recommends a detailed compilation of past exploration work prior to commencement of diamond drilling.

Figure 17
Platinex Inc.
Big Trout Lake Property
Patricia Mining Division, Ontario
**Compilation Map
Recommended
Drill targets**



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CERTIFICATE OF QUALIFICATIONS

As an author of this report entitled "Report on the Big Trout Lake Platinum-Palladium Exploration Property" prepared for Platinex Inc. (Platinex), I hereby make the following statements:

1. My name is Hrayr Agnerian and I am a Consulting Geologist employed by Roscoe Postle Associates Inc. My office address is Suite 1210, 55 University Avenue, Toronto, Ontario M5J 2H7.
2. I have received the following degrees in Geological Sciences:
B.Sc. (Geol) 1966: American University of Beirut, Lebanon
Diploma, Mineral Exploration 1967, Delft, The Netherlands
M.Sc.(Applied) 1972: McGill University, Montréal, Québec
3. I am registered as a Professional Geologist in the Province of Québec. I am also
A Member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM)
A Fellow of the Geological Association of Canada (GAC)
A Member of the Association of Geoscientists of Ontario (AGO) and
A Member of the Prospectors and Developers Association of Canada (PDAC)
4. I have been practicing as a professional geologist for over twenty-five years.
5. This report is based on my personal review of technical reports and other data supplied by Platinex Inc. I have not visited the property.
6. I have neither received nor do I expect to receive any interest, direct or indirect, in the properties of Platinex Inc. and I do not beneficially own, directly or indirectly, any securities of Platinex Inc. or any affiliate.



Dated at Toronto, Ontario
October 8, 1999

Hrayr Agnerian, M.Sc.(Applied), P. Geo.

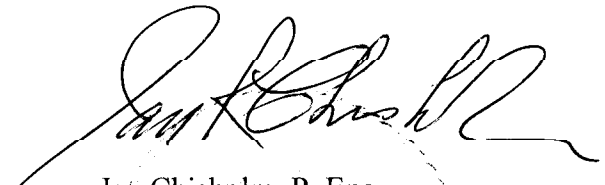
ROSCOE POSTLE ASSOCIATES INC.

CERTIFICATE OF QUALIFICATIONS

As an author of this report entitled "Report on the Big Trout Lake Platinum-Palladium Exploration Property" prepared for Platinex Inc. I hereby make the following statements:

1. My name is Ian Chisholm and I am a Consulting Geologist and Manager of Geological Services with Pearson, Hofman & Associates Ltd. My office address is Suite 2008, 390 Bay Street, Toronto, Ontario M5H 2Y2.
2. I have received the degree of B.Sc. (Geological Engineering) in 1958 from Queens University, Kingston, Ontario.
3. I am registered as a Professional Engineer in the Province of British Columbia. I am also a Member of the Prospectors and Developers Association of Canada (PDAC).
4. I have been practicing as a professional geologist for over twenty-five years.
5. This report is based on my personal review of diamond drill core, technical reports and other data supplied by Platinex Inc. I have visited the property several times in 1988 and 1989. During this period I supervised all work on the Big Trout Lake Project.
6. I have neither received nor do I expect to receive any interest, direct or indirect, in the properties of Platinex Inc. and I do not beneficially own, directly or indirectly, any securities of Platinex Inc. or any affiliate.

Dated at Toronto, Ontario
October 8, 1999



Ian Chisholm, P. Eng.

APPENDIX A

- Table 1. Big Trout Lake Pt-Pd Project, Property Status**
- Table 2. Big Trout Lake Pt-Pd Project, Exploration Summary**
- Table 3. Big Trout Lake Pt-Pd Project, Diamond Drilling Summary**
- Table 4. List of Mineralized Intersections in Diamond Drill Holes**
- Table 5. Check Assay Results by Degussa and Bondar-Clegg Laboratories**
- Table 6. Recommended Exploration Budget**
- Table 7. Recommended Diamond Drilling Program**

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**TABLE I
PLATINEX INC.
BIG TROUT LAKE Pt-Pd PROJECT
Property Status**

Claim Number		No. of Claims	Area (ha)	Recording Date	Work Due Date	Work (\$)	
From	To					Applied	Required
835509	835513	5	81	18-Jun-85	17-Jul-2000	24,000	2,000
835516	835521	6	97	18-Jun-85	17-Jul-2000	28,800	2,400
835523	835528	6	97	18-Jun-85	17-Jul-2000	28,800	2,400
841276	841298	23	372	20-Feb-86	17-Jul-2000	101,200	9,200
846136	846158	23	372	18-Jun-85	17-Jul-2000	110,400	9,200
846160	846162	3	49	18-Jun-85	17-Jul-2000	14,400	1,200
846165	846166	2	32	18-Jun-85	17-Jul-2000	9,600	800
846176	846179	4	65	18-Jun-85	17-Jul-2000	19,200	1,600
846182	846186	5	81	18-Jun-85	17-Jul-2000	24,000	2,000
846192	846200	9	146	18-Jun-85	17-Jul-2000	43,200	3,600
846203	846206	4	65	18-Jun-85	17-Jul-2000	19,200	1,600
846216	846220	5	81	18-Jun-85	17-Jul-2000	24,000	2,000
875346	875358	13	211	20-Feb-86	17-Jul-2000	57,200	5,200
875361	875368	8	130	20-Feb-86	17-Jul-2000	35,200	3,200
875373	875375	3	49	20-Feb-86	17-Jul-2000	13,200	1,200
913611	913615	5	81	21-Apr-87	17-Jul-2000	20,000	2,000
913617	913618	2	32	21-Apr-87	17-Jul-2000	8,400	800
913619	913620	2	32	21-Apr-87	17-Jul-2000	8,800	800
913738	913739	2	32	21-Apr-87	17-Jul-2000	8,800	800
913741	913744	4	65	21-Apr-87	17-Jul-2000	17,600	1,600
933637		1	16	21-Apr-87	17-Jul-2000	4,400	400
933640	933645	6	97	17-Jul-87	17-Jul-2000	26,400	2,400
933647	933652	6	97	17-Jul-87	17-Jul-2000	26,400	2,400
933656	933661	6	97	17-Jul-87	17-Jul-2000	26,400	2,400
934051	934055	5	81	17-Jul-87	17-Jul-2000	22,000	2,000
934057	934058	2	32	17-Jul-87	17-Jul-2000	8,800	800
934061	934063	3	49	17-Jul-87	17-Jul-2000	13,200	1,200
934066		1	16	17-Jul-87	17-Jul-2000	4,400	400
934074	934078	5	81	17-Jul-87	17-Jul-2000	22,000	2,000
934081	934088	8	130	17-Jul-87	17-Jul-2000	35,200	3,200
950506	950507	2	32	08-Apr-87	17-Jul-2000	8,800	800
950509	950513	5	81	08-Apr-87	17-Jul-2000	22,000	2,000
950516		1	16	08-Apr-87	17-Jul-2000	4,400	400
972785		1	16	15-May-87	17-Jul-2000	4,400	400
972787		1	16	15-May-87	17-Jul-2000	4,400	400
972791	972792	2	32	18-Aug-87	17-Jul-2000	8,800	800
1007299	1007300	2	32	09-Jul-87	09-Jul-2000	8,129	671
1007303	1007306	4	65	09-Jul-87	17-Jul-2000	17,600	1,600
1007309	1007315	7	113	09-Jul-87	17-Jul-2000	30,800	2,800
1007318	1007321	4	65	09-Jul-87	17-Jul-2000	17,600	1,600
1010001	1010015	15	243	17-Jul-87	17-Jul-2000	66,000	6,000
Total		221	3,579			998,129	88,271

Source: MNDM Mining Lands - Mining Claims Client Report, Patricia - Division 30

TABLE 2
PLATINEX INC.
BIG TROUT LAKE Pt - Pd PROJECT
Exploration Summary

Year	Company	Claim Staking	Type of Work				Approx Cost (\$)	Deemed Expend (\$)	Results
			Geol	Geophys	Diamond Drilling				
					No. holes	(m)			
1913	Geol Survey Canada		x						
1960-80	INCO		x	A/B Mag	23	6,697		Target: Ni-Cu deposits	
1964	Ont Dep't Mines		x						
1979	Ont Geol Survey		x						
1980	Ont Geol Survey		x					Potential for PGE min on INCO core	
1980-81	Canadian Oxidental Petroleum Corp			VLF-EM	3	454 +		HG horiz: 7 g/t Pt+Pd/2m	
1982	Canadian Oxidental Petroleum Corp				8	1,268		No significant results	
1985	International Platinum Corp	x			9	2,016	318,600	31,860	Interpret basal igneous stratigraphy
1986	International Platinum Corp	x		Dighem III					
1987	International Platinum Corp				12	3,113	698,500	69,850	PGE mineralization in U/M rocks in both East Zone & West Zone
1988	International Platinum Corp			Mag & VLF-EM	13	3,318	727,400	72,740	Significant Pt+Pd mineralization over 5.8 km strike length
1989	International Platinum Corp				20	3,440	710,500	71,050	Further delineate mineralized shoots in East
1997	Platinex Inc.			Max Min II EM					14.5 km in southeast part of Grid A. Conductor detected.
Totals					88	20,306	2,455,000	245,500	

TABLE 3
PLATINEX INC.
BIG TROUT LAKE PROJECT
List Of Diamond Drill Holes

Hole Number	Coordinates		Azimuth (degrees)	Inclination (degrees)	Length (m)
	North (y)	East (x)			
IN43411	3231 S	861 E	225	-55	123
IN57304	2270 S	2605 E	270	-45	34
IN57305	2270 S	2605 E	270	-50	164
IN57307	2380 S	2650 E	270	-45	157
IN57308	2155 S	2555 E	270	-50	147
IN57310	2290 S	2525 E	270	-52	212
IN57311	2290 S	2400 E	270	-50	167
IN57312	2240 S	2660 E	270	-50	186
IN57313	2105 S	2810 E	270	-45	415
IN57314	2380 S	2230 E	270	-45	94
IN57315	2180 S	582 E	212	-45	217
IN57316	2121 S	730 E	212	-45	187
IN57317	1275 N	1645 E	250	-45	412
IN57318	1140 N	1370 E	250	-50	457
IN57319	1080 N	1090 E	250	-45	188
IN57320	4150 N	1785 E	250	-45	344
IN57321	4045 N	1575 E	250	-45	457
IN57727	2405 S	2215 E	246	-45	456
IN57728	2525 S	1875 E	246	-45	454
IN57729	2625 S	1575 E	250	-50	487
IN57730	3950 N	1275 E	250	-50	456
IN57731	3870 N	990 E	250	-50	455
IN57732	3785 N	710 E	250	-45	432

Total IN series **6,697**

IN series are INCO drill holes.

Not all of these drill holes are located on the Big Trout Lake Property.

BT-81-01	450 S	700 E	55	-45	137
BT-81-02	450 S	350 E	55	-45	317
BT-81-03	450 S	200 E	55	-45	

Subtotal 454

BT-82-07	600 S	330 E	55	-45	218
BT-82-08	500 S	1340 W	235	-45	68
BT-82-09	500 S	1210 W	235	-45	116
BT-82-10	350 S	350 E	55	-45	115
BT-82-11	350 S	140 E	55	-45	224
BT-82-12	1300 S	370 E	55	-45	191

**TABLE 3
PLATINEX INC.
BIG TROUT LAKE PROJECT
List Of Diamond Drill Holes**

Hole Number	Coordinates		Azimuth (degrees)	Inclination (degrees)	Length (m)
	North (y)	East (x)			
BT-82-13	350 N	300 E	55	-45	162
BT-82-14	200 S	370 E	55	-45	174
Subtotal					1,268
BT-81 and BT-82 series drill holes were completed by Canoxy.					
Not all of these drill holes are located on the Big Trout Lake Property.					
BT-85-1	360 S	350 W	235	-50	225
BT-85-2	350 S	450 W	235	-46	217
BT-85-3	350 S	550 W	55	-46	225
BT-85-4	350 S	250 W	235	-46	225
BT-85-5	350 S	150 W	235	-48	225
BT-85-6	350 S	50 W	235	-45	222
BT-85-7	350 S	50 E	235	-46	225
BT-85-8	350 S	550 W	235	-45	225
BT-85-9	350 S	650 W	235	-45	225
Subtotal					2,016
BT-87-01	442 S	549 E	235	-45	274
BT-87-02	250 S	553 E	235	-45	247
BT-87-03	349 S	193 E	235	-45	246
BT-87-04	350 S	1000 W	55	-45	250
BT-87-05	350 S	1150 W	55	-45	250
BT-87-06	350 S	1310 W	55	-45	273
BT-67-07	100 S	570 W	235	-45	250
BT-87-08	100 S	421 W	235	-45	250
BT-87-09	947 S	593 E	235	-45	286
BT-87-10	400 N	450 W	235	-45	250
BT-87-11	400 N	570 W	235	-45	250
BT-87-12	1146 S	599 E	235	-45	289
Subtotal					3,113
BT-88-01	1142 S	440 E	235	-45	228
BT-88-02	801 S	580 E	235	-45	320
BT-88-03	1491 S	230 E	55	-45	231
BT-88-04	1494 S	580 E	235	-45	320
BT-88-07	2132 S	398 E	25	-45	256
BT-88-08	2600 S	410 E	55	-45	344
BT-88-09	100 N	490 E	235	-45	234
BT-88-10	3184 S	618 E	55	-47	282
BT-88-11	3782 S	602 E	55	-44	201

TABLE 3
PLATINEX INC.
BIG TROUT LAKE PROJECT
List Of Diamond Drill Holes

Hole Number	Coordinates		Azimuth (degrees)	Inclination (degrees)	Length (m)
	North (y)	East (x)			
BT-88-12	3781 S	705 E	235	-45	234
BT-88-13	2003 N	459 E	235	-45	230
Subtotal					2,880
BT-89-14	475 S	465 E	235	-53	167
BT-89-15	3832 S	712 E	235	-45	151
BT-89-16	2131 S	450 E	235	-47	192
BT-89-17	1192 S	440 E	235	-46	155
BT-89-18	425 S	465 E	235	-49	137
BT-89-19	525 S	470 E	235	-48	140
BT-89-20	847 S	516 E	235	-47	201
BT-89-21	2265 S	565 E	235	-48	256
BT-89-22	1950 N	435 E	235	-46	210
BT-89-23	500 S	480 E	235	-57	140
BT-89-24	1900 N	395 E	235	-45	170
BT-89-25	2050 N	430 E	235	-45	192
BT-99-26	2280 S	360 E	55	-45	146
BT-89-27	2060 S	370 E	55	-45	116
BT-89-28	3730 S	690 E	235	-45	116
BT-89-29	1975 N	392 E	235	-62	213
BT-89-30	295 S	400 E	55	-45	122
BT-89-31	2126 S	359 E	55	-55	161
BT-89-32	2320 S	440 E	235	-63	161
BT-89-33	2121 S	526 E	235	-64	295
Subtotal					3,440
Total BT series					13,170

BT series are Canoxy and Platinex drill holes

TABLE 4
PLATINEX INC.
BIG TROUT LAKE PROJECT
List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd			
					From	To											
IN57315	21+80	S	5+92	E	Main	216.4	216.6	0.2	2,217	1,164	147	858	42	0.16	1 : 0.5		
BT-2-81	4+50	S	3+50	E	Main	69.0	70.0	1.0	20	65		470	47		1 : 3.3		
						70.0	71.0	1.0	2,600	7,750	52	1,650	31	7.15	1 : 3.0		
						71.0	72.0	1.0	940	4,450	37	2,700	86	3.61	1 : 4.7		
						72.0	73.0	1.0	80	90		1,100	24		1 : 1.1		
BT-7-82	6+00	S	3+30	E	Second	154.0	155.5	1.5	220	440		940	340		1 : 2.0		
						155.5	157.0	1.5	50	120		720	130	2.10	1 : 2.4		
						157.0	159.8	2.8	110	280		780	80	2.40	1 : 2.5		
BT-12-82	13+00	S	3+70	E	Main	27.0	29.0	2.0	240	570		1,200	770		1 : 2.4		
						43.0	45.0	2.0	220	320		1,100	90		1 : 1.5		
						45.0	47.0	2.0	150	360		2,600	440		1 : 2.4		
BT-13-82	3+50	N	3+00	E	Second	78.6	79.2	0.6	120	830		630	7		1 : 6.9		
						118.6	119.0	0.4	520	190		1,700	5		1 : 0.4		
BT-14-82	2+00	S	3+70	E	Second	71.0	73.0	2.0	25	200		1,200	53		1 : 8.0		
BT-87-01	4+50	S	5+50	E	Main	148.0	150.0	2.0	64	150		220	1,100		1 : 2.3		
BT-87-01	4+50	S	5+50	E	Main	160.0	161.0	1.0	82	686	178	1,525	3	0.40	1 : 8.4		
						161.0	162.0	1.0	105	88	8	1,685	6	0.44	1 : 0.8		
						162.0	163.0	1.0	212	641	11	1,435	31	6.70	1 : 3.0		
						163.0	164.0	1.0	424	435	3	1,355	39	9.52	1 : 1.0		
						164.0	165.0	1.0	55	44	1	1,240	7	7.97	1 : 0.8		
						165.0	166.0	1.0	19	47	2	1,415	10	7.06	1 : 2.5		
BT-87-02	2+50	S	5+53	E	Main	119.0	120.0	1.0	115	482	14	2,515	854	11.85	1 : 4.2		
						159.0	159.8	0.8	81	392	9	1,880	728	0.49	1 : 4.8		
						159.8	160.0	0.2	99	259	4	998	99	6.77	1 : 2.6		

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates		Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd		
				From	To										
BT-87-09	9+48	S	5+93	E	Second	160.0	160.5	0.5	414	90	3	631	15	5.93	1 : 0.2
						160.5	161.6	1.1	180	204	3	98	4	5.79	1 : 1.1
						223.0	224.0	1.0	121	108	7	1,210	6	0.87	1 : 0.9
						224.0	225.0	1.0	48	71	5	1,280	9	0.52	1 : 1.5
						225.0	226.0	1.0	83	220	11	1,320	37	0.35	1 : 2.7
						103.0	104.0	1.0	112	432	25	3,740	1,300	0.58	1 : 3.9
						104.0	105.0	1.0	150	520	22	2,695	700	2.47	1 : 3.5
						105.0	106.0	1.0	150	394	18	2,680	350	1.59	1 : 2.6
						106.0	107.0	1.0	105	318	18	2,070	360	0.46	1 : 3.0
						107.0	108.0	1.0	542	544	25	2,310	1,300	1.54	1 : 1.0
					108.0	109.0	1.0	63	216	12	1,570	1,400	2.33	1 : 3.4	
					109.0	110.0	1.0	66	234	10	1,985	760	3.67	1 : 3.5	
					110.0	111.0	1.0	107	452	17	3,410	1,300	2.26	1 : 4.2	
					111.0	112.0	1.0	125	414	9	2,160	530	3.32	1 : 3.3	
					112.0	113.0	1.0	111	484	14	2,035	760	4.94	1 : 4.4	
					113.0	114.0	1.0	111	319	388	1,825	220	5.29	1 : 2.9	
					114.0	115.0	1.0	72	276	15	2,135	780	2.40	1 : 3.8	
					115.0	116.0	1.0	196	696	28	3,035	600	3.81	1 : 3.6	
					119.0	120.0	1.0	548	548	6	2,250	580	1.80	1 : 1.0	
					126.0	127.0	1.0	573	245	20	2,280	1,300	0.88	1 : 0.4	
142.0	143.0	1.0	281	458	39	2,565	780	0.50	1 : 1.6						
BT-87-09	9+48	S	5+93	E	Main	154.7	155.1	0.4	672	1,086	80	41,200	9,960	0.01	1 : 1.6
						155.1	156.0	0.9	268	848	62	3,480	1,630	0.09	1 : 3.2
						156.0	156.7	0.7	16	112	18	4,185	2,350	2.75	1 : 7.0
BT-87-09	9+48	S	5+93	E	Main	156.7	157.0	0.3	30	63	7	2,440	350	0.24	1 : 2.1

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd
					From	To								
BT-87-12	11+46 S	5+99	E	Second	157.0	158.0	1.0	15	20	4	1,155	513	0.33	1 : 1.3
					158.0	159.0	1.0	456	1,212	102	1,705	1,258	0.16	1 : 2.7
					180.0	181.0	1.0	218	597	23	1,895	315	0.29	1 : 2.7
					142.0	143.0	1.0	179	668	19	744	144	0.26	1 : 3.7
					277.0	278.0	1.0	231	756	19	4,339	752	0.04	1 : 3.3
					278.0	279.0	1.0	491	2,110	45	4,360	1,210	0.05	1 : 4.3
BT-88-01	11+42 S	4+40	E	Main ? Second ?	279.0	282.0	3.0	81	254	11	2,520	45	0.04	1 : 3.1
					37.7	38.3	0.6	1,490	3,170	37	1,900	51	4.73	1 : 2.1
					59.0	60.0	1.0	167	419	29	3,695	204	0.41	1 : 2.5
					60.0	61.0	1.0	15	50	7	1,295	233	0.28	1 : 3.3
					61.0	62.0	1.0	14	15	7	1,690	119	0.38	1 : 1.1
					62.0	63.0	1.0	33	49	5	998	22	0.44	1 : 1.5
					63.0	64.0	1.0	43	195	14	1,585	52	0.36	1 : 4.5
					64.0	65.0	1.0	297	1,046	24	2,150	171	0.35	1 : 3.5
					65.0	66.0	1.0	56	164	6	1,280	77	0.40	1 : 2.9
					BT-88-02	8+01 S	5+80	E	Second Main	87.0	88.0	1.0	14	154
88.0	89.0	1.0	469	234						24	3,265	10,160	0.03	1 : 0.5
89.0	90.0	1.0	48	212						23	1,985	2,840	0.03	1 : 4.4
90.0	91.0	1.0	14	23						10	395	599		1 : 1.6
138.8	139.0	0.2	33	15						3	894	137	11.31	1 : 0.5
139.0	139.5	0.5	426	1,846						153	549	71	5.56	1 : 4.3
139.5	140.0	0.5	24	38						7	412	106	0.58	1 : 1.6
140.0	141.2	1.2	838	437						49	43	57	0.64	1 : 0.5
141.2	141.6	0.4	200	346						24	978	33	4.64	1 : 1.7
251.0	253.0	2.0	36	57						8	1,565	154	0.39	1 : 1.6

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd
					From	To								
BT-88-02	8+01 S	5+80 E	Second	253.0	254.0	1.0	4	12	< 5	1,425	174	0.18	1 : 3.0	
				254.0	255.0	1.0	397	1,418	237				1 : 3.6	
				255.0	256.0	1.0	271	601	143	999	143	0.30	1 : 2.2	
				256.0	257.0	1.0	43	167	5				1 : 3.9	
BT-88-03	14+91 S	2+30 E	Second	26.7	27.7	1.0	514	54	3				1 : 0.1	
				27.7	28.7	1.0	218	23	7	608	26	0.11	1 : 0.1	
				28.7	29.6	0.9	896	61	2				1 : 0.1	
			Second ?	38.0	39.0	1.0	141	430	18				1 : 3.0	
				39.0	40.0	1.0	30	52	3	932	222	0.37	1 : 1.7	
				40.0	41.0	1.0	281	738	31				1 : 2.6	
				41.0	41.8	0.8	245	1,053	75	759	489	0.37	1 : 4.3	
Main ?	159.7	160.1	0.4	291	611	4	1,005	125	0.46	1 : 2.1				
	160.1	160.5	0.4	7	175	< 1	903	109	> 2.00	1 : 25.0				
BT-88-04	14+94 S	5+80 E	Main	295.0	296.0	1.0	33	51	2				1 : 1.5	
				296.0	297.0	1.0	314	1,048	31	1,920	73	0.33	1 : 3.3	
				297.0	298.0	1.0	257	508	18				1 : 2.0	
				298.0	299.0	1.0	546	888	44	1,455	35	0.87	1 : 1.6	
				299.0	299.2	0.2	315	273	9	1,555	45	5.21	1 : 0.9	
BT-88-07	21+32 S	3+98 E	Main	18.0	19.0	1.0	105	112	1				1 : 1.1	
				19.0	20.0	1.0	779	305	3	883	37	0.26	1 : 0.4	
				20.0	21.0	1.0	1,148	383	6				1 : 0.3	
				21.0	22.0	1.0	560	225	< 1				1 : 0.4	
				22.0	23.0	1.0	507	137	< 1	717	7	0.32	1 : 0.3	
23.0	24.0	1.0	187	118	< 1				1 : 0.6					
BT-88-08	26+00 S	4+10 E	Second ?	126.0	129.0	3.0	69	317	30	119	16	0.29	1 : 4.6	

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd	
					From	To									
BT-88-08	26+00 S	4+10	E	Second ?	237.0	238.0	1.0	137	556	31	1,860	666	0.39	1 : 4.1	
				Second ?	238.0	239.0	1.0	167	445	23	2,040	681	0.39	1 : 2.7	
BT-88-09	1+00 N	4+90	E	Second ?	125.4	126.3	0.8	87	90	343	500	244	0.09	1 : 1.0	
BT-88-11	37+82 S	6+02	E	Second ?	193.0	194.0	1.0	142	66	< 1	477	6	2.27	1 : 0.5	
				Main	46.7	47.1	0.5	122	373	11	1,410	157	2.05	1 : 3.1	
					47.1	48.0	0.9	442	745	19	2,325	335	0.42	1 : 1.7	
					48.0	49.0	1.0	606	1,216	24	3,525	913	0.31	1 : 2.0	
					49.0	50.0	1.0	427	850	13	2,500	675	0.33	1 : 2.0	
					50.0	52.0	2.0	268	689	27	1,530	562	0.28	1 : 2.6	
					Second ?	77.7	80.0	2.3	186	430	17	4,055	586	0.28	1 : 2.3
						80.0	81.0	1.0	268	576	10	4,660	1,029	0.28	1 : 2.1
						81.0	81.7	0.7	70	133	< 1	2,040	659	0.36	1 : 1.9
						81.7	82.5	0.8	346	629	8	4,040	3,360	0.63	1 : 1.8
BT-88-12	37+81 S	7+05	E	Main ?	82.5	84.0	1.5	522	739	4	2,680	890	0.67	1 : 1.4	
					82.5	83.0	0.5	135	298	21	2,250	777	0.27	1 : 2.2	
					83.0	83.8	0.8	298	443	26	982	285	0.51	1 : 1.5	
					83.8	84.0	0.3	363	232	14	775	196	2.06	1 : 0.6	
					84.0	84.5	0.5	141	221	15	884	444	0.52	1 : 1.6	
					Second ?	64.0	64.5	0.5	94	218	6	2,670	824	0.24	1 : 2.3
						64.5	65.0	0.5	1,268	1,255	17	2,890	275	1.89	1 : 1.0
						65.0	66.0	1.0	137	137	86	3,960	1,380	0.51	1 : 1.0
BT-88-13	20+03 N	4+59	E	Second	91.7	92.4	0.7	124	635	21	1,445	1,205	0.41	1 : 5.1	
					92.4	93.2	0.8	705	2,699	35	1,585	553	8.39	1 : 3.8	
					93.2	94.8	1.6	102	537	10	765	335	2.84	1 : 5.3	
					94.8	96.7	1.9	125	715	16	1,200	662	1.42	1 : 5.7	

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd
					From	To								
BT-88-13	20+03 N	4+59 E	Second	96.7	97.2	0.6	571	1,361	26	390	34	15.24	1 : 2.4	
				93.2	94.0	0.8	145	555	14	765	335	2.84	1 : 3.8	
				94.0	94.8	0.8	169	551	9				1 : 3.3	
				94.8	95.7	0.9	63	278	11	1,200	662	1.42	1 : 4.4	
				95.7	96.7	1.0	292	1,286	24				1 : 4.4	
				96.7	97.2	0.6	625	1,472	26	390	34	15.24	1 : 2.4	
				97.2	98.0	0.8	24	47	3	520	69	0.72	1 : 2.0	
				184.0	184.9	0.9	49	281	13	617	3	7.22	1 : 5.7	
				184.9	185.9	1.0	589	1,401	22	341	3	13.00	1 : 2.4	
				185.9	186.6	0.7	99	114	7	473	2	1.94	1 : 1.2	
BT-89-14	4+75 S	4+65 E	Main	85.0	86.0	1.0	1,453	11,351	1,183	1,740	367	0.04	1 : 7.8	
				Second	74.5	76.0	1.5	216	642	48				1 : 3.0
				76.0	77.0	1.0	53	65	3					1 : 1.2
				77.0	78.0	1.0	859	5,338	501	1,715	114	0.28	1 : 6.2	
				105.7	106.7	1.0	148	445	19					1 : 3.0
				106.7	107.7	1.0	326	302	16					1 : 0.9
				107.7	108.5	0.8	43	19	8					1 : 0.4
				108.5	109.1	0.6	349	270	5					1 : 0.8
				109.1	109.8	0.7	22	51	8					1 : 2.3
				109.8	110.5	0.7	215	212	6					1 : 1.0
BT-89-15	38+32 S	7+12 E	Main	110.5	111.2	0.7	269	199	8					1 : 0.7
				102.5	103.5	1.0	94	110	1	489	<9	0.48	1 : 1.2	
				103.5	103.8	0.3	546	899	4	401	37	2.73	1 : 1.6	
				103.8	104.1	0.3	34	53	<1	583	48	1.77	1 : 1.6	
				104.1	104.5	0.4	233	482	1	540	23	1.95	1 : 2.1	

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd		
					From	To										
BT-89-16	21+32 S	4+50 E	Main		104.5	105.5	1.0	78	37	<1	599	69	0.44	1 : 0.5		
				Second	66.0	69.0	3.0	215	112	4	580	50	0.11	1 : 0.5		
					27.0	28.0	1.0	165	86	1					1 : 0.5	
					28.0	29.0	1.0	1,283	3,469	24	994	26	0.31	1 : 2.7		
					29.0	30.0	1.0	1,991	2,885	23					1 : 1.4	
					30.0	31.0	1.0	680	359	2					1 : 0.5	
					31.0	32.0	1.0	109	87	<1	956	5	0.23	1 : 0.8		
					32.0	33.0	1.0	41	25	<1					1 : 0.6	
					33.0	36.0	3.0	150	116	2	830	12	0.18	1 : 0.8		
					Second	48.0	48.5	0.5	663	317	2	1,465	30	0.49	1 : 0.5	
						48.5	48.8	0.3	1,417	615	<1	454	21	5.40	1 : 0.4	
						48.8	49.1	0.3	220	49	<1	312	5	7.37	1 : 0.2	
						Second	127.0	128.0	1.0	309	447	13	2,860	1,008	0.67	1 : 1.4
							128.0	129.0	1.0	142	203		1,900	289	0.50	1 : 1.4
BT-89-17	11+92 S	4+40 E	Main		64.7	64.9	0.2	134	326	40	617	28	10.65	1 : 2.4		
					64.9	65.4	0.5	100	306	99	675	11	5.78	1 : 3.1		
					65.4	65.9	0.5	29	107	53	898	93	2.57	1 : 3.7		
					65.9	66.4	0.5	285	899	52	2,100	148	2.65	1 : 3.2		
					66.4	67.0	0.6	59	71	8	1,021	84	0.87	1 : 1.2		
					Second	38.0	39.0	1.0	250	562	44					1 : 2.2
						39.0	40.0	1.0	106	259	18	2,850	125	0.52	1 : 2.4	
						40.0	41.0	1.0	70	107	8					1 : 1.5
						83.7	84.8	1.1	233	513	614	1,715	413	1.04	1 : 2.2	
						79.3	80.0	0.7	86	256	15					1 : 3.0
						80.0	81.4	1.4	207	344	10					1 : 1.7

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates		Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd						
				From	To														
BT-89-18	4+25	S	4+65	E	Main	99.5	99.8	0.3	92	354	13	592	63	1.38	1 : 3.8				
						99.8	100.5	0.7	207	474	14	524	35	0.47	1 : 2.3				
						60.8	61.3	0.5	15	30	4	2,410	6	0.39	1 : 2.0				
						61.3	61.5	0.2	173	118	3	1,380	4	13.80	1 : 0.7				
						61.5	62.0	0.5	269	559	8	3,555	7	0.64	1 : 2.1				
						62.0	65.0	3.0	82	189	2	2,495	2	0.47	1 : 2.3				
						65.0	66.0	1.0	8	3	3				1 : 0.4				
						66.0	67.0	1.0	118	252	14	2,330	135	0.40	1 : 2.1				
						67.0	68.0	1.0	742	587	44				1 : 0.8				
									Second	36.0	37.0	1.0	400	892	41				1 : 2.2
										37.0	38.0	1.0	289	496	26	2,030	272	0.72	1 : 1.7
										38.0	39.0	1.0	659	820	89				1 : 1.2
										39.0	40.0	1.0	236	409	32	924		92.43	1 : 1.7
										84.0	85.0	1.0	370	816	54				1 : 2.2
				85.0	86.0	1.0	145	162	12				1 : 1.1						
BT-89-19	5+25	S	4+70	E	Second	34.4	34.7	0.3	182	592	19				1 : 3.3				
						50.0	51.2	1.2	212	737	61				1 : 3.5				
					Main	27.0	27.3	0.3	160	412	7	2,175	226	5.02	1 : 2.6				
						27.3	28.0	0.7	284	954	15	2,440	417	1.80	1 : 3.4				
BT-89-20	8+47	S	5+16	E	Main	28.0	28.7	0.7	39	170	12	1,645	181	2.07	1 : 4.4				
						94.0	95.0	1.0	81	216	11	2,975	220	0.38	1 : 2.7				
						95.0	95.4	0.4	226	629	20	1,965	544	>2.00	1 : 2.8				
						95.4	96.0	0.6	324	962	32	3,610	1,255	0.47	1 : 3.0				
						96.0	96.7	0.7	35	73	6	2,080	19	0.44	1 : 2.1				
			Second	30.0	31.0	1.0	168	599	30	2,730	327	0.55	1 : 3.6						

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates	Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd	
			From	To									
			31.0	32.0	1.0	116	337	21				1 : 2.9	
			32.0	33.0	1.0	126	412	26				1 : 3.3	
			33.0	34.0	1.0	124	451	29	2,310	94	1.17	1 : 3.6	
			34.0	35.0	1.0	98	367	65				1 : 3.7	
			35.0	36.0	1.0	134	460	36				1 : 3.4	
			36.0	37.0	1.0	176	508	28	2,620	738	1.16	1 : 2.9	
			37.0	38.0	1.0	281	738	52				1 : 2.6	
			155.0	156.0	1.0	81	174	18	1,705	449	0.48	1 : 2.1	
			156.0	157.0	1.0	180	508	107				1 : 2.8	
			187.0	188.0	1.0	250	778	48	1,340	856	0.80	1 : 3.1	
			99.4	100.0	0.6	144	350	22	1,305	734	>2.00	1 : 2.4	
			100.0	100.6	0.6	283	619	51	1,265	2,685	>2.00	1 : 2.2	
			100.6	101.0	0.4	353	296	13	1,002	763	>2.00	1 : 0.8	
BT-89-21	22+65 S	5+65 E	Main	246.0	247.0	1.0	160	409	56				1 : 2.6
				247.0	248.0	1.0	142	440	16	1,515	262	0.63	1 : 3.1
				248.0	249.0	1.0	1,322	3,985	93	877	33	0.79	1 : 3.0
				249.0	250.0	1.0	345	195	13				1 : 0.6
				250.0	250.5	0.5	176	97	25	764	6	0.63	1 : 0.6
				250.5	251.0	0.5	124	152	6	458	3	3.78	1 : 1.2
			Second	71.2	71.8	0.6	285	599	20	884	13	12.61	1 : 2.1
BT-89-22	19+50 S	4+35 E	Main	185.6	185.8	0.2	267	249	<1	206	5	19.53	1 : 0.9
				185.8	186.6	0.8	76	48	<1	402	3	11.26	1 : 0.6
				186.6	187.5	0.9	1,810	11,227	71	489	6	6.80	1 : 6.2
				187.5	188.3	0.8	1,186	6,350	35	712	3	3.95	1 : 5.4
				188.3	188.9	0.6	1,005	1,536	11	466	8	8.42	1 : 1.5

TABLE 4

**PLATINEX INC.
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List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates	Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd	
			From	To									
BT-89-23	5+00 S 4+80 E	Second	87.0	88.0	1.0	367	1,556	43	847	5	0.41	1 : 4.2	
			88.0	89.0	1.0	935	1,944	46				1 : 2.1	
			105.0	106.0	1.0	223	539	32				1 : 2.4	
			106.0	107.0	1.0	40	101	9				1 : 2.5	
			107.0	108.0	1.0	363	890	104	1,400	266	0.24	1 : 2.5	
			108.0	109.0	1.0	318	781	173				1 : 2.5	
		Main	25.9	26.2	0.3	89	362	47	2,065	215	7.70	1 : 4.1	
			98.5	99.8	1.3	141	99	14	1,295	39	>2.00	1 : 0.7	
			98.8	99.5	0.7	258	365	38	1,510	153	0.33	1 : 1.4	
			Second	38.0	39.0	1.0	193	402	22				1 : 2.1
				39.0	40.0	1.0	114	278	26				1 : 2.4
				41.0	42.0	1.0	142	315	4				1 : 2.2
				42.0	43.0	1.0	150	428	9				1 : 2.9
				43.0	44.0	1.0	174	242	15				1 : 1.4
			55.0	56.8	1.8	74	227	15	1,665	411	0.10	1 : 3.1	
56.8	57.1	0.3	1,532	2,935	44	911	793	0.10	1 : 1.9				
57.1	58.8	1.7	81	213	8	2,145	200	0.58	1 : 2.6				
58.8	59.1	0.3	498	1,191	50	1,425	113	0.65	1 : 2.4				
BT-89-24	19+00 N 3+95 E	Main	129.7	130.2	0.5	122	68	6	811	2	2.96	1 : 0.6	
			130.2	130.7	0.5	703	358	4	442	6	13.22	1 : 0.5	
			130.7	131.1	0.4	60	42	15	828	6	5.08	1 : 0.7	
			131.1	131.5	0.4	192	88	4	827	3	7.53	1 : 0.5	
BT-89-25	20+50 N 4+30 E	Second	92.4	92.7	0.3	148	107	14	646	10	6.20	1 : 0.7	
		Main	172.3	172.6	0.3	182	157	1	286	2	15.69	1 : 0.9	
		Second	28.2	29.4	1.2	80	349	2			0.36	1 : 4.4	

TABLE 4

**PLATINEX INC.
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List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates	Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd		
			From	To										
BT-89-26	22+80 S	3+60 E	Main	29.4	30.1	0.7	359	1,635	16			6.84	1 : 4.6	
				30.1	34.0	3.9	65	291	15	742	154	0.95	1 : 4.5	
				Second	90.4	90.9	0.5	552	162	4	463	2	1.10	1 : 0.3
				90.9	91.4	0.5	244	485	6	816	2	13.35	1 : 2.0	
				91.4	92.0	0.6	147	494	4	742	2	15.25	1 : 3.4	
				92.0	92.6	0.6	66	239	2	907	5	7.21	1 : 3.6	
				92.6	93.0	0.4	5	250	7	1,600	48	0.42	1 : 50.0	
				93.0	93.5	0.5	66	370	7	1,375	96	0.44	1 : 5.6	
				93.5	94.0	0.5	272	90	5	974	52	0.32	1 : 0.3	
				94.0	94.6	0.6	255	74	5	931	64	0.40	1 : 0.3	
			Main	39.8	40.5	0.7	1,242	325	116	338	8	7.82	1 : 0.3	
			40.5	41.5	1.0	687	182	21	503	2	2.47	1 : 0.3		
			Second	47.0	48.0	1.0	229	228	17				1 : 1.0	
			48.0	49.0	1.0	275	298	27					1 : 1.1	
			49.0	50.0	1.0	100	250	2					1 : 2.5	
			62.0	65.0	3.0	101	357	5	781	10	0.90	1 : 3.5		
			65.0	66.0	1.0	191	849	4					1 : 4.4	
			66.0	67.0	1.0	403	1,700	10					1 : 4.2	
			67.0	68.0	1.0	10	132	<1					1 : 13.2	
			68.0	69.0	1.0	148	502	<1					1 : 3.4	
69.0	70.0	1.0	208	880	3					1 : 4.2				
70.0	70.6	0.6	467	1,246	5					1 : 2.7				
70.6	71.3	0.7	241	944	3					1 : 3.9				
101.0	102.0	1.0	279	913	189					1 : 3.3				
BT-89-27	20+60 S	3+70 E	Main	94.0	95.0	1.0	161	67	<1			1 : 0.4		

TABLE 4

**PLATINEX INC.
BIG TROUT LAKE PROJECT**

List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates			Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd
					From	To								
BT-89-28	37+30 S	6+90 E	Main	95.0	96.0	1.0	1,071	1,111	14					1 : 1.0
				96.0	97.0	1.0	22	315	1					1 : 14.3
				40.0	43.0	3.0	132	179	21	2,860	508	0.52	1 : 1.4	
				75.0	78.0	3.0	87	203	17	1,380	397	0.27	1 : 2.3	
BT-89-29	19+75 N	3+92 E	Main	151.7	152.0	0.3	345	151	2	604	7	7.98	1 : 0.4	
				152.0	153.2	1.2	33	24	2	882	22	0.80	1 : 0.7	
				153.2	153.7	0.5	117	55	5	620	2	8.00	1 : 0.5	
				153.7	154.2	0.5	300	181	12	478	1	10.92	1 : 0.6	
				154.2	154.8	0.6	45	44	4	650	4	7.10	1 : 1.0	
				154.8	155.3	0.5	70	65	3	621	3	6.64	1 : 0.9	
				155.3	155.9	0.6	9	20	<1	754	10	3.82	1 : 2.2	
			Second	155.9	156.3	0.4	227	229	151	272	16	3.82	1 : 1.0	
				64.5	65.3	0.8	470	436	15	791	103	4.66	1 : 0.9	
				102.0	105.0	3.0	209	258	5	1,412	7	0.52	1 : 1.2	
				105.0	105.4	0.4	322	427	7	667	8	4.29	1 : 1.3	
				105.4	105.9	0.5	68	65	<1	824	8	0.65	1 : 1.0	
				105.9	106.5	0.6	230	626	10	632	7	3.9	1 : 2.7	
				160.0	160.5	0.5	457	147	3	843	15	1.78	1 : 0.3	
BT-89-30	2+95 S	4+00 E	Main	77.8	79.0	1.2	344	1235	27					1 : 3.6
				79.0	80.0	1.0	609	2090	40					1 : 3.4
				80.0	81.0	1.0	233	824	30					1 : 3.5
				81.0	82.0	1.0	168	623	14					1 : 3.7
				82.0	83.0	1.0	101	411	55					1 : 4.1
				84.0	84.2	0.2	80	229	6					1 : 2.9
				84.2	87.0	2.8	28	53	6	2,900	527	0.43	1 : 1.9	

TABLE 4

**PLATINEX INC.
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List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates	Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd	
			From	To									
		Main	87.0	90.0	3.0	61	191	16	2,110	1270	0.4	1 : 3.1	
			90.0	91.0	1.0	239	765	17				1 : 3.2	
			91.0	92.0	1.0	239	716	31				1 : 3.0	
			92.0	93.0	1.0	189	400	10				1 : 2.1	
			93.0	94.0	1.0	104	369	8	3,410	307	0.37	1 : 3.5	
BT-89-31	21+26 S	3+59 E	No Significant Results		0.0								
BT-89-32	23+20 S	4+40 E	Main	75.0	76.0	1.0	448	220	16				1 : 0.5
				76.0	77.0	1.0	168	85	10				1 : 0.5
				77.0	78.0	1.0	730	421	33				1 : 0.6
				78.0	78.5	0.5	2,602	1,270	105				1 : 0.5
				Second	57.0	60.0	3.0	146	311	29	322	26	0.19
BT-89-33	21+21 S	5+26 E	Main	60.0	63.1	3.1	167	140	19	485	45	0.19	1 : 0.8
				84.0	85.0	1.0	149	383	33				1 : 2.6
				85.0	86.0	1.0	135	245	40				1 : 1.8
				86.0	87.0	1.0	412	620	145				1 : 1.5
				Second	57.0	60.0	3.0	130	254	34	3,065	1485	0.40
			Second	60.0	61.0	1.0	207	532	36				1 : 2.6
				61.0	62.0	1.0	107	337	29				1 : 3.1
				62.0	63.0	1.0	117	311	126				1 : 2.7
				63.0	66.0	3.0	108	308	23	3,030	1,320	0.42	1 : 2.9
				112.4	113.2	0.8	181	204	16	1,560	220	0.20	1 : 1.1
Second	113.2	114.1	0.9	97	260	14	1,435	396	0.44	1 : 2.7			
	116.0	119.0	3.0	129	291	16	1,054	240	0.63	1 : 2.3			
	173.0	176.0	3.0	204	17	<1	522	18	0.19	1 : 0.1			
	176.0	179.0	3.0	321	31	3	452	39	0.15	1 : 0.1			

TABLE 4
PLATINEX INC.
BIG TROUT LAKE PROJECT
List of PGE Mineralized Intersections in Diamond Drill Holes

Hole ID	Coordinates	Zone	Intersection (m)		Interval (m)	Pt ppb	Pd ppb	Au ppb	Ni ppm	Cu ppm	Cr (%)	Ratio Pt : Pd
			From	To								
			179.0	182.0	3.0	226	104	335	1,011	386	0.31	1 : 0.5
		Second	182.0	183.0	1.0	214	569	67				1 : 2.7
			183.0	184.0	1.0	71	334	7				1 : 4.7
			184.0	185.0	1.0	40	144	<1				1 : 3.6
			185.0	186.0	1.0	261	517	7				1 : 2.0
			186.0	187.0	1.0	345	458	11				1 : 1.3
			187.0	188.0	1.0	120	91	<1				1 : 0.8
			188.0	189.0	1.0	647	1,107	20				1 : 1.7
		Second	229.0	230.0	1.0	120	24	<1	1,315	226	0.95	1 : 0.2
			230.0	230.5	0.5	191	277	6	1,452	558	0.76	1 : 1.5
			230.5	231.0	0.5	144	224	1	1,545	423	0.61	1 : 1.6
			231.0	231.5	0.5	89	167	<1	1,325	478	0.87	1 : 1.9
			231.5	232.0	0.5	118	210	5	1,065	206	>2.00	1 : 1.8
										Average		1 : 2.57

IN hole drilled by INCO

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**TABLE 5
PLATINEX INC.
BIG TROUT LAKE PROJECT
Check Assay Results**

Sample Number	ppm Pt		ppm Pd	
	Degussa	Bondar-Clegg	Degussa	Bondar-Clegg
21492	1.51	1.53	3.68	2.94
20267	1.05	1.28	2.87	3.47
67200	3.70	2.60	1.10	1.27
21244	1.15	1.32	4.54	3.99
21425	1.65	1.81	15.80	11.23
48416	0.36	0.42	1.87	2.11
49159	0.32	0.42	0.57	0.44
47522	0.09	0.54	0.47	0.54
47530	0.15	0.20	0.66	0.70
47573	0.60	0.46	1.74	1.21
46990	0.38	0.43	0.34	0.28
47541	0.06	0.57	0.29	0.25
49438	0.09	0.18	0.20	0.20
49437	0.34	0.41	0.85	0.79
20031	3.60	3.00	8.73	8.90
20032	1.10	0.94	3.30	4.50
14607	0.35	1.02	0.14	0.30
SARM7 *	3.75		1.51	
SARM7 *	3.74		1.53	
SARM7 *	3.79		1.54	
SARM7 *	3.74		1.53	
Average	0.97	1.01	2.77	2.54

(SARM7 data not included)

Note * standard

Degussa Laboratories, Frankfurt, Germany
Bondar-Clegg Laboratories, Nepean, Ontario

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TABLE 6
PLATINEX INC.
BIG TROUT LAKE PROJECT
Exploration Budget

Item	Number	Unit	Rate (\$)	Cost (\$)
Compilation	1		50,000	50,000
Geology				
consulting	150	days	500	75,000
contract personnel	225	days	125	28,125
Drilling				
mob / demob	1		56,000	56,000
contract	3,000	m	70	210,000
Air transportation				
fixed wing	5	trips	1,000	5,000
helicopter	10	hrs	750	7,500
Geochemistry				
analytical	800	samples	25	20,000
data entry & processing	1		3,000	3,000
Equipment				
Purchase of field equipment	1		6,000	6,000
Rental of computer, generator, snowmobile, etc.	1		5,000	5,000
Camp accommodation	250	days	40	10,000
Expediting & shipping	1		8,000	8,000
Drill core storage	1		22,000	22,000
Drafting & reproduction	1		15,000	15,000
Travel, accommodation & vehicle rental	1		10,000	10,000
Report writing	15	days	1,000	15,000
Subtotal				545,625
Contingencies at 10%				54,563
Total				600,188

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TABLE 7

**PLATINEX INC.
BIG TROUT LAKE PROJECT
Recommended Diamond Drilling Program, 1999-2000**

Approximate Collar Co-ordinates		No. of Holes	Incl'n	Orientation	Length (m)	Remarks
21+00 N	4+00 E	1	-45	Grid west	150	Near Hole BT-88-13
21+00 N	4+00 E	1	-60	Grid west	175	Near Hole BT-88-13
11+00 S	5+00 E	1	-60	Grid west	175	Near Hole BT-88-01
15+00 S	5+00 E	1	-60	Grid west	175	Near Hole BT-88-04
20+00 S	5+00 E	1	-45	Grid west	150	Near Hole BT-88-07
20+00 S	5+00 E	1	-60	Grid west	175	Near Hole BT-88-07
33+00 S	7+00 E	1	-45	Grid west	150	Near Hole BT-88-10
33+00 S	7+00 E	1	-60	Grid west	175	Near Hole BT-88-10
33+00 S	10+00 E	1	-60	Grid west	175	Testing EM conductor
37+00 S	7+00 E	1	-60	Grid west	175	Near Hole BT-88-12
37+00 S	10+00 E	1	-45	Grid west	150	Testing EM conductor
37+00 S	10+00 E	1	-60	Grid west	175	Testing mag high
Total					2,000	

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APPENDIX B

Valuation of the Big Trout Lake Property

ROSCOE POSTLE ASSOCIATES INC.

**VALUATION
OF THE
BIG TROUT LAKE
PLATINUM-PALLADIUM PROPERTY
FOR
PLATINEX INC.**

October 8, 1999

ROSCOE POSTLE ASSOCIATES INC.

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March 1998 to September 1999.

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INTRODUCTION

At the request of Mr. James R. Trusler, President, Platinex Inc. (Platinex), Roscoe Postle Associates Inc. (RPA) has carried out a valuation of the Big Trout Lake Pt-Pd Property situated some 230 km north of Pickle Lake, Ontario, for Platinex. The property comprises 221 contiguous mineral claims covering a total area of approximately 3,580 ha.

Platinex is a private Canadian junior company involved with exploration for platinum group mineral (PGM) deposits, with a corporate office in Aurora, Ontario.

The purpose of this valuation is to set out our independent opinion as to the fair market value of the Big Trout Lake Property in relation to an initial public offering (IPO) of Platinex shares at the Vancouver Stock Exchange (VSE).

This valuation supercedes an earlier preliminary valuation carried out by RPA dated April 8, 1999, and includes a review of reports and exploration results by International Platinum Corporation (IPCO), the previous operator of the project, and earlier reports by Canadian Occidental Petroleum Corp. (Canoxy).

To become familiar with the project, Mr. Hrayr Agnerian, M. Sc. (Applied), P. Geo., Consulting Geologist with RPA reviewed technical documents and reports on the Big Trout Lake property supplied by Platinex. RPA also retained the services of Mr. Ian Chisholm, Manager of Geological Services with Pearson, Hofman & Associates Ltd. (PAH), who is familiar with the Big Trout Lake Project and has visited the property when exploration was active in the late 1980s.

For this report, the project area was not visited and diamond drill core from previous exploration was not examined, because no new work has been done on the property since the last diamond drilling program in 1989, other than the Max-Min II EM (HLEM) survey in 1997 which was carried out to confirm a previously detected airborne EM anomaly. RPA considers that this HLEM survey has not materially changed the status of the property.

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For this study, RPA has not carried out any independent sampling and has not searched title to the Big Trout Lake property. RPA has relied on assessment data and title documents supplied by Mr. James R. Trusler. Metric units are used in this report and all costs are based on Canadian dollars. The sources of information used in this valuation report are listed at the end of the attached Qualifying Report.

The effective valuation date of the Big Trout Lake Property is October 8, 1999.

PREVIOUS VALUATIONS

RPA understands that there have not been formal valuations carried out on the Big Trout Lake Property during the past twenty-four months other than the Preliminary Valuation by RPA dated April 8, 1999.

IPCO had carried out a preliminary economic analysis of the Big Trout Lake Project. RPA did not review this analysis because the project is still at the exploration stage.

VALUATION APPROACH AND METHODS

FAIR MARKET VALUE

Value referred to in this report is Fair Market Value. Fair Market Value can be defined as the price agreed upon between a willing buyer and a willing seller dealing at arm's length, both fully informed and under no compulsion to act, in an open and unrestricted market, at a given point in time. The effective date at which the fair market value is established is important. This is because mineral property values change over time, depending on events on neighbouring properties, market interest, commodity prices, and the like.

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GENERAL

Mineral properties can be valued by different methods, depending on their stage of exploration or development. Producing mines or properties that have been advanced to the stage at which a feasibility study has been conducted, can be valued by discounted cash flow analysis. At the other end of the mineral property spectrum are exploration properties without identified resources. The value of such properties lies in their potential for the existence and discovery of an economic mineral deposit. In the industry, mineral exploration properties are optioned, joint ventured, bought, sold and traded on the basis of perceived exploration potential.

The Big Trout Lake Property is at the exploration stage, and its value lies in the potential for the existence and discovery of an economic PGE deposit.

There are a number of different methods which can be used to value the Big Trout Lake property, all of which are subjective. RPA has used the Appraised Value Method described in the attached published articles by H. Agnerian and W. E. Roscoe (Appendix D).

RPA's approach to exploration property valuation is a two step process. The first step is to use the technical data from past exploration on the property to determine an appraised value, using the method described below. The second step is to examine transactions on exploration properties, with similar geological attributes, which have taken place during the past eighteen months. The second step also takes into account any option agreements between the property owner and a joint venture partner, as an operator, that may apply for the subject property. The Appraised Value, the Comparable Transactions Values and the value of the Option Agreement Terms are then used to estimate a range of Fair Market Values for the mineral property.

APPRAISED VALUE METHOD

The underlying rationale for RPA's valuation approach is that the value of an exploration property lies in its potential for the existence of an orebody. Such potential is considered to be worth the cost of exploration work that is justified to test the potential. Past exploration costs judged to be meaningful are retained because of their contribution to the definition of the potential. In general,

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only those costs which are incurred by the present operator, or parts thereof, are retained as a component of the property value. Also, if past exploration work has not upgraded the property, then exploration costs are not included as property value. Future exploration costs that are warranted to test the exploration potential of the property are also added as a component of the property value. For this valuation, future costs are taken as the planned 1999/2000 exploration budget as justified future expenditures.

The Appraised Value Method provides reasonably objective and consistent results, if it is applied by experienced, knowledgeable exploration geologists possessing a good understanding of the principles of valuation. This valuation methodology has been generally accepted and is widely used for establishing relative values of exploration properties.

RPA has an extensive database of properties valued over the past several years, which is used for internal consistency by comparing values of exploration properties at the same stage of exploration with similar perceived potential.

The Appraised Value of the Big Trout Lake Property is considered to represent a value to a “going concern” entity which is actively exploring for PGE deposits in the general area. The value is not necessarily the same as cash value that the property can be sold for, especially during the current depressed metal markets.

COMPARABLE TRANSACTIONS METHOD

Under the Comparable Transaction Method, the transaction prices of comparable properties are used to establish a value for the subject property. RPA compiled information by Canadian junior mining companies and other companies on transactions related to PGE properties in Ontario and neighbouring parts of the United States, which took place from March 1998 to October 1999. RPA identified 26 such transactions reported in the George Cross Newsletter, the Mining Journal and Press Releases by individual companies. RPA estimated the value of each property from public information, using the cash, stock issues and work commitment components of each transaction. Transactions on properties which are comparable to the Big Trout Lake Property are discussed in the section under Valuation.

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The difficulty with the approach of Comparable Transactions in the mining industry is that there are rarely comparables (unlike real estate or oil and gas), since each property is unique with regard to key factors such as geology, costs, stage of exploration/development, and infrastructure. In addition, there are relatively few transactions for mineral properties contemporaneous with the valuation date of the subject property. When transactions do occur they rarely involve strictly cash, leaving the valuer the task of converting blocks of shares, royalties or option terms into present day money. Nonetheless, transaction prices of similar properties can indicate a range of value for a particular property.

From a “comparable transaction” point of view, the value of an exploration property also depends on the market for such properties and the general state of the exploration and mining industries. Recently, the level of Pt-Pd exploration property transactions in Canada has increased due to the anticipated decrease in Pt-Pd production from Noril’sk, Siberia - a major Pt-Pd producer - and an expected increase in the demand and price of platinum worldwide. In particular, these transactions are related to early stage exploration properties located in northern Ontario and the Sudbury area.

The location of a mineral property may have a large impact on its value. As with real estate properties, exploration properties in established mining areas - with readily available infrastructure - often have a premium value because of the higher perceived potential for the discovery of a mineral deposit. Conversely, mineral properties located in remote areas often have lower values, even though they may have similar geological settings and attributes.

OPTION AGREEMENT TERMS METHOD

With the Option Agreement Terms Method, the value of the subject property is determined by a certain schedule of option payments and requirements of exploration expenditures over a number of years on the part of the buying party to earn a certain equity interest in the property. These commitments would, in general, be subject to a schedule which would be dependent on successful results of the preceding exploration programs, thus with gradually decreasing likelihood of occurrence. The value component of each year’s option payment and/or minimum exploration

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expenditures are added to arrive at the value of the property, which would be considerably less than the total commitment mentioned in the option agreement.

PROPERTY STATUS AND AGREEMENTS

The Big Trout Lake Property consists of 221 contiguous mineral claims covering a total area of approximately 3,580 ha situated in the Patricia Mining Division, in northwestern Ontario. The property status and agreements are discussed in more detail in the attached Qualifying Report. For the purpose of this valuation Platinex is considered to hold a 75% interest in the Big Trout Lake Property.

EXPLORATION POTENTIAL

The Big Trout Lake Property is situated in an environment with good potential for economic PGE mineralization. Past exploration work has identified a geologic environment similar to the layered igneous complexes at Bushveld, South Africa and Stillwater, Montana. Much of the world's primary Pt and Pd production comes from these two areas. Past exploration at Big Trout Lake has shown that:

- Anomalous Pt-Pd mineralization occurs along a trend about 6 km long.
- Anomalous Pt-Pd mineralization has been intersected in diamond drill holes down to 200 m below the surface.
- Intersections with anomalous Pt-Pd mineralization appear to be correlated from drill section to drill section along a 2 km long trend of higher drill hole density in the East Zone.
- A Max-Min EM conductor, some 400 m to 500 m east of the southern part of the East Zone is not yet tested by drilling. This conductor may represent a zone of semi-massive to massive sulphide mineralization which is wider than those intersected in drill holes completed to date.
- Anomalous Pt-Pd mineralization occurs along the layered gabbro/anorthosite of the West Zone.

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- PGE mineralized zones are continuous along the plane of the ultramafic layering, but the significant concentrations are generally in narrow zones and appear to be within shoots with steep as well as subhorizontal plunges along the plane of the igneous layering.

Based on the results of work carried out to date RPA concludes that the Big Trout Lake Property warrants additional work to explore for PGE deposits. Platinex has proposed an exploration program and budget to test the down-plunge extensions of the mineralized shoots interpreted from previous drilling, and to drill test hitherto untested geophysical targets. In total, some 5,500 m of NQ drilling is planned for Phases 1, 2 and 3. RPA concurs with this program and considers that an exploration program of some 3,000 m of diamond drilling and a budget in the order of \$600,000 is justified for the 1999-2000 season to test the specific targets as outlined in the accompanying Qualifying Report.

VALUATION

APPRAISED VALUE METHOD

The Big Trout Lake Property is valued based on past exploration results, retained past expenditures and the potential for the existence and discovery of an economic Pt-Pd deposit. Past exploration results from the mid to late 1980s indicate that anomalous concentrations of PGEs are present within the basal sequence (ultramafic zone) of the Nemeigusabins Arm of the BTL layered intrusive complex. Since the bulk of the past work was carried out during mid to late 1980s and by companies other than the present operator, RPA has discounted past expenditures by 90% and considers the "Retained Expenditures" to be in the order of \$250,000. To this are added \$600,000 as justified future expenditures to test the potential of along strike and down-plunge extensions of mineralized shoots interpreted from earlier drilling, and geophysical targets close to the areas with known Pt-Pd mineralization. This represents a minimum exploration program and is similar to the Phase 1 exploration budget proposed by Platinex. The appraised value of the Big Trout Lake Property is arrived at as follows:

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Past Expenditures	\$2,455,000
Retained Value of Past Expenditures (10%)	\$250,000
Warranted Future Work	\$600,000
TOTAL APPRAISED VALUE	\$850,000

Since the Big Trout Lake First Nations Band (Kitchenuhmaykoosib Innunuwug) is currently opposed to exploration and mining activities by parties other than the Band itself in the Big Trout Lake area, RPA has discounted the above Appraised Value by approximately 25% to reflect the uncertainty due to the opposition by the native group. The net Appraised Value of the Big Trout Lake Property, therefore, is estimated to be in the order of \$635,000. Since Platinex has a 75% interest in the property, its share of the property value is in the order of \$480,000.

COMPARABLE TRANSACTIONS

As part of this valuation, RPA carried out a survey of transactions of Pt-Pd exploration properties in North America in the past eighteen months. Results of this survey indicate that twenty-six such transactions have been recorded for PGE exploration properties, most of them in Ontario. The values of these properties are in the range of \$13,000 to \$2,275,000 with an average value of \$317,000 (see attached Table).

RPA notes, however, that the majority of these properties are at the early exploration stage with no diamond drill testing of geological, geophysical or geochemical targets. Only the Birch Lake Property in Minnesota is situated in a region with reported resources of 4 billion tonnes at an average grade of 0.66% Cu, 0.2% Ni and low PGE values. RPA also notes that the most recent transactions in August, 1999 had estimated values of \$2,275,000 and \$1,944,000 - an increase of five to ten fold from earlier transaction values. These two transactions were made by Anglo American Platinum Corp. Ltd. (Amplats) and by Impala Platinum Holdings Ltd. (Impala), both of Johannesburg, South Africa. These transactions are described below in more detail.

RPA is of the opinion that the unusually high prices for the above Amplats and Impala transactions are anomalous and do not necessarily reflect the inherent values of the properties. Both of these transactions included South African mining companies as buyers. Such companies appear

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to be eager to invest in countries other than South Africa. Nevertheless, the recent increase in interest in PGE properties by Canadian junior mining companies in Ontario also reflects the anticipated increase in demand for Pt and Pd during the next few years.

Of the above 26 comparable transactions, twelve involve PGE properties that are somewhat similar in size and exploration stage as the Big Trout Lake Property. The details of these transactions are discussed below:

- On April 9, 1998, Bitterroot Resources Ltd. (Bitterroot) staked and optioned claims covering 20 km² in the Lake Nipigon region of Ontario. The area is interpreted to be prospective for Pt, Pd and Ni mineralization, similar to the Noril'sk region in Russia. Bitterroot can earn a 100% interest in these claims by making staged cash payments totalling \$70,000, issuing 100,000 shares and spending \$400,000 on exploration over five years. The property is subject to a 2.5% NSR royalty. Based on the transaction terms, the total property value is \$190,000 (George Cross Newsletter, April 9, 1998).
- On January 20, 1999, Altoro Gold Corp. (Altoro) acquired an option to earn a 100% interest in the Birch Lake Property with a large tonnage and low grade PGE deposit situated in northwestern Minnesota. The property covers a "discrete zone within the Duluth Magmatic Complex" and the PGE mineralization is interpreted to be similar to the Noril'sk region in Russia. Based on extensive drilling the Duluth Magmatic Complex is reported to contain uneconomic resources of 4 billion tonnes at an average grade of 0.66% Cu, 0.2% Ni and low PGE values. Within this large mineralized area, an Inferred Resource of 4.2 million tonnes at an average grade of 3.09 g/t Pt+Pd+Au (combined) is reported to be present. Altoro can earn a 100% interest in this property by making staged cash payments totalling US\$500,000, issuing 200,000 shares - in four stages of 50,000 shares each - and spending US\$3 million on exploration over five years. Based on the transaction terms, the total property value is about \$1,950,000 (George Cross Newsletter, January 20, 1999).
- On February 9, 1999, Harvey Creek Gold Placers Ltd. (Harvey Creek) optioned more than 200 claims covering a mafic intrusive complex near Sudbury, Ontario. The area is interpreted to be prospective for Pt, Pd and Ni mineralization, similar to the Noril'sk region in Russia as well as for reef-type PGE mineralization similar to that at Stillwater and at Bushveld layered complexes. To earn its 51% interest in these claims Harvey Creek must make an initial payment of \$15,700 and a series of annual cash payments totalling \$155,000 over five years, issue 10,000 shares to the vendors, upon signing of the option agreement, and a further 90,000 shares in three allotments over the following 18 months, and spend \$1 million on exploration. The property is subject to a 2% NSR royalty. Based on the transaction terms, the total property value is \$143,000 (Company Press Release, February 9, 1999).
- On March 5, 1999, Consolidated Venturex Holdings Ltd. (Venturex) optioned two claim units covering a total of 2,750 ha in McNish, Kelly, Davis and Janes Townships near

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Sudbury, Ontario, from Pacific North West Capital Corp. (PFN). The area covers the lower contact of the Nipissing Diabase and trenching in the past has indicated mineralization ranging from 58 ppb Pt to 5,445 ppb Pt and 26 ppb Pd to 603 ppb Pd in grab samples. To earn its 50% interest in these claims Venturex must pay for an initial exploration program of \$150,000. The property is subject to a 2% NSR royalty. Based on the transaction terms, the total property value is \$294,000 (George Cross Newsletter, March 5, 1999).

- On March 15, 1999, East West Resource Corp. (East West) and Canadian Golden Dragon Resources Ltd.(CGG) optioned 621 claims from Avalon Ventures Ltd. (Avalon). The area covers a 10 km diameter circular zoned ultramafic intrusion known as the Seagull Pluton of Leckie intrusion near Wolf Mountain in the Lake Nipigon region of Ontario, and is interpreted to be prospective for PGE mineralization. East West and CGG can earn a 50% interest in these claims by making a cash payment of \$10,000, issuing 100,000 shares in two installments and spending \$300,000 on exploration over two years. Based on the transaction terms, the total property value is \$521,000 (George Cross Newsletter, March 15, 1999).
- On March 16, 1999, Aquiline Resources Inc. (Aquiline) acquired an option from Mustang Gold Corp. (Mustang). The property contains 96 claim units covering 1,500 ha in Dana, James, Henry and Crerar Townships near Sudbury, Ontario. To earn its 70% interest, Aquiline must make cash payments totalling \$90,000, issue 100,000 shares and spend \$500,000 on exploration over three years. Based on the transaction terms, the total property value is \$374,000 (George Cross Newsletter, March 16, 1999).
- On March 17, 1999, Pacific North West Capital Corp. (PFN) acquired an option to buy a 100% of the River Valley Property from private vendors. The property contains 226 claim units covering 3,616 ha in Pardo and Dana Townships near Sudbury, Ontario. To exercise the option, PFN must make cash payments totalling \$265,000 and issue 600,000 shares over five years, and commit to spend a minimum of \$100,000 on exploration within one year. The option agreement is subject to a 3% NSR royalty. Based on the transaction terms, the total property value is \$380,000 (George Cross Newsletter, March 17, 1999).
- On June 3, 1999, Nevada Pacific Gold Ltd. (NPG) acquired an option to earn a 100% in the Big Belt Project from Kennecott Exploration Company (Kennecott). The property covers 7,206 ha in Meagher Co, central Montana and is centred on a large untested “bulls eye” magnetic anomaly, which is interpreted to represent an ultramafic intrusion covered by a thin veneer of sedimentary rocks. To exercise the option, NPG must spend US\$100,000 on exploration by completing a 3,000 ft reverse circulation drilling (RCD) program. Kennecott has the right to back-in at 60% for three years. Based on the transaction terms, the total property value is \$155,000 (George Cross Newsletter, June 3, 1999).
- On June 10, 1999, Colby Resources Corp. (Colby) acquired an option from Canadian Golden Dragon Resources (CGG) to earn a 75% of the Grand Bay Property. The property contains 76 claim units covering approximately 1,216 ha over a 3.5 km x 4 km long magnetic anomaly in the Thunder Bay area of northwestern Ontario. The property is located some 50 km northeast of North American Palladium’s Lac des Isles Pt-Pd mine and is interpreted to be prospective for Pt, Pd and Ni mineralization, similar to the Noril’sk region in Russia. To

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earn an initial 50% interest, Colby must pay \$25,000 and spend \$100,000 on exploration over two years. Colby may earn an additional 25% interest by spending \$400,000 on exploration over four years. Based on the transaction terms, the total property value is \$185,000 (George Cross Newsletter, June 10, 1999).

- On August 11, 1999, Impala Platinum Holdings Ltd. (Impala) acquired an option from Mustang Minerals Corp. (Mustang) to earn up to 60% of the River Valley Property. The property contains 444 claims covering approximately 7,104 ha over the River Valley intrusion in Dana, McWilliams, Henry, Crerar and Gibbons Townships in the Sudbury Mining Division. To earn its 60% interest, Impala must make cash payments totalling \$215,000 over four years and spend \$6 million on exploration over five years. Based on the transaction terms, the total value of this property is about \$2.3 million (George Cross Newsletter, August 11, 1999). RPA is of the opinion, however, that this unusually high transaction value does not reflect the inherent value of the River Valley Property, as discussed above. Rather, it indicates the eagerness on the part of Impala to invest in countries other than South Africa, as discussed above.
- On August 13, 1999, Kaymin Resources Ltd., a subsidiary of Anglo American Platinum Corp. Ltd. (Amplats) of South Africa signed an option agreement with PFN to earn a 50% interest in an exploration property in Janes Township, Sudbury region. To earn its 50% interest Amplats must pay \$300,000 for the option and spend \$4 million on exploration over five years (Mining Journal, August 13, 1999). Based on the transaction terms, the total value of this property is about \$1.94 million. RPA is of the opinion, however, that this unusually high transaction value also reflects a different motivation on the part of Amplats, rather than the inherent value of the Janes Township property, as discussed above.
- On October 7, 1999, Idaho Consolidated Metals Corp. (ICMC), a Vancouver-based Canadian junior company, signed an option to purchase agreement to acquire the 54 claim Platinum Fox Property from two private companies, Platinum Fox (LLC) and Emerald Chimera (LLC). The property is situated 800 m (0.5 mi) west of Stillwater Mining Company's claims in the area of the Frog Pond adit and overlies PGE-bearing chromite horizons in the Stillwater Complex in Montana. Results from recent sampling of surface trenches, short drill holes and underground workings include mineralization ranging from 0.27 oz/ton Au over 59 cm (0.8 ft.) to 1.29 oz/ton Au over 1.48 m (4.5 ft.), 0.2 g/t Pt over 59 cm to 1.51 g/t Pt over 1.05 m (3.2 ft.), and 0.34 oz/ton Au over 59 cm to 1.88 g/t Pt over 1.48 m. To acquire the Property ICMC must pay US\$20,000 in cash and issue 150,000 shares upon signing the option agreement. ICMC also has work commitments of US\$50,000 in Year 1, US\$70,000 in Year 2, and US\$90,000 in Year 3 and a further issue of 400,000 shares prior to a feasibility study. Based on the transaction terms, the total value of this property is about \$300,000 (ICMC Press Release, October 7, 1999).

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OPTION AGREEMENT TERMS

There are two option agreements which are considered for this valuation. These are:

- An agreement between J.R. Trusler and IPM and
- An agreement between J.R. Trusler and Pacific North West Capital Corp. (PFN)

J.R. Trusler - IPM Agreement

Under the terms of an agreement with IPM dated May 29, 1998, James R. Trusler has an option to earn a 75% interest in the Big Trout Lake Property by spending \$900,000 on exploration over five years. On November 27, 1998, James R. Trusler and IPM amended this agreement to the effect that Mr. Trusler can earn a 100% interest in the Big Trout Lake Property for the same commitment of \$900,000 to be spent in 5 years. On November 28, 1998, J. R. Trusler and IPM further amended the May 29, 1998 agreement into an outright purchase agreement. Since this amendment is still subject to approval of the court administrator through a formal hearing, the agreement to earn a 75% interest is used here.

RPA considers that the total amount of \$900,000 for a 75% interest would be spent based on a schedule which would be dependent on successful results of the preceding programs, thus with decreasing likelihood of occurrence in each succeeding year. Based on the initial exploration program and budget of \$220,000 and the subjective probabilities of spending the \$900,000 on exploration over five years, the property value is estimated as follows:

Year	Probability (%)	Exploration Commitment (\$)	Value Component (\$)	Cumulative Value (\$)
1	100	220,000	220,000	220,000
2	50	200,000	100,000	320,000
3	25	200,000	50,000	370,000
4	10	200,000	20,000	390,000
5	5	80,000	4,000	394,000
Total for 75% interest		900,000	394,000	394,000

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Since the \$394,000 represents the value for the 75% interest of Platinex, the total property value is estimated at around \$525,000. However, if the interest earned is 100% as per the November 27, 1998 agreement, then the property would be valued at about \$400,000.

J.R. Trusler - PFN Agreement

Under the terms of an agreement with James R. Trusler dated November 6, 1998, PFN had an option to earn a 75% interest in the Big Trout Lake Property by paying Mr. J.R. Trusler in 1.25 million PFN shares and spending \$1.35 million on exploration subject to the terms and schedule of payments and expenditures as listed in the table below. For the purpose of this valuation, the PFN shares are considered to have a constant value of \$0.45 per share, as specified in the PFN-J.R. Trusler agreement. RPA understands that the current value of the PFN shares is about \$0.40 per share.

Year	Probability (%)	No. of Shares	Exploration Commitments (\$)	Value Component (\$)	Cumulative Value (\$)
1	100	250,000	215,000	327,500	327,500
2	50	350,000	685,000	421,250	748,750
3	25	350,000	450,000	151,875	900,625
4	10	300,000	0	13,500	914,125
Total		1,250,000	1,350,000	914,125	914,125

Note: Value component is calculated using PFN share price at \$0.45 per share.

Since the \$914,125 represents the value for a 75% interest, the total property value under this agreement is estimated at around \$1.2 million. On January 29, 1999, however, PFN notified J.R. Trusler & Associates that the above option agreement was being terminated due to the opposition to mining and exploration by the Native Council in the area. J.R. Trusler & Associates, however, are of the opinion that PFN terminated the agreement for reasons other than the opposition by the local native group and has served notice and has claimed damages totalling some \$679,300 to be paid by PFN by March 5, 1999. RPA understands that these sums have not yet been paid.

In RPA's opinion, less weight should be placed on the PFN-J. R. Trusler agreement because it was terminated by PFN.

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VALUATION SUMMARY

Based on our discussion, the value of the Big Trout Lake Property by the three methods described herein is summarised as follows:

Appraised Value Method: \$635,000

Comparable Transactions Method: \$300,000 to \$2.3 million

Option Agreement Terms Method: \$525,000 to \$1.2 million

RPA is of the opinion that the Fair Market Value of the Big Trout Lake Property is in the range of \$500,000 to \$700,000.

RPA SURVEY OF Pt - Pd MINERAL PROPERTY TRANSACTIONS IN ONTARIO AND MONTANA
March 1998 - October 1999

Company Buyer	Company Seller	Property	Size # claims	Size ha	(%) Acq'n	(%) NSR	Value (\$)	Value \$/ha	Remarks	Date
Home Ventures		Buck Lake			100	2.5	90,000		Bcca zone in ultramafic intrusive 24 km from Lac des Isles	06-Apr-1998
Bitterroot Res		Lk Nipigon region		2,000	100	2.0	190,000	95	Target similar to Noril'sk Region	09-Apr-1998
Chalice Mining		McIvor		256	100	2.0	41,000	160	80 km E of Lac des Isles semi-circular A/B mag high	02-Jul-1998
Chalice Mining		Eva-Kitto			100	2.0	45,000		Nipigon Basin near Thunder Bay. Geol similarities with Noril'sk, Russia.	22-Jul-1998
Mustang Gold		Mandamin, Boon & Shibanning Twps	227	3,632	100	3.0	39,000	11	Target:East Bull Lk Intrusive along boundary between Southern Province 7 Superior Province 80 km W of Sudbury	23-Jul-1998
Harvey Creek Gold Placers		Sudbury	200	3,200	51	2.0	143,000	45	Up to 8.5 g/t Pt+Pd in grab samples of mafic intrusive target	09-Feb-1999
East West Res		Lake Nipigon	88	1,408	100	1.0	34,000	24	~77 km NE of Lac des Isles Mine	24-Feb-1999
East West Res		Lake Nipigon	112	1,792	100	1.0	24,000	13	~32 km NE of Lac des Isles Mine	24-Feb-1999
Can Golden Dragon		Lake Nipigon			100	1.0	17,000		Share price?Target similar to Lac des Isle deposit	25-Feb-1999
Cons Venturex	Pacific North West Capital	McNish,Kelly, Davis & Janes Twps		2,750	50	2.0	294,000	107	~50 km NE of Sudbury, anomalous PGE's in grab samples	05-Mar-1999
Can Golden Dr	Avalon Ventures	Wolf Mountain	621	10,752	50		521,000	48	Lake Nipigon area	15-Mar-1999
Aquiline Res	Mustang Gold	Dana,James, Henry & Crerar Twps	96	1,500	70		374,000	249	River Valley Ly'd int cpmlx,50 km E of Sudbury	16-Mar-1999
Pacific North West Capital	Private vendors	River Valley	226	3,616	100	3.0	335,000	93	Pardo & Dana Twps,60 km NE of Sudbury	17-Mar-1999
Triex Res	Private vendors	Atikokan area	16	256	100	2.5	53,000	207	1400mx250m mafic int w/PGE	17-Mar-1999

RPA SURVEY OF Pt - Pd MINERAL PROPERTY TRANSACTIONS IN ONTARIO AND MONTANA
March 1998 - October 1999

Company Buyer	Company Seller	Property	Size # claims	Size ha	(%) Acq'n	(%) NSR	Value (\$)	Value \$/ha	Remarks	Date
Home Ventures		Buck Lake			100	2.5	90,000		Bcca zone in ultramafic intrusive 24 km from Lac des Isles	06-Apr-1998
Starcres Res	Private vendors	Mud Lk & Abiwin ppty			100	2.5	163,000		Atikokan area intrusion:100 m x 800 m, layered ultramafics	29-Mar-1999
East-West Res		McCoig Twp	143	2,288	100		18,000	8	Similar environment as Lac des Isles	26-Apr-1999
Pacific North West Capital	Private vendors	River Valley		3,616	100		416,000	115	Pardo & Dana Twps, near Sudbury	26-Apr-1999
Can Golden Dragon Res		Fintry Twp	78	1,248	100		13,000	11	Along Quetico Fault, East of Lake Nipigon	28-Apr-1999
East-West Res & Can Golden		Hele & Mclvor Twps	16	256	100		59,000	231	60 km east of Thunder Bay	03-May-1999
Colby Res	East-West Res	Posh	112	1,792	50		180,000	100	30 km NE of Lac des Isles Mine	09-Jun-1999
Colby Resources	Can Golden Dragon Resources	Grand Bay	76	1,216	50		166,000	137	3.5 km long magnetic anomaly close to Black Sturgeon Fault near Thunder Bay	10-Jun-1999
Prism Resources	East-West Res & Colby Resources	Plateau Lake	12	192	60		252,000		650 m x 100 m U/M body near Atikokan, along Quetico Trend	29-Jul-1999
Impala Platinum Holdings Ltd.	Mustang Minerals	River Valley	444	7,104	60		2,275,000	319	In Dana, McWilliams, Henry, Crerar & Gibbons Twps near Sudbury	11-Aug-1999
Anglo American Platinum Corp.	Pacific North West Capital Corp.	Janes Twp			50		1,944,000		Near Sudbury	13-Aug-1999
Idaho Cons. Metals Corp.	Platinum Fox (LLC) Emerald Chimera	Platinum Fox	54	432	100		306,000	709	800 m from Frog Pond Adit on JM Reef of Stillwater Complex, Mont. Contains high grade Au and PGEs	07-Oct-1999

Note: Data from George Cross Newsletters, The Mining Journal and Press Releases.

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APPENDIX C

Excerpt of Comparable Transactions

from

The George Cross Newsletter

The Northern Miner

and

Press Releases

March, 1998 - October, 1999

IDAHO CONSOLIDATED METALS CORP. (IDO.V)
 PO Box 1124, Lewiston, ID 83501 Tel: (208) 743-0914 Fax: (208)
 746-6862
 NR9921

For Immediate Release: Thursday, October 7, 1999

IDAHO CONSOLIDATED ACQUIRES PLATINUM FOX PROPERTY IN STILLWATER COMPLEX; ANNOUNCES HISTORIC HIGH-GRADE ASSAYS

Lewiston, Idaho, October 7 -- Idaho Consolidated Metals Corp. (ICMC) announced today that it has acquired the 54-claim Platinum Fox property overlying platinum/palladium-bearing Chromite horizons in the Stillwater Complex in Montana.

Among the highlights from previous exploration on the Platinum Fox property is a 26.2-foot intersection grading 0.46 ounces per ton gold and anomalous platinum/palladium values.

ICMC acquired the property, which is parallel to and 2.7 miles southwest of the Company's previously announced Picket Pin project and adjacent to the Blakely Creek project, from Platinum Fox (LLC) and Emerald Chimera (LLC), both privately held. The majority of the claims were staked in the early 1940s and have since been actively maintained.

The property is one of four in the Stillwater Complex being explored by ICMC. The claims are located 0.5 miles west of Stillwater Mining Company's (Stillwater) patented claims in the area of the Frog Pond Adit. The JM Reef in the area of the Frog Pond adit is being developed by Stillwater as the East Boulder Project. The East Boulder expansion is projected to increase Stillwater's annual production of platinum and palladium by 500,000 ounces to a total of 1,200,000 ounces.

Historically, exploration on the Platinum Fox property focused primarily on two chromite-bearing seams, the G and H seams. The two seams or bands are the thickest (up to 8 feet) and, to date, exhibit the best continuity along strike and can be traced over the majority of the 26-mile length of the Stillwater Complex. During the exploration phase, significant gold and PGE values were encountered on the Pine Claim. (This is documented in a geologic report entitled "Geologic Report on the Pine Claim, Sweet Grass, Montana" dated February, 1984).

The assays came from samples collected from a small underground adit, surface trenches and from a series of short core holes. The gold mineralization appears to be associated with a steeply dipping shear zone striking northerly and crosscutting the chromite seams, while platinum and palladium are associated with the chromite. The significant assays are listed below in Table 1:

Sample No. or Drillhole	From (feet)	To (feet)	Au* (opt)	Pt* (opt)	Pd* (opt)
DDH2	47.5	59.6	0.327	N/A	N/A
	59.6	62.6	0.271	0.010	0.016
	62.6	67.1	1.292	0.024	0.055

	67.1	68.9	0.270	0.006	0.010	AW34 core
	68.9	71.7	0.032	<0.002	0.003	AW34 core
	71.7	73.7	0.612	0.018	0.032	AW34 core
Overall width/grade				26.2	0.46	
DDH3	18.7	22.2	0.274	0.011	0.015	AW34 core
	22.2	31.9	0.189	0.011	0.010	AW34 core
Overall width/grade				13.2	0.211	
DDH5	10	15.4	0.616	0.023	0.029	AW34 core
	15.4	18.6	1.200	0.044	0.05	AW34 core
Overall width/grade				8.6	0.833	
DDH6	98.0	102.5	0.324	0.010	0.013	AW34 core
	128.3	130.7	1.040	0.024	0.025	AW34 core
DDH8	6.2	7.7	0.184	N/A	N/A	AW34 core
DDH9	14.4	18.9	0.463	0.010	0.010	AW34 core
PL2 ARA				1.376	0.031	0.032 USFS sample
PL2 BRA				0.330	0.015	0.016 USFS sample

* All assays conducted by Bondar Clegg

The agreement is a five-year mineral lease with an option to purchase. The terms are as follows: U.S.\$20,000 in cash and 150,000 shares of ICMC upon signing, and work commitments of \$50,000 in Year 1, \$70,000 in Year 2 and \$90,000 in Year 3 for a total of \$210,000. There are additional share releases totaling 400,000 shares prior to a feasibility study. Upon completion of a positive feasibility study, ICMC is committed to a final share release of 950,000 shares, bringing the total to 1,500,000 shares.

Idaho Consolidated is a mining exploration company based in Idaho. The Picket Pin and Platinum Fox properties are in the Stillwater Complex of Montana. The Picket Pin property has not been extensively explored but is known to host a platinum/palladium horizon 12 miles long and is second in importance only to the J-M Reef being mined by Stillwater Mining Company. In addition to the Picket Pin, ICMC holds three other properties in the Stillwater Complex, including the Black Butte, which according to preliminary mapping, sampling and geophysical programs hosts a continuation of the J-M Reef. ICMC is also involved with Stillwater Mining Co. over disputed mining claims.

In Idaho, the Company is in a joint venture with Kinross Gold on the Petsite Project. The current geologic inventory based on drilling is 16.73 million tons grading 0.032 ounces per ton gold with 531,900 contained ounces of gold. Kinross is the successor to Cyprus Amax in the venture.

Current updates can be found on the company's web site:
www.montanaplatinum.com.

On Behalf of the Board of Directors @Del Steiner@ President and CEO

FOR FURTHER INFORMATION PLEASE CONTACT:

Wilf Struck, P.Eng, Vice President
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Idaho

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The Vancouver Stock Exchange has not reviewed and does not accept responsibility of the accuracy of adequacy of this press release. The Company relies on litigation protection for forward-looking statements.

Exploration

Amplats makes Canadian move

Anglo American Platinum Corp. Ltd (Amplats) of South Africa has signed an agreement with Pacific Northwest Capital Corp. (PNWC) for the joint exploration of certain of PNWC's platinum group metals (PGM) properties in the Sudbury region of Ontario. PNWC recently reported intersections of significant PGM mineralisation at its Janes Township property (*MJ*, June 11, p.436). PNWC has not specified the properties concerned with the Amplats deal.

Kaymin Resources Ltd, an Amplats subsidiary, has the right to earn a 50% interest in the properties by paying PNWC C\$300,000 for the option, and spending C\$4 million on exploration over five years. In addition, Kaymin may earn a 60% interest by completing a feasibility study, and a 65% interest by arranging all mine financing through to production.

Antares agrees diamond deal with Randgold

Toronto-based Antares Mining and Exploration Corp., following its exit from the Toodoggone gold property in Canada (*MJ*, July 30, p.82), has signed an agreement with Randgold & Exploration Co. Ltd covering Randgold's interests in two diamond properties in South Africa. The deal involves the 38.5 km² Witkrans prospect, located 35 km north of Ventersdorp, in which Randgold presently holds a 50% stake; and 100% of Randgold's 21 km² Kafferskraal prospect, 25 km west of Witkrans. Witkrans covers the northwest extension of an alluvial diamond deposit, according to Antares, and diamonds have been recovered up to the fence-line of the property. Kafferskraal is apparently located along a diamond-bearing trend.

Antares will hold the prospecting rights to the properties for three years, and will acquire title to the properties at the time of a production decision. At that time, Antares will pay Randgold a production royalty of 5% of the gross value of diamond sales from Randgold's 50% interest.

Hearne sampling results

Further results from sampling of kimberlite pipes at the AK/CJ diamond properties in Canada's Northwest Territories have been reported by Glenmore Highlands Inc., a major (38%) shareholder in Mountain Province Mining Inc. Mountain Province is in joint venture

with Monopros, a De Beers subsidiary at AK/CJ.

Results from the sampling of the 5034 pipe were reported recently (*MJ*, July 16, p.42), and Glenmore Highlands reports that it has been advised that the Hearne pipe's 469 t sample results returned an average grade of 1.8 ct/t, with a lower size cut-off provided by a 1.5 mm screen. The two largest diamonds were 3.37 ct and 3.16 ct in weight, respectively.

Haoya intercepts

The assay results from the initial five holes of a diamond drilling programme at the Haoya gold joint venture in Inner Mongolia, China, have been received by partners Southwestern Gold Corp. and Global-Pacific Minerals Ltd (*MJ*, December 4, 1998, p.450). The drilling was completed at the CSH prospect at Haoya, with the following better results:

Hole	Interval (m)	Au (g/t)
CSH-1	56.00-77.68	2.59
and	148.65-212.92	1.45
CSH-3	17.19-290.74	1.28

Gold mineralisation is associated with quartz veining and pyrite mineralisation, hosted within carbonaceous sediments. The gold mineralisation at Haoya has been traced over a strike-length of more than 4.8 km at surface.

Manhattan confirms new zone

Diamond drilling at the Tambo Grande polymetallic property in northern Peru has confirmed the existence of a new polymetallic massive sulphide deposit, according to Manhattan Minerals Corp. The company recently released results from drilling at the TG-1 prospect on the property (*MJ*, July 23, p.56), and has been testing mineralisation associated with a geophysical gravity anomaly at TG-3, with the following better results:

Hole	Interval (m)	Cu (%)	Zn (%)	Pb (%)	Au (g/t)
TG-3	175-185.8	2.21	1.02	0.09	1.39
001	243-254.6	2.76	0.03	0.00	0.06
004	346.2-357	1.97	0.41	0.04	0.70
006	150.7-212	1.01	1.01	0.08	0.47
007	221-238	2.42	3.44	0.20	1.56

Manhattan is continuing its drilling programme, which to date has defined a strike-length of 850 m for the TG-3 mineralisation zone, and widths of up to 350 m. Manhattan's geologists classify the TG-3 mineralisation as volcanically-hosted massive sulphide-type, and regard it as similar to the model developed for the TG-1 deposit, which is currently estimated to contain 42 Mt at 2% Cu, 1.5% Zn, 38 g/t Ag and 0.4% Pb. Manhattan is earning a 75% interest in the Tambo Grande property from Minerio Peru.

Gammon Lake finds Mexican gold

Gammon Lake Resources Inc. of Canada reports that its ongoing second-phase drilling programme at the Brenda mine gold-silver property near Ocampo, Mexico, has intersected mineralisation in each of the first eight holes. Better results are as follows:

Hole	Interval (m)	Au (g/t)	Ag (g/t)
BR-99-12	6-59	1.2	86.0
BR-99-11	13-22	3.9	330.1
incl.	13-17	7.5	678.9
BR-99-8	32-35	2.5	143.7

The company is investigating the property for a low-sulphidation epithermal gold and silver deposit.

Anaconda to farm into Tottenham

Alkane Exploration NL has signed an agreement with Anaconda Nickel Ltd to allow Anaconda to earn a 90% interest in Alkane's Tottenham nickel-cobalt property in New South Wales. Tottenham comprises two exploration licences, covering 354 km², about 85 km north of the Syerston nickel-cobalt deposit, owned by Black Range Minerals NL (*MJ*, May 14, p.358). The area is underlain by sediments intruded by mafic to ultramafic rocks, which Alkane reports have historically been explored for platinum group metals and nickel-cobalt mineralisation.

Anaconda can earn its interest by spending A\$1.5 million over five years. At that point, Alkane can opt to retain its 10% interest, or convert to a royalty.

Billiton agrees terms

Billiton plc reports that its Canadian subsidiary, Billiton Exploration Canada Ltd, has agreed the terms of an earn-in joint-venture deal with Altius Minerals Corp. The agreement concerns the Taylor Brook nickel property in western Newfoundland. Altius has recently discovered small occurrences of nickel mineralisation in mafic rocks within an area which has not been extensively explored.

Under the terms agreed, Billiton would fund an exploration programme (C\$55,000) in return for a three-month right to enter into the earn-in joint venture agreement with Altius. If it exercises that right, Billiton will spend C\$250,000 to earn a 50% interest in the property, and will then have the right to earn a further 10% by spending an additional C\$750,000.

Sunshine makes Mexican move

US-based Sunshine Mining and Refining Co. has acquired the Juancipio silver property, located in Zacatecas State. Juancipio is its first property in Mexico, covering about

280 km² adjacent to, and along strike from, the Fresnillo/Pro Año silver mine operated by Industrias Peñoles. Sunshine has not specified the terms of the acquisition.

Ocampo deal rethought

Augusta Resource Corp. has renegotiated the agreement to acquire an interest in the Ocampo gold-silver property in Chihuahua, Mexico (*MJ*, April 23, p.293). The previous deal has been terminated by mutual agreement. Augusta is renegotiating the underlying agreement with the vendors in order to acquire a 25% interest in the property in return for spending US\$1.1 million. Augusta will be the operator of the project, and will be responsible for all tenement acquisition and maintenance costs.

Baneygo drilling results

Exploration drilling at the Baneygo prospect of the Rosemont joint-venture gold property in Western Australia has returned significant gold-mineralisation intercepts for partners Johnson's Well Mining NL and Normandy Mining Ltd. The reverse-circulation drilling was designed to test for mineralisation amenable to open-pit mining, and intersected the following better results:

Hole	Interval (m)	Au (g/t)
BGOC32	45-52	2.4
BGOC39	119-128	2.4
BGOC40	72-81	6.5
and	101-108	2.6

The holes were drilled along a 2 km-long zone of quartz dolerite, in the vicinity of the historic Baneygo workings, and the narrow intercepts are interpreted to indicate vein control of gold mineralisation. A structural study of the zone has begun, which Johnson's Well expects will assist targeting of future drilling. Normandy has a 30% interest in the Rosemont joint venture, and is earning a further 20% interest (*MJ*, December 25, 1998, p.506).

Ashton cuts budget

Australia-based diamond producer Ashton Mining Ltd has reduced its exploration budget for 1999, although the company's chairman, Paul McClintock, says that it is still has a strong exploration commitment. Mr McClintock declines to specify the details of the company's new budget, but expresses an interest in sharing the load with joint-venture partners.

Platosa grades

Apex Silver Mines Ltd has pointed out that silver grades for drilling results reported from its Platosa project in the last issue of *Mining*

MUSTANG MINERALS CORP.

[MMIN-CDN] 7,372,096 SHS.

PLATINUM PROSPECT FARMED OUT - Robin Dunbar, president, reports Mustang Minerals Corp. has signed a letter of intent to jointly explore its River Valley property, Sudbury, Ontario, with **IMPALA PLATINUM HOLDINGS LTD.** of Johannesburg, South Africa

Under the terms of the letter of intent the companies will enter a binding detailed agreement under which Impala Platinum will be entitled to earn up to 60% interest in 444 mining claims held by Mustang covering part of the River Valley Intrusion located in Dana, McWilliams, Henry, Crerar and Gibbons Townships in the Sudbury Mining Division, northern Ontario.

To earn a 60% interest in the River Valley property, Impala Platinum must spend CDN \$6,000,000 on exploration over five years and make cash payments totalling CDN \$215,000 over four years. The final agreement is subject to respective board approvals and South African Exchange Control approval.

Impala Platinum is the worlds' second largest primary producer of platinum group metals. During the 1998 financial year Impala's share of platinum group metals production was 1,920,000 ounces. (SEE GCNL NO.104, 1Jun99, P.1 FOR EAST BULL LAKE PLATINUM PROJECT INFORMATION)

ROCK RESOURCES INC.

[RKR-V] 28,040,008 SHS.

COIRÓN OPTION AGREEMENT COMPLETED - Thomas Kennedy, president, reports Rock Resources Inc. has completed negotiations to acquire a 100% interest in the Coirón mining property in Comuna Salamanca, Chile, by acquiring an interest in De La Chevre Noire Ltd. The property is the sole asset of Chevre Noire.

With respect to this, the company has entered an agreement with the shareholders of Chevre Noire and Chevre Noire itself. The shareholders agreement sets out the terms and conditions under which the Chevre Noire shareholders and Rock Resources will conduct a joint venture mineral exploration and development program on the property.

Rock Resources will have an initial 30% interest in Chevre Noire based on a US \$400,000 work program (which has already been completed) and, subject to further regulatory approval, the issuance of 1,000,000 shares to Chevre Noire shareholders (250,000 of which have already been approved by the VSE and issued to the shareholders). The shareholders agreement provides Rock with the option to acquire a further 40% of Chevre Noire (for a total of a 70% interest) for an additional US \$1,800,000 to be paid to the Chevre Noire shareholders, an additional US \$4,001,000 expenditure on work projects for the property, and the further issuance of 4,334,000 shares to Chevre Noire shareholders. If the Chevre Noire shareholders' interest in Chevre Noire equals or falls below 30%, Chevre Noire shareholders will transfer their remaining interest to Rock (such that the company will then have 100% of the shares of Chevre Noire) in exchange for a 3% net smelter royalty. The company will also have the right to purchase up to 2% of such net smelter return royalty.

Rock Resources now has the ability to achieve up to 100% ownership in Chevre Noire. This factor is viewed as important in discussions and potential negotiations with eight major international mining corporations that have signed confidentiality agreements with Rock over the past 14 months. (SEE GCNL NO.105, 2Jun99, P.5 FOR PREVIOUS COIRÓN PROJECT DATA)

SINORANK PETROLEUM RESOURCES LTD.

[SNP-V] 19,025,000 SHS.

JUDGEMENT FILED AGAINST COMPANY - Joseph Chan, president Sinorank Petroleum Resources Ltd., reports because of continued operating losses and a working capital deficit in excess of CDN \$3,000,000, it is unlikely the company will be able to continue as a viable operating entity. One of the suppliers, Caltex China Ltd., has obtained a judgment in the Hong Kong High Court in their favour in respect of trade debts totalling US \$390,417.25 together with interest and has issued a demand under Section 178(1) of the Hong Kong Companies Ordinance demanding for repayment failing which Sinorank will be liable to be wound up and its assets possibly sold off.

Due to lack of working capital, Sinorank will be unable to make this payment and also will be unable to conduct an audit of its financial statements for the year ended 31Mar99 and hence audited financial statements for that year will not be distributed.

Sinorank Petroleum has a 60% interest in Zhanjiang Huayan Petro-chemical Co. Ltd., a Sino-foreign joint venture which built a liquefied petroleum gas (LPG) terminal at the port of Zhanjiang Province of Guangdong, one of the largest transfer centre for oil and petrochemical products in southern China. This facility, which conducts a wholesale LPG distribution business in southern China has been in operation since June 1996. (SEE GCNL NO.103 31May99, P.7 FOR PREVIOUS CORPORATE INFORMATION)

SOUTHWESTERN GOLD CORP.

[SWG-T] 13,816,180 SHS.

GLOBAL-PACIFIC MINERALS LTD.

[GPJ-V,T] 29,680,405 SHS.

HAOYA PROJECT DRILL RESULTS - George Plewes, chairman, Southwestern Gold Corp., and joint venture Global-Pacific Minerals Ltd. report results from the initial five diamond drill holes of planned first phase 10 hole drilling program on the CSH prospect located within the Haoya project in Inner Mongolia, China. SEE MAP OVERLEAF P.4. The CSH prospect is an extensive gold mineralizing system which has been traced on surface in 65 trenches along strike length of 4,800 metres. Gold mineralization is hosted by carbonaceous sediments within a steeply dipping shear zone and is associated with quartz veining and pyrite.

The present drill program is designed to test various segments of this extensive gold system along strike and to establish depth extent. Assay results have confirmed the continuity of gold mineralization to a vertical depth of 258 metres on drill section 10,000 East with an intersection of 273.55 metres grading 1.28 gr/t gold in hole CSH-3.

Details of holes CSH-1 to CSH-5 are outlined in the table OVERLEAF P.2. Results for hole CSH-6 will be released when available. Holes CSH-7 and CSH-8 are in progress.

Two drill profiles 600 metres apart consisting of two holes each were completed near the eastern end of the mineralized zone. Both profiles cut significant mineralization. Holes CSH-1 and CSH-2 collared on line 10,000E, define the CSH gold zone over a true width of 118 metres.

Hole CSH-6 was collared 1,130 metres southwest of profile 10,000E while hole CSH-5 is a further 1,650 metres southwest of hole CSH-6. There are two drills operating on the property.

Core samples are split with one-half of the core sent to the Ministry of Geology and Mineral Resources Langfang Laboratory with the other half of the core stored on site. The samples are analyzed using aqua regia-AAS at the Langfang Laboratory. All sample pulps are shipped to Chemex Labs in Vancouver, BC for repeat analyses using conventional fire assay with AAS finish. Assay results from the two laboratories are averaged. (SEE GCNL NO.132 12Jul99, P.4 FOR PREVIOUS HAOYA PROJECT DATA)

Highland Valley Copper lost \$4,000,000 in the second quarter of 1999 compared with earnings of \$9,000,000 last year. After corporate allocations, which included \$5,000,000 in hedging gains (1998 - \$2,000,000) on copper forward sales contracts, the operating profit attributed to Highland Valley was \$3,000,000 in the second quarter of 1999 compared with \$8,000,000 for the same period last year. For the mine to be reopened, it must achieve sustainable profitable operations at low copper prices. Highland Valley Copper has obtained cost reductions from its suppliers, the utilities and the government, but has failed to reach agreement with its unionized workforce.

Cominco has reviewed and assessed the risk of Year 2000 readiness at all operating units and the corporate office and is completing, on schedule, a program to assess and remediate its own systems and is developing contingency plans to deal with potential disruptions that could affect its ability to produce and supply its principal products. Cominco's share of the costs of compliance is expected to be less than \$4,000,000. (SEE GCNL NO.140, 22Jul99, P.3 FOR TRAIL, BC, INFORMATION)

EAST WEST RESOURCE CORP.

[EWR-V] 26,825,421 SHS.

PLATEAU LAKE FARMED OUT - A. K. Crossley, president, reports East West Resource Corp. and Colby Resources Corp. (private) have granted **PRISM RESOURCES INC.** [PRN-V] 12,368,662 shares, an option to earn up to a 60% interest in a 12 claim unit property at Plateau Lake near Atikokan, northwest Ontario by making payments to the two companies totalling \$8,500 over two years and spending \$436,000 on exploration over five years.

The Plateau property covers a 650 metre long, 100 metre wide ultramafic body that is exposed by some old trenching that has yielded assays up to 4.4% copper, 0.7% nickel, as well as up to 1.0 gram platinum. Airborne magnetometer surveys suggest the ultramafic body may exceed 800 metre in length. There are no previous ground geophysical surveys on record that would have traced the nature and extent of the sulphide mineralization. Induced polarization and magnetometer surveys are planned to delineate the disseminated sulphide mineralization prior to drilling.

The property is 16 km northeast of the Samuels Lake body that is being explored by Starcore Resources and ProAm Exploration Corp. The belt of ultramafic rocks that extends from west of Atikokan eastward to the Thunder Bay - Lake Nipigon area is known as the Quetico trend. The ultramafic bodies are hosted in the Quetico Sediments and are often in or near a major fault such as the Quetico Fault and parallel member faults. This structure can be traced for 300 to 400 miles across northern Ontario. Other PGE (platinum group element) deposits occur in numerous other ultramafic bodies along the trend, the largest being the Lac des Iles body that hosts the Lac des Iles mine of North American Palladium which produces some 90,000 ounces of palladium and platinum per year with copper, nickel, and gold credits. Several other junior companies are now exploring the other ultramafic bodies for PGE deposits along the Quetico Trend. (SEE GCNL NO.109, 8Jun99, P.2 FOR PREVIOUS PLATEAU AND OTHER PLATINUM PROJECT DATA & MAP)

GOLDCLIFF RESOURCE CORP.

[GCN-V] 5,311,600 SHS.

ARGENTINE PROJECTS DROPPED - Leonard Saleken, P.Geo., president, reports Goldcliff

Goldcliff Resource Corp. has terminated all exploration activities effective 26Jul99 in Argentina and is focusing on North America. Goldcliff has been active in Argentina since 1996 with its Andes

project (precious and base metal properties) and the Diente Verde gold, copper porphyry prospect. Due to current world-wide mining conditions, failure to attract joint-venture funding partners and the Canadian dollar exchange rate (Argentina peso is pegged to \$US), Goldcliff will abandon Argentina for projects closer to home. As a result, the company's Mendoza office is closed and its manager has been relocated. Goldcliff maintains its Canadian exploration projects in good standing (Cliff and Plug projects) and is seeking attractive situations in the western US and Mexico.

The Andes project holdings, which are 100% owned by Goldcliff, are being allowed to lapse in accordance with Argentina's mining code. For the Diente Verde project, the official notices of termination were served 22Jun99 in accordance with the Diente Verde and the Malena agreement. Goldcliff's Argentine legal counsel acknowledged official completion as of 26Jul99. The 100% owned claims in the Diente Verde area will be allowed to lapse.

Goldcliff's manager of operations in Argentina, Eric Williams, has been relocated to southern California and has established an office in San Diego. Mr. Williams has been retained as a project consultant and will be responsible for identifying attractive mining projects in the western US and Mexico. Mr. Williams' international experience, fluent Spanish and management skills provide Goldcliff with an excellent base for acquiring future mining opportunities.

In Canada, Goldcliff is evaluating its 100% owned Cliff and Plug projects for further exploration. The gold, silver, copper Cliff project is located at Olalla in the Osoyoos Mining Division of south-central BC and contains several exploration targets requiring additional work. The primary focus is for epithermal gold, silver deposits (Cliff Zone, Powder Breccia, Something Good Shear) as well as a disseminated gold, copper prospect (Lee Zone). The Olalla Gold camp is located 15 km southeast of the Hedley Gold camp.

The Plug project is located in the Logan Lake area, southwest of Kamloops, BC. In 1997, Goldcliff drilled the Plug showing and intersected significant silver and gold values (3.0 metres of 38 grams silver/tonne and 2.8 grams gold/tonne). The Plug showing along with other gold, silver, copper geochemical anomalies require further exploration. (SEE GCNL NO.9, 14Jan99, P.4 FOR PREVIOUS ARGENTINA PROJECT INFORMATION)

NAVIGATOR EXPLORATION CORP.

[NVR-ALBERTA] 8,966,500 SHS.

NOWYAK LAKE ASSAYS RECEIVED - Ray Cahill, president, Navigator Exploration Corp. reports results of the summer drill program at the 100% owned Nowyak Lake gold project 440 km northwest of Churchill, Manitoba in Nunavut (Northwest Territories). The objective of this program was to locate the source of the very high grade gold and silver bearing boulders located in 1998 on Komatik Lake. Refer to property map overleaf P.3 in GCNL NO.128, 6Jul99.

The drill program has determined the boulders are probably located within a large gold-bearing shear zone (Komatik shear zone) which has been traced for a length of 3.5km. The mineralized portion of this zone is up to 55m in width and has been tested by shallow drilling only along a strike length of 100m. This drilling intersected narrow gold-bearing zones as shown OVERLEAF P.2, but has so far failed to locate the origin of the boulders.

To date, prospecting and geophysics have traced the shear zone over a strike length of 3.5 km. A program of till sampling is in progress on the northerly extension of the Komatik shear zone. Geophysical surveying is also being performed in the same area.

CANADIAN GOLDEN DRAGON RESOURCES LTD.

[CGG-V] 12,024,927 SHS.

PGE PROJECT FARMED OUT - Ken Crosby, president, Canadian Golden Dragon Resources Ltd. has entered an agreement for Colby Resource Corp. (private) to earn a 50% interest in the 76 claim unit Grand Bay property in northwest Ontario by paying \$25,000 to Golden Dragon over two years and spend \$100,000 over two years. A further 25% interest may be earned by Colby by spending an additional \$400,000 over four years.

The property covers a 3.5 to 4.0 km long magnetic anomaly that may reflect a deep mafic-ultramafic intrusion next to the Black Sturgeon Fault which could host a platinum group elements, nickel, copper deposit similar to the setting at the Great Lakes Nickel deposit near Thunder Bay, northwest Ontario. This type of setting is similar to the Noril'sk type deposit found in Siberia. The property is 50 km northeast of North American Palladium's Lac des Iles platinum, palladium mine, which is the only single platinum, palladium mine operation in Canada. (SEE GCNL NO.109, 8Jun99, P.2 FOR PREVIOUS ONTARIO PGE PROJECT DATA AND MAP OF VARIOUS PGE PROJECTS)

DAREN RESOURCES LTD.

[DRR-V] 7,039,049 SHS.

CORPORATE UPDATE - Joe Montgomery, president, Daren Resources Ltd., provides an update on company activities. Daren has been developing its 90% owned Hanson Lake silica sand property near Creighton, east-central Saskatchewan, which will be in production by the spring of 2000, subject to financing. The renewed interest in the oil and gas sector, with the price of oil again reaching US \$18 a barrel and a "big money move" back into metals companies is providing optimism in the Canadian capital markets. Expectations are that metal commodity prices will return in early 2000. Daren management is of the view these bullish signs and the fact a number of potential financiers are seriously assessing the silica opportunity are positive signals for the company.

Management believes it is time to direct efforts to evaluating mining properties including base and precious metals and also gemstones opportunities. Dr. Joe Montgomery and Gary Giroux have many years of experience in the evaluation of mineral deposits and are currently looking at several promising properties with the intent of diversifying the company's interests. Daren is nearing the conclusion of an agreement with another company on its Hoidas Lake rare earth property 60 km east of Uranium City, northern Saskatchewan, where it may earn a majority interest for cash, shares and a work commitment. The company plans to position itself this year with two or three more exploration properties, now that the Hanson Lake property is nearing production. The company is also interested in other business sectors, including the oil and gas in Canada, the Internet and the high technology sectors. Management is currently assessing business opportunities in these areas.

The Hanson Lake project has a number of encouraging developments. Silica sands are used by the petroleum industry to fracture oil and gas wells. Well service technological advancements have seen an increased demand for sand requirements in each well serviced. The nearby Hanson Lake sands are suitable for this purpose. Daren is undertaking a \$200,000 financing 1,300,000 units at 15¢ each, to ensure silica sand operation has the opportunity to succeed and to acquire additional business opportunities, as described above. Half of the funds will be in a flow through tax incentive format while the balance will be conventional financing. All shares will have a four-month hold on them from the date the financing is closed, while they will be cleared for trading by the

company's Annual Information Form filing. (SEE GCNL NO.211, 3Nov99, P.2 FOR PREVIOUS HANSON LAKE SILICA PROJECT INFORMATION)

EASTERN MERIDIAN MINING CORP.

[EME-ALBERTA] 30,860,003 SHS.

TAILINGS PROJECT CANCELLED - Brian Peckford, president. Eastern Meridian Mining Corp., reports 70% owned Ming Minerals Inc. has been informed by **NOVEDER INC.** [NED-M] that because of falling gold prices and the uncertainty this has caused it will not proceed with the development of the tailings project in Newfoundland as was contemplated in the recently signed memorandum of understanding with Ming Minerals. As a result of this, Ming is reviewing its options and is discussing new approaches to processing the tailings resource.

Additionally, Ming is reviewing a geological report on the results of its recent drilling on the Stog'er Tight property and examining the prospects of its Stuckey Vein property, both in Newfoundland. (SEE GCNL NO.83, 30Apr99, P.3 FOR PREVIOUS NEWFOUNDLAND PROJECT INFORMATION)

EL MISTI GOLD LTD.

[EMG-V] 54,252,902 SHS.

MORE PERUVIAN LAND PETITIONED - John Huguet, chairman, reports El Misti Gold Ltd., through wholly owned Peruvian subsidiary El Misti Gold S.A., has petitioned for the mining rights of 12 specific abandoned and or extinct exploration rights contained within Valle de Sinchao No. 1, 2, 3 and 4 area, including filing of the documentation to verify the classification as abandoned or extinct. This should net more than 440 hectares in area to El Misti Gold and consolidate the land position consistent with all the types of identified mineralization in the Valle de Sinchao exploration area.

The documentation has been prepared by internal counsel and received extensive review of external counsel and the appropriate Peruvian Government officials. Final rulings should be available over the next 60 to 90 days through the Public Registry for Mining. There are 12 extinguished and or abandoned claims which have been petitioned at this time. All the claims are contiguous to existing El Misti Gold S.A. controlled mining concessions within the Valle de Sinchao No. 1, 2, 3 and 4 exploration area. SEE MAP OVERLEAF P.3.

Quoting Chief Geologist Victor Jaramillo's report to management, "The geological implications of extending El Misti's ground position at Sinchao by adding the abandoned Provedora Claims is most significant. This will consolidate and extend the ground position in all the types of mineralization identified to date. It will considerably enlarge the mineralization potential for the epithermal copper, gold zone previously identified in El Misti's Volare and Napoleon concessions. This is due to the fact that immediately southwest (as observed in the field) of these concessions, extensive diamond drilling on the Provedoras has identified resources in the order of 350,000,000 tonnes with 0.85% copper and 0.30 grams gold/tonne, which includes 100,000,000 tonnes grading 1.22% copper and 0.42 grams gold/tonne, with an additional 25,000,000 tonnes of near surface oxides grading 0.80 grams gold/tonne. A large portion of this resource is believed to be contained in the 12 abandoned and or extinct claims.

ASIA MINERALS CORP.

[AMP-ALBERTA] 27,781,605 SHS.

CORPORATE UPDATE - David Owens, president, Asia Minerals Corp., provides the following corporate update at the request of the Alberta Stock Exchange

Copperstone Gold, Arizona: The mid-1999 start of a mine feasibility study on the Copperstone gold property in southwestern Arizona has been postponed due to delays in resolving corporate and financing issues arising out of an Ontario court order on 16Apr99 placing ROYAL OAK MINES INC. [RYO-T halted] in receivership. Royal Oak owns 12,256,250 shares of Asia Minerals representing 44% of the outstanding voting shares. Asia owns a 25% interest in the Copperstone property and has an option agreement with Arctic Precious Metals Inc., a wholly owned subsidiary of Royal Oak, to earn up to an 80% interest in the property.

Receivership of Royal Oak: PricewaterhouseCoopers Inc. (PwC) is the court appointed receiver of Royal Oak and has informed Asia Minerals it has the authority to dispose of the assets of Royal Oak, including the 12,256,250 shares of Asia Minerals and, indirectly, the Copperstone interest of Arctic. As a result, Asia's management has been seeking a dialogue with PwC since 21Apr99 to ensure the disposition process is conducted in the best interests of Asia Minerals shareholders as a whole, and pursuant to all rights and obligations established under a shareholders agreement between the company, Royal Oak and other parties, including Mr. Owens, and the Copperstone joint venture and option agreement between Asia Minerals and Arctic.

To date, Asia Minerals has not received a satisfactory response from PwC regarding either its shares owned by Royal Oak or the Copperstone interest owned by Arctic. This situation is impairing the ability of Asia Minerals to do business and finance the Copperstone feasibility study. Asia Minerals has suspended all work at Copperstone, downsized the number of employees, and reduced other activities. These measures were taken in part to ensure the company has sufficient working capital to meet its legal obligations to maintain the Copperstone property in good standing.

Article 5 of the shareholders agreement contains specific provisions restricting the transfer of Asia Minerals shares owned by Royal Oak. This restriction requires that if Royal Oak wishes to sell, assign or transfer Asia Minerals shares, Royal Oak must first provide Mr. Owens with a first right to purchase the shares. Consequently, PwC has been provided with written notice the sale of the 12,256,250 Asia Minerals shares owned by Royal Oak is strictly subject to this right of first refusal.

Section 12 of the joint venture contains specific provisions restricting the transfer of all or any of the rights and interests in Copperstone by Arctic. This restriction provides Asia with a right of first refusal to purchase all or part of Arctic's interest in Copperstone. Consequently, Asia has provided PwC with written notice the sale of Arctic's interest in Copperstone is strictly subject to this right of first refusal.

Asia Minerals, through a wholly owned subsidiary, presented PwC with a formal offer 29Apr99 to buy the 12,256,250 Asia shares owned by Royal Oak. In addition, Asia Minerals also presented PwC on this date with an offer to purchase the Copperstone interest held by Arctic. In a letter to Asia Minerals, dated 6May99, PwC reported they were not in a position to respond to the offer at that time and the offers subsequently expired.

Asia Minerals also reports directors Ross F. Burns, Ken Mau and John R. Smrke will resign as of the date of the annual and extraordinary meeting and will not be standing for re-election.

Asia's management is now seeking qualified individuals to serve on the board and anticipates it will provide three new nominees at the AGM to be held 24Jun99.

Legal counsel for PwC notified the board of directors of Asia Minerals 1Jun99 PwC wishes to exercise certain rights of Royal Oak under the shareholder's agreement, in particular, to nominate three of six directors at the forthcoming AGM. Asia Minerals' board of directors and management does not believe the election of PwC's nominees to the board is warranted or in the best interests of shareholders. Furthermore, the PwC "ownership" of the Asia Minerals shares is temporary and the company does not believe PwC has a mandate to manage the company's affairs. Therefore, Asia has requested PwC support management's director nominees at the forthcoming AGM.

Asia Minerals is currently working on a private placement financing to provide sufficient working capital for the next six months. At the same time, Asia is also preparing a plan to finance the Copperstone mine feasibility study upon the satisfactory resolution of all outstanding issues with PwC. (SEE GCNL NO.42, 2Mar99, P.2 FOR PREVIOUS COPPERSTONE PROJECT INFORMATION)

CONS. SILVER TUSK MINES LTD.

[CKS-V] 17,826,484 SHS.

INDONESIAN ELECTION BENEFIT'S COMPANY - Thomas Tough, P.Eng., Consolidated Silver Tusk Mines Ltd., president has reported political stability during the recent Indonesian election appears to have had a positive effect on the value of its shares. With the elections completed, there seems to be renewed investor interest in the company as judged by the price and volume of shares traded.

Cons. Silver Tusk Mines believes the positive situation in Indonesia will permit it to proceed with its development plans for the exploration and development of its 80% optioned Karya Bukit epithermal gold, silver project located near the south end of Sumatra Island, Indonesia. These plans include increasing the volume to be delivered to the concentrating plant and conducting further exploration with the goal of delineating a large tonnage gold, silver deposit and identifying other deposits amenable to inexpensive open pit mining methods. (SEE GCNL NO.81, 28Apr99, P.1 FOR DETAILED PROJECT REVIEW)

EAST WEST RESOURCE CORP.

[EWR-V] 26,775,421 SHS.

PGE PROJECT FARMED OUT - Anthony Crossley, president, reports East West Resource Corp. has granted an option for Colby Resources Corp. (private) to earn a 50% interest in the 112 claim unit Posh platinum group elements property in northwest Ontario by paying \$30,000 over two years and spend \$100,000 in exploration over two years, \$40,000 of which must be spent the first 18 months. A further 25% may be earned by spending an additional \$400,000 over four years.

The Posh property covers a six km long magnetic anomaly roughly 30 km northeast of Lac des Iles platinum palladium mine and also sits on a structure that is associated with mafic-ultramafic intrusions in the region. A field program of ground IP (induced polarization), resistivity, magnetics, and geology is planned to be followed by drilling. The target is disseminated sulphides that would reflect a PGE, nickel, copper deposit either similar in style to the Lac des Iles deposit or the Great Lakes Nickel deposit near Thunder Bay. (SEE GCNL NO.109, 8Jun99, P.2 FOR OTHER PLATINUM PROJECT INFORMATION)

The slag stockpile is estimated to contain 35,000 tonnes of zinc as well as significant quantities of indium and germanium. The refurbishment will cost \$9,000,000 and is expected to pay for itself within a year. Processing of the stockpile should be completed in approximately four years from the slag fuming furnace start up.

The Kivcet lead smelter and its associated slag fuming furnace will continue to process the current output of higher value zinc plant residues and will ultimately consume the 475,000 tonnes of residues that are stockpiled at Trail. (SEE GCNL NO.99, 25May99, P.4 FOR BOW PROJECT INFORMATION)

IMA EXPLORATION INC.

[IMR.A-V] 6,792,252 SHS.

BARRICK GOLD CORP.

[ABX-T, AMEX] SHS.

FINANCING/OPTION AGREEMENT - Dr. Gerald G. Carlson, REACHED WITH BARRICK GOLD chairman, reports Ima Exploration Inc. has entered a financing and option agreement with Barrick Gold Corp.

The financing consists of Barrick subscribing for a private placement of 1,500,000 units at \$1.00 per unit. Each unit consists of one share and one warrant exercisable for one year at \$1.50.

IMA has also granted Barrick an option to select one of two designated properties, Rio de las Taguas or Potrerillos, both of which are strategically located relative to Barrick's Pascua-Lama gold discoveries in the Valle del Cura area of Argentina. SEE PROPERTY LOCATION MAP OVERLEAF P.5.

Rio de las Taguas (1,800 hectares or 4,400 acres) shares its borders with Barrick's Pascua-Lama property to the west; Argentina Gold (Homestake) to the south; Penoles (a major Mexican silver producer) to the north; and it is close to Barrick's Pascua-Lama discoveries. During recent reconnaissance exploration on the property, IMA discovered widespread alteration and three northerly trending, structurally controlled breccias locally enriched in gold and arsenic.

Potrerillos (3,900 hectares or 9,600 acres) is bordered by Barrick Gold to the north and southeast; Argentina Gold (Homestake) to the west; Penoles to the south; and it is in proximity to Argentina Gold's Veladero discoveries (Filo Federico and Amable) to the southwest. Recent prospecting within the Potrerillos block encountered a north-trending zone of silification within which float from a sulphide bearing quartz vein was sampled and found to contain up to 0.23 grams gold/tonne and 116.8 grams silver/tonne. Final results from IMA's 1999 reconnaissance exploration on its four key Valle del Cura properties will be released when available.

The Valle del Cura Region is emerging as a world-class gold, silver camp located on the Argentine side of the El Indio gold belt in Chile. Recent exploration successes by Barrick and Argentina Gold highlight the importance of the Valle del Cura region, where IMA holds 34,000 hectares of property.

Of the proceeds from the above noted private placement, IMA has agreed to spend, over the next 12 months, a minimum of \$1,125,000 on the Valle del Cura properties, of which a minimum \$280,000 will be spent on each of the Rio de las Taguas and Potrerillos properties. IMA is developing an exploration program which will be funded by the private placement proceeds.

Barrick will have the option, for 14 months from the date of closing of the private placement, to elect to earn a 50% interest in either the Rio de las Taguas or Potrerillos property by paying IMA US \$250,000 and spending US \$3,000,000 on exploration over five years. Once Barrick has earned its 50% interest, the property will be

operated as a joint-venture with Barrick as the operator. At that point, Barrick will have the right to earn an additional 25% interest, for a total of 75%, by funding IMA's share of costs to bring the property into production. Should a discovery not be made on the property, Barrick will have the right to buy the property from IMA for US \$2,000,000 and a 5% NSR production royalty should any subsequent discovery be made. The term of the option period can be extended to 26 months if Barrick fully exercises the warrants within the terms of the financing. (SEE GCNL NO.101, 27May99, P.2 FOR IMA FIRST QUARTER REPORT)

INT'L. ALLIANCE RESOURCES INC.

[ALL-V] 1,093,295 SHS.

YUKON EXPLORATION PLANNED - Greg Yanke, director, Int'l Alliance Resources Inc., reports, based on encouraging results from 1998 exploration, a summer work program is planned for the on the 70% optioned Plata property of 230 claims in the Hess River region, Mayo Mining District, Yukon Territory.

Alliance's 1998 drill program on the Plata property confirmed the continuity of the Thrust Zone, a continuous mineralized vein fault which was previously mined for high grade silver from numerous trenches over vein exposures two km in length. The average calculated grade over 1.8 metres of the zone is 653.4 grams silver/tonne and 3.3 grams gold/tonne. Results from drill hole Rd-98-07 taken from this zone are of particular interest:

INTERSECTION	SILVER	GOLD	LEAD	ZINC
FEET	GR/T	GR/T	g	g
13-15	2336	1.50	8.76	0.72
15-20	1085	3.15	7.65	2.87
20-22	369	3.40	2.16	1.02

The program will consist of limited unwinching followed by

shallow, rotary drilling. Required equipment, including a D-SK Caterpillar and a Nodwell mounted rotary drill, are currently on site. Alliance intends to drill 40 holes averaging 25 metres each and to collect 10 trench samples weighing 100 pounds each. Exploration will be conducted in conjunction with the optionor of the property. Negotiations are ongoing for the optionor's financial participation in the work program.

KINROSS GOLD CORP. [K-T] has notified Int'l Alliance it intends to terminate the joint venture agreement relating to the exploration and development of the Emerald Lake gold project. Upon termination, a 100% interest in the claims will revert to Int'l Alliance, subject to a 0.25% net smelter returns royalty. The project consists of 339 claims covering about 20,400 acres in the Mayo Mining Division, Yukon Territory. (SEE GCNL NO.84, 3May99, P.7 FOR DIRECTOR APPOINTMENTS)

NEVADA PACIFIC GOLD LTD.

[NPG-V] 9,985,003 SHS.

MONTANA PROJECT OPTIONED - David Hottman, president, reports Nevada Pacific Gold Ltd. has been granted an option to acquire a 100% interest in the Big Belt project in Montana from Kennecott Exploration company's (Rio Tinto). The property is situated east of Helena in the Big Belt Mountains, Meagher County, central Montana.

The 17,800 acre project is centred on a large untested "bulls eye" magnetic anomaly which is interpreted to represent an ultramafic intrusion covered by a thin veneer of sediment. Nevada Pacific will immediately begin a reverse circulation drill program totalling 3,000 feet to test for mineralization that may be associated with the inferred ultramafic body. Exploration results will be released as they are received.

X

Under the agreement, Nevada Pacific can earn a 100% interest in the Big Belt property by completing a total of US \$100,000 in exploration expenditures. Kennecott will retain the right for three years to back-in to 60% of the project by reimbursing Nevada Pacific 150% of 60% of expenditures on the project at that date. (SEE GCNL NO.103, 31May99, P.4 FOR NEVADA PROJECT INFORMATION)

NUINSCO RESOURCES LTD.

[NWI-T] 39,145,909 SHS.

LAC ROCHER ASSAYS RECEIVED - Douglas Hume, president, reports Nuinsco Resources Ltd. has received drill results from the 100% owned Lac Rocher project in northwest Quebec. The winter drill program was suspended May 7 for spring break-up. Drilling is expected to resume early July.

Most of the drill holes, from No.29 to 49, returned no significant values. Hole 34 returned 8.2 metres grading 0.58% copper and 1.89% nickel; hole 47 returned 124.8 metres of 0.18% copper, and 0.39% nickel (SEE GCNL NO.80, 27Apr99, P.4 FOR PREVIOUS LAC ROCHER PROJECT INFORMATION)

ST. ANDREW GOLDFIELDS LTD.

[SAS-T] 20,456,239 SHS.

THREE MONTHS ENDED MARCH 31, 1999	1998
CUSTOM MILLING REVENUE	\$1,626,176
EXPENSES	2,065,374
NET LOSS	435,676
LOSS PER SHARE	2¢

FIRST QUARTER REPORT - Charles Gryba, president, St.

Andrew Goldfields Ltd., reports financial and production results for the first quarter ended 31Mar99. Revenues were derived from custom milling 72,465 tonnes of ore compared to milling 72,648 tonnes of ore in the quarter ended 31Mar98 at its 1,300 tonne per day mill. In the quarter ended 31Mar99, revenue includes the profit sharing income for achieving a 97.6% recovery, which was in excess of a 93% base. Although revenue in the first quarter of 1999 was higher than in the same quarter in 1998, the mill feed tonnage provided by its primary customer fell short of that for the fourth quarter of 1998 when 83,295 tonnes were milled. The company is seeking to improve utilization of the mill capacity with additional custom mill feed from other shippers and the start of production from an open pit on the Hislop property.

Milling costs in the quarter ended 31Mar99, were \$1,159,000 or \$16.00 per tonne versus \$1,138,000 or \$15.66 in the first quarter of 1998. The higher milling costs were a result of higher electric power usage primarily for heat, above average mill repair and maintenance costs, and slightly higher labour costs as a result of wage increases. The company anticipates unit-milling costs to be reduced substantially when a greater percentage of the mill capacity is utilized. Site services and administration costs increased when comparing the quarters ending 31Mar99 and 1998. The increase relates to the additional salary, consultant and repair costs incurred to manage the operations and prepare the site facilities to achieve successful mine production as well as to increase the company's marketing efforts. Higher operating and administration costs contributed to the first quarter loss.

The company's cash position was \$940,000 at the quarter ended 31Mar99. Use of funds during the quarter was \$1,005,000. The primary use was \$1,009,000 for exploration expenditures. The company drilled 24,700 feet in 77 surface holes mainly on the Hislop, Taylor and Stock properties, all located in the Timmins area of northern Ontario. In addition, six underground holes were drilled for a total of 2,175 feet on the Stock property. The exploration

expenditures in the first quarter of 1998 were substantially higher at \$2,378,000. The focus in early 1999 was on identifying gold resources that could be developed and brought into production easily. The Hislop open pit was identified and the company anticipates production will be achieved before the end of the second quarter. Cash used from operations in the first quarter was \$116,000 and was funded by the scheduled release of a \$257,000 long-term security deposit.

The company's 1999 objective is to start profitable mine production, expanding the mill capacity to 1,500 tonnes per day, reducing the average annual milling cost to \$13.00 per tonne and custom mill a minimum of 325,000 tonnes of ore.

In 1999, the company plans to start an open pit mine on the Hislop property, restart the Stock Mine, and start an underground exploration program to develop the high-grade 1,000,000 ounce resource at the Taylor property. (SEE GCNL NO.61, 29Mar99, P.4 FOR YEAR END REPORT)

TAHERA CORP.

[TAH-T] 154,00,000 SHS.

PROPOSED JERICO MINE PROJECT - Grant Ewing, vice president, FILED FOR REGULATORY APPROVAL investor relations, reports

Tahera Corp. has filed the Project Proposal for the 100% owned Jericho Diamond Project with the relevant regulatory authorities. This filing marks the formal start of the environmental assessment and regulatory approval process for the proposed diamond mine at the Jericho Diamond Project located in Nunavut, about 420 km northeast of Yellowknife, Northwest Territories, and 170 km northeast of the producing BHP/Dia Met Ekati Diamond Mine.

The Project Proposal describes the construction and operation of a diamond mine in Nunavut Territory near the northwest end of Contwoyto Lake, about 27 km northwest of the Lupin Gold Mine. Access to the Jericho Diamond Project is provided by winter road and by air.

The Project Proposal for the Jericho Diamond Project is based on open-pit mining of the land-based Jericho (JD-1) kimberlite pipe, construction of a processing facility at the Lupin Mine Site, utilization of existing facilities at the Lupin Mine Site (subject to implementing the terms of a Facilities Usage Agreement between Tahera and Echo Bay Mines Ltd., owners of the Lupin Gold Mine), and transportation of ore via an ice road (mid January to mid May) from the Jericho Site to the Lupin Mine Site.

The diamond plant will treat kimberlite on a year round basis using conventional diamond processing techniques. Current kimberlite resources indicate the Jericho Diamond Project will have a mine life in excess of 10 years. Production scheduling of the mining operations will enable the higher-grade phase of the Jericho kimberlite pipe to be mined at an early stage in order to maximize the project economics. It is possible future kimberlite discoveries (including the recently discovered Contwoyto - 1 pipe) will be developed and thereby extend the life of the project.

The capital expenditure estimated to bring the Jericho Diamond Project to commercial production status will be determined during the feasibility study which began in May 1999. Tahera believes the modest scale of the project, the fact the Jericho Pipe is land-based, and the availability of the existing infrastructure at both the Lupin Mine Site (subject to implementing the terms of the existing facilities usage agreement) and the Jericho site will all contribute to reducing the capital cost of the project.

claiming damages against Newmont for interfering in the performance by PI of the 28May98 agreement and for inducing PI to breach the agreement.

Batu Hijau contains a resource of 7,250,000 tonnes (15.98 billion pounds) of copper and 16,500,000 ounces of gold. The Batu Hijau project is expected to complete construction by October 1999, toward copper concentrate production starting in December 1999, with projected cash operating costs in the lowest quartile of the world producers. Batu Hijau is projected to produce an average of 245,000 tonnes (540,000,000 pounds) of copper and 564,000 ounces of gold annually for 25 years. PI has a 20% interest in the Batu Hijau project. Newmont, operator, 45%, Sumitomo Corp. 35% interest. (SEE GCNL NO.9, 14Jan99, P.2 FOR MUCH PREVIOUS RELATED PROJECT AND LITIGATION DETAILS)

BRETT RESOURCES INC.

[BRN-V] 9,131,078 SHS.

FAIRFIELD MINERALS LTD.

[FFD-T] 7,2453,181 SHS.

YUKON PROPERTIES OPTIONED - John Barclay, director, reports Brett Resources Inc. has been granted an option from Fairfield Minerals Ltd. to earn a 70% interest in two properties located in the south-central Yukon Territory. The MOR and Caribou Creek properties, covering some 2,100 hectares, have the potential to host volcanogenic massive sulphide (VMS) base and precious metal deposits. The two properties are underlain by stratigraphy that has been correlated to the Nasina Assemblage of the Yukon Tanana Terrane, which hosts several important VMS deposits in the Finlayson Lake District of the Yukon.

On the Caribou Creek property, a 1,000 by 300 metre copper, lead, zinc, silver, barium anomaly is present in soils overlying quartz sericite altered schist. Several gossan present on the property are associated with bands of disseminated coarse pyrite in quartz-rich chlorite schist. On the MOR property, a 2,000 by 100 to 200 metre copper, lead, zinc, silver soil anomaly has been defined and is coincident with a moderate geophysical conductor. Hand trenching and blasting revealed mineralized metasedimentary and metavolcanic schists with pyrite and chalcopyrite concentrated along the foliation and in fold hinges. The best trench sampling results include 1,897 ppm copper, 3,389 ppm lead, 1,244 ppm zinc, 58.1 ppm silver and 985 ppb gold over 3.0 metres and 10,520 ppm copper, 1,237 ppm lead, 2,996 ppm zinc, 29.0 ppm silver and 1,899 ppb gold over 0.7 metres.

Brett may earn a 70% undivided participating interest in both properties by making total cash payments of \$70,000, issuing 200,000 shares to Fairfield and spending \$500,000 on exploration by 31Dec2001, subject to regulatory approval. During the option period, Brett will be the operator. The exploration budget for 1999 is \$70,000 and will cover geological mapping and prospecting and possible several short diamond drill holes. (SEE GCNL NO.243, 1SDec99, P.8 FOR OTHER CORPORATE INFORMATION)

EAST WEST RESOURCE CORP.

[EWR-V] 26,200,421 SHS.

CANADIAN GOLDEN DRAGON RESOURCES LTD.

[CGG-V] 11,999,927 SHS.

ONTARIO PGE CLAIMS ACQUIRED - Anthony Crossley, president, East West Resource Corp., reports as part of a long range plan to explore platinum, palladium (PGE) deposits with associated nickel, copper, gold, two 16 claim unit groups located in Hele and McIvor Townships, 60 km northeast of Thunder Bay, Ontario, have been jointly acquired with Canadian Golden Dragon Resources Ltd. These claims have been expanded by

staking an additional 32 claims units to cover exposures of mafic-ultramafic rocks in Hele. These rocks and associated magnetic anomalies are interpreted to be Proterozoic-age bodies the same age as the Great Lakes Nickel deposit southwest of Thunder Bay and Duluth gabbro complex (that contains a number of nickel, copper, PGE deposits) in Minnesota on the west shore of Lake Superior.

The area north of Lake Superior near Lake Nipigon covers a "failed arm" branch of the Mid-Continental Rift which generated extensive magmatic extrusives and intrusions. As a result a number of unexplored bodies occur along this failed arm rift structure north of Lake Superior including the Seagull pluton and Disraeli dyke presently under option by East West and Golden Dragon. Assays of 7.6 grams/tonne PGE have been obtained from weathered ultramafic material at Seagull where part of this six mile diameter intrusion is exposed. This showing is further evidence there is a potential for large magmatic PGE, nickel, copper deposits in the area, including the Hele and McIvor targets.

Both claim groups are being purchased for \$40,000 each over three years and 100,000 shares of each company in four equal instalments of 25,000 shares of each company at six month intervals, subject to regulatory approval. Initial work commitments of \$6,400 on each property will be carried out which will involve linecutting, magnetic and IP-resistivity surveys. This work will locate any disseminated sulphide zones that are typical setting for PGE-nickel deposits. Electromagnetic surveys may also be carried out prior to drilling if the initial surveys suggest the presence of massive sulphide zones.

Therefore both companies are now jointly holding four properties in the Nipigon area that are 628, 115, 16, and 48 claims units in size as well as other properties each held 100% by the respective companies separately. All of these properties cover special magnetic anomalies that reflect ultramafic-mafic intrusion that could host significant size magmatic deposits. Both companies are in the process of acquiring additional Archean and Proterozoic nickel, copper, PGE targets in northwestern and northeastern Ontario in addition to the other gold and base metal properties they already hold in the Abitibi greenstone belt. (SEE GCNL NO.79, 26Apr99, P.2 FOR OTHER PGE PROJECT INFORMATION)

EXPATRIATE RESOURCES LTD.

[EXR-V] 10,497,500 SHS.

NORDAC RESOURCES LTD.

[NRQ-V] 7,922,868 SHS.

YUKON JOINT VENTURE CREATED - Dr. Harlan Meade, president, reports Expatriate Resources Ltd. and Nordac Resources Ltd. have formed the Eureka Joint Venture (EJV) to explore for gold within a 12,300 square km area in the western Yukon Territory. The 50/50 owned project area lies within the Tintina Gold Belt and covers the richest placer districts in the Yukon Territory.

The venture's landholdings include four recently staked prospects (Eureka, Armenius, Track and Forty Mile properties) and two volcanogenic massive sulphide targets (Top and River properties). Terms require Nordac to transfer its 100% interest in the Eureka 1-56, Armenius 1-16, Track 1-68, Top 1-24 and River 1-24 claims to the joint venture. Expatriate will contribute its 100% interest in the Forty 1-20 claims, repay Nordac's staking costs for the transferred Eureka, Armenius and Track claims, pay for the staking of an additional 318 claims and fund preparation of technical summaries of the prospects.

The Eureka and Armenius properties consist of 390 adjoining claims (7,800 hectares) located 60 km by road southeast of Dawson City.

drill core which has been made available to the company. Altoro will concentrate on soil sampling, ground magnetics and power augering to define zones of higher grade PGE's for shallow diamond drilling.

Under the terms of the agreement, Altoro can acquire a 100% interest in the property by spending US \$1,050,000 on exploration over the next four years, including US \$100,000 to April 2000; and issuing 400,000 shares in six stages, including 25,000 shares on signing, subject to VSE approval. Altoro has the right to withdraw from the agreement at any time following the expenditure of its initial commitment of US \$30,000. The 2% NSR can be purchased by Altoro for US \$2,000,000 at any time. (SEE GCNL NO.68, 9Apr99, P.1 FOR BIRCH LAKE PGE PROJECT DATA & MAP)

ARLINGTON VENTURES LTD.

[AVM-V] 8,204,337 SHS.

CALIFORNIA PETROLEUM UPDATE - Timothy Collins, president, Arlington Ventures Ltd., through its wholly owned subsidiary, Golden Exploration & Production Corp. reports the following update on the development activity in its Guijarral Hills and Raisin City Fields located in the San Joaquin Basin, California. The lands were recently acquired from Temblor Petroleum Co. of Bakersfield, California.

At Arlington's 100% owned Guijarral Hills Field (about 70% net revenue interest) located near the giant Coalinga Field and about 50 miles northeast of the Lost Hills Field in the San Joaquin Basin, the company continues its development program. Currently, Arlington is completing and production testing the Dessel 321H well, a horizontal lateral well drilled in the Leda formation at a depth of 8,500 feet. The production testing of the Dessel 321H shows the well is capable of producing at least 340 BOPD. Based upon this success, the company has identified at least three offset locations and is evaluating drilling one of the locations in June or July 1999.

Arlington recently placed its 100% owned Raisin City Field (about 73% net revenue interest) on production. This field is averaging about 130 BOPD from six wells. The company anticipates placing at least three more wells on production over the next 30 days. In addition to the re-work and well clean-up programs, Arlington and its partner have started a 3-D seismic survey which will be used to evaluate a deep gas prospect and undrained fault blocks containing oil. The 3-D seismic is scheduled for completion in June 1999.

Arlington also reports starting re-completion and production testing of two wells on its 100% owned Smith Lease (about 77% net revenue interest) which is adjacent to its Guijarral Hills Field. Results to date have been encouraging and company expects to place these wells on production as soon as the production testing is completed.

Arlington has negotiated with an arms length party the settlement of \$21,500 of debt in exchange for 53,500 shares. Completion of the shares for debt transaction is subject to regulatory approval. (SEE GCNL NO.37, 23Feb99, P.2 FOR PREVIOUS CALIFORNIA PETROLEUM PROJECT DATA)

CANADIAN GOLDEN DRAGON RESOURCES LTD.

[CGG-V] 11,999,927 SHS.

PLATINUM PROSPECT ACQUIRED - K. Crosby, president, reports Canadian Golden Dragon Resources Ltd. has bought a 100% interest in a 78 claim unit property covering a two mile strike length of a gabbro-ultramafic intrusion has been acquired along the eastward extension of the Quetico Fault east of Lake Nipigon in Fintry Township, north of Thunder Bay, northwest Ontario. This fault trend controls the emplacement of a number of platinum, palladium-bearing ultramafic (pyroxenite) gabbro, gabbro-norite bodies including the Lac des Iles complex which contains the only platinum, palladium producing (3,000 tpd) mine in Canada. In a

number of cases these bodies resemble the Alaska-type ultramafic bodies that contain significant platinum, palladium zones. These bodies range in size from 400 metres to 1.6 km in length in the Atikokan area and occur along a 200 mile long section of the Quetico trend west of Thunder Bay. Some of these bodies contain assays as high as 0.3 oz/ton platinum group elements (PGE) with significant nickel and copper contents in the Atikokan area. In Fintry Township the property also sits on a trend of carbonatite bodies which in the case of one body contains significant copper and palladium values. This structural junction creates an important geological setting for the development of magmatic massive sulphide (copper-nickel-PGE) deposits.

The claims were purchased outright for \$5,000, and 100,000 shares to be issued in four equal stages subject to regulatory approval, and a 1% NSR which may be purchased for \$500,000 at any time. Follow-up geophysical surveys consisting of magnetics, IP, EM, and mapping are planned for the summer. (SEE GCNL NO.78, 23Apr99, P.6 FOR THOMAS TOWNSHIP PROJECT DATA)

CROSS LAKE MINERALS LTD.

[CRN-V] 32,227,109 SHS.

FAIRHAVEN RESOURCES LTD.

[FRH-V] 5,370,687 SHS.

MORTIMER PROPERTY FARMED OUT - Michele A. Jones, executive vice president, administration, reports Cross Lake Minerals Ltd. has agreed to grant Fairhaven Resources Ltd. the right to earn a 30% interest in the Mortimer property comprised of six mining claims (96 units) located in Mortimer Township, Larder Lake Mining Division, northern Ontario, 75 km northeast of Timmins, subject to regulatory approval.

To earn the interest, Fairhaven must spend \$60,000 in flow-through expenditures on the property. Cross Lake will act as operator and carry out a diamond drilling program of approximately 700 metres, to be completed by 31Jul99.

The program is planned to test several coincident airborne electromagnetic, ground horizontal loop electromagnetic and induced polarization anomalies. These are considered attractive targets for base or precious metal mineralization and work is expected to start early May.

The first phase of 1999 drilling continues on the 100% held Sheraton-Timmins property, located 60 km south of the Mortimer property, and will be followed by borehole Pulse EM surveys. This program is expected to continue until early May. (SEE GCNL NO.59, 25Mar99, P.2 FOR SHERATON-TIMMINS PROJECT INFORMATION)

INDOCHINA GOLDFIELDS LTD.

[ING-T] 71,797,821 SHS.

MYANMAR PRODUCTION REPORT - Robert M. Friedland, chairman, reports first quarter 1999 operational results for the new S&K Mine in Myanmar (formerly Burma). During the first 90 days of the year, the mine produced 13,600,000 pounds (6,181 tonnes) of LME Grade A copper cathode for a total minegate cash cost of US \$0.245 per pound, inclusive of royalties. Under a long-term sales agreement, the mine sold 12,850,000 pounds (5,828 tonnes) of cathode and recorded about US \$8,500,000 in revenue during the quarter (66¢ per pound). Indochina's own hedging activities contributed an additional 3¢ per pound to the company's revenues. During the quarter, customers in Japan, Hong Kong, Thailand, Saudi Arabia, Malaysia, Korea and Pakistan received Monywa cathode. Daily copper production continues to exceed the annualized design rate of 25,000 tonnes of cathode.

Following an official opening ceremony held 19Jan99, the mine achieved project completion 28Feb99 and released its

ASCOT RESOURCES LTD.
 [AOT-V] 20,490,506 SHS.
MAJOR GENERAL RESOURCES LTD.
 [MGJ-V] 38,035,143 SHS.

VICTORIA ISLAND DRILLING UNDERWAY - Ken M. Carter, director, Ascot Resources Ltd., and Major General Resources Ltd. report that on 20Apr99, joint venture partner, De Beers, began core drilling on the Victoria Island diamond project, in the Arctic region of the Northwest Territories. The companies also report the macro-diamond count has been increased for the Snowy Owl, Golden Plover and Longspur kimberlites.

The drill rig is currently centred on the Snowy Owl kimberlite and has kicked-off the initial program consisting of eight to 10 core holes that are to be drilled to depths of about 150 metres. The program will be testing the kimberlite bodies with a series of vertical and inclined holes designed to outline their geometry and size.

The centre of Snowy Owl has been determined by the detailed ground magnetic survey that began late March. This magnetic survey, which is presently being completed, is part of a 200 line-km survey that will also detail the Golden Plover, Longspur and Phalarope kimberlite bodies as well as several nearby kimberlite dykes.

The Snowy Owl kimberlite is one of three bodies that host both crater and hypabyssal facies kimberlite. As previously reported, percussion drill chips from Snowy Owl returned 90 diamonds from 88 kilograms of sample material. These results were supported by excellent indicator mineral chemistry, making Snowy Owl a high priority kimberlite based on geological, geochemical and high diamond count results.

De Beers has recently provided detailed measurements of the larger stones derived from the kimberlites on the Victoria Island property. These measurements have allowed for a revised macro-diamond count based on the macro definition of one dimension having a length of 0.5 mm or greater. As outlined in the table below, there are now a total of 11 macro-diamonds; five from Snowy Owl, three from Golden Plover and three from Longspur. Furthermore, two of the stones from Longspur and one stone from Golden Plover each have one dimension that exceeds 1.0 mm in length.

KIMBERLITE	REVISED DIAMOND COUNT (MACRO-DIAMOND - 0.5MM OR GREATER IN ONE DIMENSION)			TOTAL DIAMONDS
	SAMPLE SIZE KG	MICRO DIAMONDS <= 0.5MM	MACRO DIAMONDS 0.5MM OR GREATER	
SNOWY OWL	88	85	5	90
GOLDEN PLOVER	180	41	3	44
LONGSPUR	90	36	3	39

The property is jointly owned by Major General and Ascot

Resources Ltd. De Beers may earn a 51% interest by making cash payments totalling \$200,000 and spending \$2,000,000 in exploration over three years. De Beers is in the second year of its option and has spent an estimated \$350,000 to date. Once De Beers has vested at 51%, Major General and Ascot will each retain a 24.5% working interest. (SEE GCNL NO.63, 31Mar99, P.1 FOR PREVIOUS VICTORIA ISLAND DIAMOND PROJECT INFORMATION)

CAMNOR RESOURCES LTD.
 [CMB-V] 8,168,174 SHS.
COPPER RIDGE EXPLORATIONS INC.
 [KRX-V] 1,910,646 SHS.
OROMIN EXPLORATION LTD.
 [OME-V] 1,937,863 SHS.

ALASKA DRILLING STARTS - D. Bruce McLeod, president, Camnor Resources Ltd., reports drilling has started on the Discovery Gulch property located in the Circle Mining District, 150 km northeast of Fairbanks, Alaska. The company is earning a 51%

interest in the Discovery Gulch property from Copper Ridge Explorations Inc. with Camnor as operator.

Four initial reverse circulation drill holes will follow up trenches which encountered widespread disseminated gold mineralization during last year's exploration program on the Discovery Gulch property. The best trench results were 45.7 metres grading 0.55 grams gold/tonne, including a section grading 1.51 grams/tonne over 6.1 metres. The trenches were designed to test a strong gold, arsenic, bismuth soil anomaly with associated bedrock gold mineralization. Trenching and mapping have demonstrated the gold mineralization is hosted within a Tombstone Suite intrusion. Gold grades and style of mineralization are similar to the Kinross Gold - Fort Knox deposit (158,000,000 tonnes grading 0.83 grams gold/tonne) located about 175 km to the southwest.

Camnor has also granted an option to Oromin Exploration Ltd. on the Cirque property located in the Bonnyfield Mining District of Alaska. Under the terms of the agreement, Oromin can earn up to a 36% interest in the property by making cash payments totalling \$175,000 and by spending \$375,000 on exploration all over three years. Oromin can increase its interest up to 51% by making an additional cash payment of \$500,000 to the underlying vendor and by issuing 500,000 shares to Camnor. A finders fee of 100,000 Camnor shares is payable to Canaccord Capital Corp. in connection with the agreement. This transaction is subject to regulatory approval.

In the summer, a US \$125,000 diamond drill program on the Cirque property will test a high grade polymetallic surface showing where chip channel sample results averaged 3.73 grams gold/tonne, 98.5 grams silver/tonne, 3.84% zinc, 2.76% lead, and 0.5% copper over 2.4 metres.

Camnor holds an interest in 18 properties in Alaska. The company plans to drill test three properties this year, as well as, develop the other prospective properties. (SEE GCNL NO.65, 6Apr99, P.8 FOR OTHER CAMNOR ALASKA PROJECT DATA)

EAST WEST RESOURCE CORP.

[EWR-V] 26,200,421 SHS.

PLATINUM PROSPECT ACQUIRED - A. K. Crossley, president, reports East West Resource Corp. has acquired a 100% interest in a 143 claim unit property covering a four-mile strike length of gabbro-ultramafic intrusion along the eastward extension of the Quetico Fault north of Thunder Bay and east of Lake Nipigon in McCoig Township, northwest Ontario. This fault trend controls the emplacement of a number of platinum-palladium bearing ultramafic (pyroxenite) gabbro, gabbro-norite bodies including the North American Palladium Lac des Iles complex which contains the only platinum, palladium producing (3,000 tpd) mine in Canada. In a number of cases these bodies resemble the Alaska-type ultramafic bodies that contain significant platinum, palladium zones. These bodies range in size from 400 metres to 1.6 km in length in the Aukokan area and occur along a 200 mile long section of the Quetico trend west of Thunder Bay. Some of these bodies contain assays as high as 0.3 oz. platinum group elements/ton with significant nickel and copper contents.

The claims were purchased outright for \$8,500 and 100,000 shares to be issued in four equal stages subject to regulatory approval, and a 1% NSR which may be purchased for \$500,000 at any time from the vendor. Follow-up geophysical surveys containing of magnetics, IP, EM, and mapping are planned for the summer.

In addition to the above, the company has acquired by staking a 50% interest with related private company COLBY RESOURCES CORP. having 50%, a 12 claim unit property on the Quetico Fault

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near Atikokan, 16 km northeast of the Samuels Lake zone presently being explored by Starcore/PeoAm. A 100 metre wide, 650 metre long ultramafic (pyroxenite) body has been identified on the property with 0.5 to 1.0 grams platinum+palladium/tonne in surface samples. Induced polarization and magnetic surveys are planned to trace the extent of this body which the airborne magnetics suggest may be 650 to 800 metres long. Assays up to 4.4% copper and 0.7% nickel have been obtained in grab samples. (SEE GCNL NO.67, 8Apr99, P.6 FOR OTHER PROJECT INFORMATION)

X

EXCELLON RESOURCES INC.

[EXN-V] 13,224,805 SHS.

MEXICAN OPTION AMENDED - Richard Brissenden, chairman, reports Excellon Resources Inc. has renegotiated the terms of its previously announced agreement to acquire two properties known as the Descubridora and Rod properties in Durango State, Mexico. Together with ground separately staked by Excellon surrounding these claims, the total property package covers an area of some 40,000 hectares. The property is located 84 km northwest of the city of Torreon and 35 km west of Excellon's Platosa property. Infrastructure including roads and power in the area is excellent.

Under the terms of the revised agreement, Excellon can acquire a 100% interest in the property by paying US \$1,500,000 over four years ending 31Mar2003. Payments in the first year total US \$142,500 and escalate in ensuing years with a final payment 31Mar2003 of US \$718,000. Payments beyond the first US \$72,500 are optional. In addition the vendor is to receive 100,000 Excellon shares. The vendor is also entitled to a 2.25% net smelter return royalty. Excellon has the right to buy 1.25% of the NSR for US \$1,250,000 which would result in the vendor retaining a 1% NSR. To earn its interest, the company is also required to incur the following exploration expenditures on the property over the four year period: Year 1 - US \$200,000; Year 2 - US \$200,000; Year 3 - US \$200,000 and Year 4 - US \$250,000. The agreement is subject to regulatory approval.

Excellon's geological consultants, International Mineral Development & Exploration Inc. and its Mexican affiliate Minera Cascabel S.A. de C.V. have outlined a number of targets on the properties and have recommended a program to bring these targets to drill readiness within two to three months. These targets resulted from re-evaluation of existing data and an initial reconnaissance program carried out by IMDEX/Cascabel which included geochemistry, geological interpretation, mapping and sampling. The targets include: copper, zinc, lead, silver, gold skarns and replacements in limestone, sediment-hosted stockwork or disseminated gold, and intrusive-related sediment-hosted silver, zinc, lead disseminations or stockworks.

The recommended program will be carried out in two stages. The first stage, now underway, consists of compiling the abundant existing geological, geochemical and geophysical data into the "Azteca" GIS platform to facilitate selecting the most favourable areas for additional field mapping and drilling. IMDEX/Cascabel will refine the detailed stratigraphic, igneous and structural controls of the mineralization in the target areas with the goal of selecting immediate drill targets and applying for the required drilling permits. This first stage is expected to be completed by 31Jul99 at an

estimated cost of US \$75,000. Upon receipt of the permits, it will be followed by the second stage consisting of a 850 to 1,000 metre drill program budgeted to cost US \$110,000.

Pursuant to an agreement dated 18Feb97, Cascabel is entitled to receive a finder's fee in respect of the Rod/Descubridora properties payable in cash and/or shares.

Excellon reported 29Mar99 it had completed a private placement for gross proceeds of \$410,000. In addition, certain warrants and options have been recently exercised for gross proceeds of \$271,250. The company currently has working capital of about \$400,000. There are outstanding warrants to buy 687,500 shares at 40¢ per share expiring 13Sept99 and a further 1,000,000 warrants on which the exercise price escalates from 25¢ per share to 35¢ on 2Oct99. If these warrants are exercised, they would provide additional funds of \$525,000 this year. (SEE GCNL NO.65, 6Apr99, P.7 FOR PRIVATE PLACEMENT DETAILS)

FAIRFIELD MINERALS LTD.

[FFD-T] 7,243,181 SHS.

EXPLORATION UPDATE - Duane Poliquin, P.Eng., president, reports Fairfield Minerals Ltd. has been granted an option by **PASO RICO RESOURCES LTD.** of Dubois, Wyoming to acquire a 60% interest in the San Jose property at San Carlos, Tamaulipas for cash payments totalling US \$200,000 and work commitments totalling US \$500,000 over the four years, subject to TSE approval. This property is internal to Fairfield's 100,000 hectare block acquired to cover an area of multiple alkalic intrusions into limestones with associated gold, copper, and silver mineralization. Work to date on Fairfield's staked property includes prospecting and stream sediment sampling which has identified copper and gold anomalies associated with several intrusive bodies. The optioned ground covers an area with former producing mines in skarn dating back to revolutionary times. An airborne magnetic survey has been contracted and will start immediately. This should help outline skarn zones and other prospective areas. Several major companies have expressed interest in the project.

Also in Mexico, Fairfield acquired the Tropico copper, gold, platinum property in Sinaloa state from a major company for US \$20,000 and a 2.25% royalty on production. The property is considered to have potential for a bulk tonnage target. Shortly after acquisition a limited drill program was carried out as assessment work. This work did not intersect ore grade material but did confirm the property's potential. At roughly the same time, some title concerns arose that were unknown to the vending company. This matter has been under investigation and is now resolved to Fairfield's satisfaction. A further work program is being considered.

Fairfield's Rock Creek and Shawnee properties were acquired by staking last year close to the Teck/Sumitomo Pogo discovery in east-central Alaska. They were staked to cover bismuth and tungsten anomalies in a similar setting to Pogo. The properties will be explored in the coming field season by **INTERNATIONAL RILEY RESOURCES LTD.** [IRR-V] which can earn a 50% interest by making cash and stock payments and spending US \$1,000,000 on property exploration by 31Dec2003. Preliminary work will include prospecting and stream silt geochemistry.

1,300 tonne per day gold mill in the Timmins area of northern Ontario as well as about 55 square miles of mineral properties in the region. The increase in revenues in 1998 compared to the previous year is the result of a 62.9% increase in tonnage milled - 316,000 tonnes in 1998 compared to 194,000 tonnes in 1997. Custom milling operations began in April 1997; therefore, there were no revenue in the first quarter of 1997. Milling recoveries averaged 98.2% in the fourth quarter and averaged 96.5% for 1998.

The company incurred \$315,000 of expenditures relating to plant and equipment in the fourth quarter of 1998. These costs were for the installation of a primary jaw crusher and other capital projects and equipment.

Deferred exploration expenditures totalled \$6,435,000 for 1998 versus \$5,604,000 in 1997. As a result of exploration success, the company is planning to begin production this year at its Hislop and Stock Mine sites while the Taylor Mine is being developed.

St. Andrew is currently generating sufficient cash flow from custom milling to cover all ongoing corporate expenses and provide for some additional working capital. During the fourth quarter of 1998, the company raised \$2,838,000 by flow-through share financings. With this funding and other planned financings, St. Andrew expects to continue current surface exploration programs through this year, cover start-up costs for the open pit at the Hislop Mine, resume production at the Stock Mine and begin the installation of surface infrastructure at the Taylor site. Three diamond drills are working on exploration programs at the Stock, Taylor and Hislop projects. (SEE GCNL NO.46, 8Mar99, P.1 FOR HISLOP MINE DRILLING RESULTS)

STARCORE RESOURCES LTD.

[SOE V] 11,518,192 SHS.

TWO MORE PGE PROPERTIES OPTIONED - Ralph Brown, IN ATIKOKAN AREA, NORTHWEST ONT. president, reports

Starcore Resources Ltd. has optioned two more platinum group element properties in the area of the towns of Atikokan and Mine Centre northwest Ontario known as the Mud Lake property and the Abiwin property. The terms on each property include: \$10,000 on signing; \$15,000 on the first anniversary; \$20,000 on the second anniversary; the issuance of 35,000 shares; and the expenditure of \$50,000 on exploration in the first year. Each property is subject to a 2.5% NSR. A 1.5% N.S.R. can be purchased by Starcore for \$1,500,000.

The Mud Lake Intrusion is located about 40 km east of Atikokan near the southern boundary of Weaver Township (Claim Map G-576), one km north of the northwest arm of Elbow Lake, and 0.5 km south of Crooked Pine Lake. It is outlined by a large aeromagnetic anomaly which is mostly within the Mud Lake claims.

The Mud Lake Intrusion is a comma shaped, mafic to ultramafic body over 800 metres in length and 10 to 100 metres in width. It is composed of a main, unzoned, ultramafic mass, 100 metres in width and 375 metres in length, and an east-west striking, dyke-like tail, 10 to 30 metres in thickness and over 400 metres in length, consisting of a lower ultramafic unit and an upper intermediate unit. The main ultramafic mass is composed of massive to weakly layered feldspathic hornblende, hornblende, and clinopyroxene hornblende.

This area has several lakes in which sediment has elevated to

anomalous levels of copper, nickel, zinc, chromium, scandium, beryllium, antimony tungsten and yttrium. This geochemical signature is similar to the Abiwin property located a few km to the west. Site 1179 is the most anomalous with respect to the elements listed above, including 9 ppb gold (not corroborated by the ICP-MS analysis). This area is prospective for base metal and gold-PGE mineralization, related to the mafic-ultramafic intrusives.

The company is negotiating to farmout 50% of the Mud Lake property.

Abiwin is located within the Quebec PGE-copper-nickel belt in a series of mafic to ultra-mafic intrusions extending from the newly discovered Samuels Lake occurrence (Starcore- **PROAM EXPLORATION CORP.** [PMX-V]) to the producing North American Palladium Lac des Iles PGE mine 200 km east. The Abiwin claims enclose three prominent aeromag anomalies probably underlain by mafic-ultramafic intrusions. The anomalous lake sediment geochemistry in this area includes gold, platinum, arsenic, silver, cobalt, chromium, iron, nickel, scandium, tungsten, vanadium, yttrium and rare earth elements (Ontario Geological Survey, 1999). Four lake sites (sites 1181, 1186, 1377 and 1943) in particular are anomalous in all or most of the aforementioned elements. The most anomalous sample came from site 1181 which returned 20 ppb Au (corroborated by ICP-MS analysis for gold) and the second highest platinum result of the survey of 17 ppb. The highest platinum result of 19 ppb came from site 1186, located about one km northwest of site 1181. These levels of platinum in lake sediment are strongly anomalous and suggest a bedrock source is located fairly close to these lakes. In addition, elevated to anomalous copper and zinc levels occur in several of the lake bottom sediments in the area. Three of these sites (1181, 1186 and 1377) lie within the Abiwin claim group. (SEE GCNL NO.57, 23Mar99, P.1 FOR SAMUELS LAKE ASSAYS)

ULTRA PETROLEUM CORP.

[UP-T] 56,409,325 SHS.

GAS RESERVES INCREASE - Michael Watford, CEO, reports Ultra Petroleum has received a reserves report dated 31Dec98 by independent reservoir engineers Gilbert, Lausten, Jung and Associates (GLJ) of Calgary, Alberta. Proved plus probable reserves increased 43% from 296.1 BCFE (billion cubic feet gas equivalent) as of 1Jul98 to 422.2 BCFE at 31Dec98.

Figures from both periods have been adjusted to reflect a change in the reserves accounting method instituted by Ultra's new CEO. "These figures eliminate reserves associated with certain production payments to provide a more accurate view of Ultra's net reserves," said Mr. Watford.

Proved reserves increased from 39.3 BCFE to 43 BCFE, while probable reserves increased from 256.8 BCFE to 379.2 BCFE.

Production net to Ultra doubled from 555 Mmcf in the first quarter ended 30Sept98 to 1,132 Mmcf in the second quarter ending 31Dec98.

Ultra Petroleum Corp. is a natural gas exploration and development company with U.S. headquarters in Denver, Colorado. The company is exploring and developing the natural gas potential of its extensive lease holdings in the Green River Basin of southwest Wyoming. (SEE GCNL NO.23, 3Feb99, P.7 FOR CEO APPOINTMENT DETAILS)

SOUTH ATLANTIC RESOURCES LTD.
[SCQ-V] 27,320,875 SHS.

DIAMOND RECOVERY TEST - South Atlantic Resources Ltd. has NOW RESUMED IN BRAZIL reported the resumption of testing operations at its Santo Antonio alluvial diamond deposit, 30 km northwest of the town of Coromandel in the western part of the state of Minas Gerais, Brazil. The deposit consists of diamond-bearing river gravels along a 20 km stretch of the Santo Antonio River valley.

The company's pilot plant, designed and constructed in 1997, operated for six months as part of a systematic program to evaluate the economic viability of the Santo Antonio deposit. The largest stone found was a 15.8 carat, white, irregular-shaped stone with an estimated value of \$2,000 per carat.

The current program is designed to continue the evaluation of the deposit with the objective of completing the technical database required for making application to the National Department of Mineral Production (DNPM) for mining licenses allowing for full-scale commercial exploitation of the deposit.

The current program has been in operation for two weeks, starting in late Feb. 1999, and a total of 600 cubic meters of gravel have been processed. Eight stones have been found so far, the largest weighing 5.6 carats with an estimated value of \$1,000 per carat. This program is expected to be completed within the next three months during May, 1999.

The viability of the Santo Antonio alluvial deposit is based on history of extremely large stones which have been found over the years by local artisanal miners ("garimpeiro"). The deposit has been the source of numerous diamonds weighing in excess of 100 carats over the last 50 years. No commercial scale production has ever been undertaken although the sixth largest diamond in the world, known as the "President Vargas" weighing 726 carats in the rough, was recovered by garimpeiros in 1938. A stone weighing 602 carats was reported in the local newspaper in 1995.

The company has initiated studies for the design and procurement of a commercial scale diamond recovery plant using the most recent technological developments in processing diamond-bearing gravels. These developments involve improvements in price and capacity of X-ray sorting machines capable of treating high volumes of gravel designed specifically for the recovery of very large diamonds.

TNK RESOURCES INC.

[TNKR-CDN; TNKRF-NASD BB] 37,618,008 SHS.

BOTSWANA RESULTS REVIEWED - TNK Resources Inc. has reported results of mini bulk sampling from De Beers Prospecting Botswana (Pty) Ltd. in Area 1, as well as the results from the drilling program carried out by TNK in Areas 2 and 3.

In January, 1998 TNK entered into three joint venture agreements with De Beers to further develop the Gope Prospect. Under the joint venture agreement, De Beers has the right to earn varying interests in the Gope property, which has been divided into three areas. Area 1 contains the four kimberlite pipes discovered in 1997 by TNK, Area 2 covers the western portion of the property and Area 3 covers the eastern region of the prospect, which surrounds the De Beers Faleonbridge Gope 25/136 kimberlite pipe cluster. As part of the deal, De Beers' Canadian subsidiary, Monopros Limited, took an equity stake in TNK through an \$800,000 private placement.

In Area 1, De Beers completed a mini-bulk sample on the four kimberlite pipes with the following results.

PIPE	SAMPLE SIZE TONS	CONCENTRATE PROCESSED KG	NO. OF CARATS	STONES	CARATS PER HUNDRED TONS
GP173N	43.74	80	0.175	5	0.314
GP173S	21.25	20.5	0.000	8	4.285
GP234	19.54	28	1.865	18	8.020
GP211	19.70	22	0.260	3	0.938
TOTAL				2,900	34

De Beers also collected 500 soil samples of 100 litres each in a

grid area around the known kimberlites as well as 165 soil samples of 100 litre each over 16 geophysical anomalies in the licence. Two of the co-incident targets outside of the discovery area were drilled in February and did not intersect kimberlite. The sampling in the grid around the known kimberlite pipes identified interesting kimberlite targets as well as an inferred dyke passing to the south of GP 234 and GP 211. These targets were not drilled by De Beers.

In accordance with the terms of the joint venture agreement for Area 1, De Beers has advised will not to commit to the Stage II exploration, being full bulk sampling kimberlite evaluation. The joint venture for Area 1 is therefore terminated and TNK Resources retains a 100% in the licence. TNK can now respond to expressions of interest from other mining companies for a new joint venture with a partner with the experience and mandate to explore, develop and mine smaller kimberlite bodies.

TNK, as operator of Areas 2 and 3 carried out a large soil sample program as well as helicopter borne magnetometer surveying in 1998. Eleven targets identified in January and February, 1999 were drilled using a reverse circulation drill. This limited drilling program encounter no kimberlite material in any of the holes. Soil samples were collected at and above the bedrock and have been processed and are being analyzed for indicator minerals with results expected in early April.

TNK Resources Inc. is a Canadian junior mining company involved in mineral exploration around the world. The company's efforts are focused on diamond exploration in Botswana, the world's largest producer of diamonds, a diamond exploration project in Canada's North West Territories and a high grade silver/gold epithermal deposit in Mexico. (SEE GCNL NO. 39, P.5, Feb.25, 1999 for previous results)

TRIX RESOURCES LTD.

[TIE-V] 3,888,001 SHS.

ATIKOKAN PGM PLAY EXPANDED - Triex Resources Ltd. has acquired an optioned on a sixteen claim unit property in the Atikokan area of northwestern Ontario. To earn Triex will make cash payments of \$75,000, issue 150,000 shares over three years, to earn a 100%, subject to a 2.5% NSR.

The property, located 35 km east of the town of Atikokan, covers a known mafic intrusive measuring 1400 metres by 250 metres, which has not been previously explored for PGE group metals. The intrusive is one of several similar style mafic to ultramafic intrusives that occur along a belt of metasedimentary rocks south of the Quedico Fault, a major regional scale structure in the Superior Province. Platinum Group metals are known to occur in several of the intrusives, including both 3 km east and 3 km west of the Triex property, and at Samuels Lake, where Starcore and Proam are exploring for PGE metals. The entire camp is now very active.

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MARACOTE INT'L RESOURCES INC.

[MCE-V] 23,397,648 SHS.

HALLEY, PERU DRILL ASSAYS - Maracote International Resources Inc. reports assay results from four diamond drill holes completed at its Halley property in south-central Peru. [SEE TABLE OF ASSAYS overleaf P.1 and GCNL NO.10, P.1, Jan.15, 1999 for previous drill hole assays]

Of the four holes reported, three were completed at the Quilca Breccia portion of the Quilca Trend, while the fourth, HA99-09, is the first hole at the Llamakensa gold target. Hole HA99-09 contained minor amounts of visible gold and returned excellent widths of significant gold mineralization. This hole confirms a second mineralized trend on the Halley property 1.5 km southwest of the area being drilled at Quilca.

Results are pending for five additional drill holes, one at Quilca and four at Llamakensa.

Drill holes HA99-06 and HA99-07 were drilled at orientations of 270 degrees/-55 degrees and 270 degrees/-75 degrees respectively from the same pad as previously reported hole HA99-05 (355 degrees/-55 degrees). The upper intervals of mineralization correlate well with previously announced results for holes HA98-01 through HA98-05, once topography and orientation of mineralization is considered. These results confirm Maracote's interpretation the mineralized zone dips shallowly towards the northeast beneath the Angasmarca portion of the Quilca Trend. The lower zones show hole-to-hole continuity, indicating a sub-parallel trend to the upper zone.

Hole HA99-08, (at an orientation of 175 degrees/-80 degrees), is collared 125 m to the north of the initial Quilca drill pad from which were drilled previously reported holes HA98-01, 02 and 03. Hole HA99-08 indicates favourable mineralization continues well beyond the area of initial drilling at Quilca.

Hole HA99-09, is oriented at 230 degrees/-42 degrees and is the first of a series of holes testing the lower stratigraphic portion of the Llamakensa breccia body. The reported interval for HA99-09, which also contained minor visible gold, includes a 1.5 metre adit suggesting additional mineralization has been removed from this section. A drill plan should be available with Maracote's next set of assays.

Prospecting, sampling and geologic mapping of both the Quilca Trend and the Llamakensa Trend continue to provide encouraging results. Reconnaissance sampling indicates the Quilca Trend is at least 2,500 metres in extent. Recent sampling from the Chiripata area of the Quilca Trend, (800 metres northwest of the initial Quilca drill holes) has been of assistance in identifying a future drill target. Geology and alteration similar in to Chiripata has been identified and partially sampled for an additional 700 metres beyond Chiripata.

A prospecting and detailed sampling program is continuing presently at the Angasmarca portion of the Quilca Trend and the Pajchapata portion of the Llamakensa Trend. Maracote believes these two regional trends may intersect at the Huaranga River valley where a program of lithochemical sampling is ongoing. Results

from both reconnaissance and detailed sampling programs are pending.

Future drilling will include testing of the Quilca Trend at the Quilca Breccia, Angasmarca and Chiripata areas and further evaluation of the upper stratigraphic portion at Llamakensa.

Maracote has an option to acquire a 65% in the Halley property from **AURIC RESOURCES LTD.** (formerly Ulysses International Resources Inc.).

PACIFIC NORTH WEST CAPITAL CORP.

[PFN-ALBERTA] SHS.

ADDITIONAL PGM PROSPECT OPTIONED - Pacific North West Capital has acquired an option to buy 100% of the River Valley property, of 226 claim units (3,616 hectares) in Pardo and Dana Townships, 60 km northeast of Sudbury, Ontario. To exercise the option Pacific North West must pay \$15,000 on execution; \$35,000 plus 200,000 shares on VSE approval plus \$45,000 and 50,000 shares on the first anniversary; \$50,000 and 50,000 shares on the second anniversary; \$60,000 and 150,000 shares on the third and fourth anniversaries, and commit to spend a minimum of \$100,000 on exploration within one year, subject to a 3% net smelter return royalty.

The River Valley Property overlies the northern part of the gabbro-anorthosite River Valley Intrusion. Excellent road access, encouragingly high Platinum Group Metal (PGM) values of up to 12 g/t, a large land position, and proximity to mining related infrastructure at Sudbury combine to make the River Valley Property a prime PGM exploration target.

Prospecting by the vendors in 1998 located two principal mineralized zones 6 km apart, both with anomalous PGM values.

The Dana Lake Zone comprises a series of trenches occurring intermittently north to south over more than 600 metres. The highest PGM values occur at the southern end. The tables overleaf P.2, illustrate the distribution of PGM's and base metals in grab samples taken by the vendors and by PFN during due diligence.

The second zone of mineralization, the Azen Creek Zone, was discovered by the vendors 6 km southeast of Dana Lake. Of the 46 Azen Creek Zone samples assayed, 29 gave total PGM values greater than 1 g/t. Work by the vendors was partly funded by an Ontario Provincial Assistance Program grant.

No significant work has been undertaken on the 6 km area separating the Dana Lake and Azen Creek zones, or on areas to the north and south of the showings. PFN is now preparing the 1999 River Valley exploration program, which will appraise the known showings by geological and geophysical surveys followed by stripping and sampling to prepare targets for a fall drilling program. As well, regional mapping and prospecting will be carried out on the entire River Valley Property. PFN has now accumulated over 40,000 acres of property in the Sudbury Mining District, and continues to assess further acquisition opportunities in this area. PFN has \$1,000,000 cash on hand, and no debts. Several major platinum producers have signed confidentiality agreements with PFN.

**ARGENTINA GOLD CORP.
BARRICK GOLD CORP.**

CONTINUED FROM PAGE ONE - Highgrade gold was intercepted in Hole 129 in the northwestern sector of Filo Federico. Holes 115, 117 and 120 showed lower grade gold with some high silver values. Gold grades improved in Holes 119, 125 and 128.

Hole 116, drilled from the same platform as Hole 84 in an ESE direction, returned a long intercept of 256 metres of 0.776 g/t gold and 15.43 silver. This hole, drilled to test the continuity of Amable high grade gold/silver at the southeast end of the target showed the abrupt contact (faulted) with the volcanic hosts. Higher grade mineralization represents the interception of diatreme breccias, whereas in the host rocks, mineralization decreases.

Hole 118, collared 50 metres east of Hole 111, showed discontinuous mineralization within an anomalous but low grade long intercept. Two other holes have been completed at this target (Holes 124 and 133) and assays are pending.

Results from Hole 123, located 150 metres northwest of Hole 91, returned good silver grades but low gold anomalies. This hole confirmed the continuous distribution of border, transitional and phreatic breccias along the NE rim of the system. Together with Holes 67 and 70 from previous seasons, as well as Hole 91, these holes show that the external section of the volcanic systems has transitional zones of gold, grading into richer silver zones. Follow up drilling in the area will test for more intense brecciation zones associated to the late event, gold-only, high grade mineralization.

There are three reverse circulation rigs and three diamond drill rigs in operation with 15 holes either completed with assays pending or currently underway.

AQUILINE RESOURCES INC.

[AQI-V] 7,367,475 SHS.

SUDBURY PLATINUM PALLADIUM PLAY ENTERED - Aquiline Resources Inc has acquired an option from **MUSTANG GOLD CORP.** (CDN-MUST) to earn, subject to regulatory approval, up to a 70% interest in 96 claim units. 1,500 hectares in Dana, James, and Henry and Crear Townships, Sudbury mining division. To earn Aquiline is required to spend \$500,000 on exploration and make payments of \$90,000 cash and 100,000 shares over three years.

The optioned claims are within the River Valley layered mafic intrusive complex 50 km east of Sudbury and is the largest of a series of such intrusives along the Huronian-Nipissing magmatic belt. This belt was identified in a recent Ontario Geological Survey open file report as being highly prospective for platinum group element (PGE) deposits with work to date on the belt being concentrated on the East Bull Lake intrusive west of Sudbury where Mustang is also active.

Widespread surficial values of PGE mineralization have been reported within the River Valley intrusive with assays of up to 12 grams combined platinum, palladium, rhodium reported in proximity to the ground being optioned by Aquiline. Following spring break-up, Aquiline plans a program of geology trenching, and geophysics to be followed by drilling on any targets that are developed.

Aquiline has granted 550,000 share incentive options at 15¢ each, subject to regulatory approval.

CAMNOR RESOURCES LTD.

[CMB-V] 8,168,174 SHS.

OROMIN EXPLORATION LTD.

[OME-V] 1,937,863 SHS.

POGO CLAIMS FARMED OUT - D. Bruce McLeod, president of Camnor Resources Ltd. has granted Oromin Exploration Ltd. an option to earn 50% of the South Salcha property in the Goodpaster District of east central Alaska.

Oromin can earn by paying Camnor US \$75,000, issuing

200,000 shares and by incurring exploration of US \$250,000, all in stages over three years. Camnor will be the operator.

The South Salcha property is comprised of 14 prospecting sites located 50 km northwest of Teck's - Pogo deposit. Data compiled from various sources has identified a number of favourable geologic, geochemical, and geophysical similarities between the Pogo deposit and the South Salcha property.

Camnor has also granted Oromin an option to acquire up to a 51% interest in another mineral property in Alaska.

EXPATRIATE RESOURCES LTD.

[EXR-V] 10,497,500 SHS.

TWONELY ACQUIRED YUKON - Alan R. Archer, director, has **PROPERTIES AVAILABLE FOR** reported Expatriate Resource **JOINT VENTURE PROPOSALS** has bought 100% in 527 mineral claims comprising the Hyland property from Boliden Westmin Limited for 100,000 shares. There are no underlying interests or royalties attached to the property.

The Hyland property is located toward the southern end of the Tintina Gold Belt, 70 km northeast of Watson Lake in southeastern Yukon and is accessible by float plane or a 75 km long winter road. The Hyland claim block completely surrounds two smaller properties: the Hyland Gold claims which is owned 70% percent by **CASH RESOURCES LTD.** and 30% by **ADRIAN RESOURCES LTD.** and the Cuz claims owned 100% by **NORDAC RESOURCES LTD.**

Cash Resources and Adrian's Hyland Gold property covers a 1000 m long by 200m wide remnant oxidized gold zone within the faulted hinge of an anticlinal structure. The zone has been partially defined by bulldozer trenching, percussion drilling and diamond drilling. The best trench within the oxide material exposed 85 m averaging 2.32 g/t gold while the best drill intersection grades 3.0 g/t gold across 16.7 m. Only a few drill holes tested the sulphide mineralization below the oxide zone, with intersections up to 1.1 g/t gold over 97.8 m.

Nordac's Cuz property lies about 5 km south of Hyland Gold along the same structural trend. It hosts a large, intense gold, arsenic, bismuth soil geochemical anomaly associated with a remnant oxide zone not tested by drilling or trenching.

The Hyland property covers the ground between the other two targets plus northerly and southerly strike extensions of the gold-bearing structural zone. Reconnaissance scale soil and stream sediment sampling has identified multi-element geochemical targets along the structural trend on the Hyland property. In addition airborne geophysical surveys have outlined a broad magnetic low extending from Cuz northward across Hyland Gold. Most of the anomaly is on the Hyland property. The axis of the magnetic low coincides with the north-trending, gold bearing fracture zone developed along the anticlinal structure. The geophysical surveys defined a second magnetic low along what appears to be a parallel structural trend 2.5 km to the west. The second structural trend is entirely within the Hyland property. Weak magnetic highs elsewhere on the property are interpreted as possible buried intrusions.

All three properties are underlain by Proterozoic or Early Paleozoic metasedimentary rocks of the Hyland Group. Much of the gold in the Tintina Gold Belt occurs within similar rocks either above or adjacent to mid-Cretaceous age intrusions. The airborne magnetic data coupled with the presence of narrow intrusive dykes and intense alteration within the meta-sedimentary rocks suggests the gold is associated with a buried intrusive centre. The

CANADIAN GOLDEN DRAGON RESOURCES LTD.

[CGG-V] 11,999,927 SHS.

EAST WEST RESOURCE CORP.

[EWR-V] 26,200,421 SHS.

AVALON VENTURES LTD.

[AVL-V] 19,791,731 SHS.

TWO PLATINUM-PALLADIUM - A six mile diameter circular zoned ultramafic intrusion known as the Seagull pluton of Leckie intrusion near Wolf Mountain in the Lake Nipigon area, 90 km north of Thunder Bay, Ontario has been jointly optioned by East West Resource Corporation and Canadian Golden Dragon Resources Ltd. from Avalon Ventures Ltd. The Wolf Mountain property consists of 621 claim units plus 17 claim units from original prospectors and covers a six mile by seven mile area (42 square miles). A second claim group known as the Disraeli Lake group, located four miles north of the Wolf Mountain claims, consists of 115 claim units and covers an ultramafic dike-shaped body which had been previously unexplored for PGE (platinum group, Pt-Pd, elements).

Exploration work and ground acquisition costs by Avalon exceed \$275,000 which involved surface sampling, magnetic surveys, auger holes an unconsolidated (weathered) ultramafic material, and eight diamond drill holes. Assays up to 3.8 gm platinum (Pt) and 3.8 gm palladium (Pd) were obtained from the unconsolidated material and anomalous values in core up to 0.85 gms PGE. This work was confined to the north margin of the Seagull intrusion. A review of the Wolf Mountain property by Dr. A. Naldrett proposes that future work should focus on the ultramafic-gabbro contact and that this be carried out to look for a specific layer (oxide and/or sulphide) near the gabbro contact where PGE's may be concentrated. The fact that the Seagull intrusion is located beneath the diabase (dolerite) sills and is near the Black Sturgeon Fault (failed arm of the Mid-Continental Rift) suggests that the Seagull intrusion may be the same age as the Duluth Complex and the Great Lakes Nickel deposit in the Crystal Lake gabbro south of Thunder Bay. Both of these cuttings host large tonnage Ni-Cu-Pt-Pd deposits. The Wolf Mountain property is situated 32 miles east southeast of the Lac des Iles mine of North American Palladium Ltd., Canada's only primary platinum-palladium producer. Seagull and Disraeli also fall within the Quetico Belt that is known to contain a number of Pt-Pd deposits, including the Samuels Lake discovery presently being drilled by Starcore Resources Ltd. and ProAm Explorations Ltd.

East West and Cdn. Golden Dragon may earn a 50% interest by spending \$150,000 by March 31st, 2000, and a total of \$300,000 by March 31st, 2001, pay Avalon \$10,000 upon VSE approval and issue 100,000 shares of each company to Avalon in two installments, 50,000 shares each upon approval by the VSE and 50,000 shares in 12 months from approval. A further 10% interest may be earned by East West and Cdn. Golden Dragon by spending an additional \$700,000 over a further three years and each company would issue, subject to VSE approval a further 50,000 shares.

The first phase of work will consist of detailed geophysical surveys to identify the extension of the PGE bearing layer and locate new zones within the zoned intrusion.

ELDORADO GOLD CORP.

[ELD-T, V] 73,265,205 SHS.

INCREASED GOLD RESERVES REPORTED - Dr. Hugh C. Morris, chairman, president and CEO has reported updated reserve and resource calculations for Eldorado Gold Corporation's mining operations and development projects. At December 31, 1998, the proven and probable gold reserves were 1,760,000 ounces contained within an identified gold

resource of 4,480,000 ounces, as shown in the table overleaf P.3. When compared with Dec.31,1997, proven, probable reserves increased in 1998 by 18% and resources decreased by 13%.

Reserves and resources have been prepared by Eldorado, with the advice of the company's consultants and classified according to the Australasian IMM Guidelines. Reserves were calculated for 1998 at US \$325 per ounce at the Sao Bento Mine in Brazil and US \$300 per ounce for all other mining operations and development projects. This is in contrast with 1997 when a gold price of US \$350 was used for all estimates. The decision to calculate reserves at US \$325 and US \$300 reflects the company's view of the quality and production life of its mining assets. Sao Bento is a high quality long life asset, and this supported the decision to use a price of gold higher than the current price.

Reserves and resources declined at SaoBento, Brazil, through the year primarily due to mining (1998 gold production 108,572 ounces) and the absence of exploration in 1998. Exploration at Sao Bento is scheduled every second year, and a program of 12,000 meters is planned for 1999. The Brazilian currency, the Real, has devalued over 50% in early 1999. This will potentially have a significant favourable impact on cut-off and production grades and hence on the estimation of reserves and resources. The reported 1998 figures for Sao Bento include no adjustments arising from the currency change.

The reduction in reserves at LaColorada mine, Mexico, is principally attributable to mining (1998 gold production 59,774 ounces). The 1998 development drilling on the Gran Central/La Colorada structures increased the level of confidence in this reserve.

At La Trinidad mine, Mexico, the depletion of the reserve base and the cessation of mining activities in 1998 results in neither resources nor reserves stated as of 1998 year end. The project is in the stage of residual leaching and reclamation with final closure expected in the second half of 1999.

As part of the recently completed prefeasibility study at the Efemeukuru Project, Turkey, a new three dimensional geological model has been constructed and a proven and probable reserve was calculated, reflecting the application of dilution and mining recovery applied to the measured and indicated resource.

Kaymaz reserves have not been included in 1999 due to current gold prices.

Eldorado Gold currently operates one mine in Brazil and one mine in Mexico, and expects to produce 185,000 ounces of gold in 1999 at a cash cost of US \$215 per ounce. All gold production for 1999 has been hedged at an average price of US \$320/oz.

ETRUSCAN RESOURCES INC.

[EET-T] 34,691,467 SHARES

ADDITIONAL NIGER GOLD PROJECT OPTIONED - Etruscan

Resources has acquired an option to earn 100% of the Saoura Permit in Niger, West Africa, host to the Libiri gold deposit with a resource of 480 000 ounces of gold and located within 3 km of Etruscan's Samira Hill gold deposit.

The option is from Ashanti Goldfields Company Limited and Iamgold Corporation and can be exercised by payment of US \$6,750,000 of which US \$4,000,000 is payable in cash and US \$2,750,000 by a 36 month debentures, with interest at Libor plus 2% and convertible into Etruscan shares at the 30 day average closing price on The Toronto Stock Exchange prior to closing. Ashanti and Iamgold have the option to redeem the debentures for cash or shares at any time after 18 months. The agreement is subject to due diligence within a 120 days, approval of TSE and the government of Niger.

averaging 4.1 grams gold/tonne (5 ft. of 0.65 oz/ton within 35 ft. of 0.12 oz. gold/ton), between 278.5 to 289.2 metres (915 to 950 ft.) down-hole. The gold is associated with quartz-sericite-pyrite alteration and quartz stockwork-veining within andesitic volcanic rock, and with anomalous levels of arsenic. This intercept may be from the drill hole either "clipping" or cutting through the East MaryAnn structure at an acute angle. Several other sections from the drilling intercepted similar material with anomalous levels of gold and/or anomalous levels of arsenic and mercury.

The program has determined high-grade levels of gold are present in unoxidized material at depth in the MaryAnn Basin area, and indicated that the intersection of the N-S and NE-SW trending structural sets are targets for testing for high-grade gold mineralization. Hecla has informed Cimarron it intends to return to the Sunset property next month to complete additional mapping and surface sampling prior to formulating the next phase drill program. (SEE GCNL NO.242, 17Dec98, P.2 FOR PREVIOUS SUNSET DATA)

relationship of copper, nickel mineralization and PGM values in the Nipissing Diabase indicates excellent potential for platinum and palladium mineralization on the Sargesson Lake claims.

A \$150,000 work program, managed by Pacific North West, will start after break-up to evaluate the properties and develop drill targets. (SEE GCNL NO.38, 24Feb99, P.1 FOR PREVIOUS RELATED PLATINUM PROJECT INFORMATION)

CONTIKI RESOURCES LTD.

[TKI-V] 8,879,081 SHS.

SOUTHERN AFRICA MINERALS CORP.

[SAF-T] 19,145,908 SHS.

LAYFIELD RESOURCES INC.

[LAY-V] 27,536,010 SHS.

MOLOPO DIAMOND UPDATE - D. Neil Briggs, director, Contiki Resources Ltd., reports the results of the drill program on its license PL 139/93 in the heart of the Molopo kimberlite field, Botswana. Contiki is earning a 60% interest in PL 139/93, Southern Africa Minerals Corp. will retain a 25% participating interest and Layfield Resources Inc. will retain a 15% participating interest.

Diamond counts have been received for the first three holes - no diamonds were found. Lakefield Research has received samples from the remaining seven kimberlite pipes for processing by their standard caustic dissolution methods. Lakefield expects to report results to Contiki over the next three to four weeks. Contiki plans to release results when received.

The greater Molopo kimberlite field is known from work to date to contain at least 67 kimberlite pipes; 57 have been tested for microdiamond content and 14 or about 1 in 4 have proven to be diamondiferous. Contiki anticipates similar statistics will continue to apply to ongoing exploration in the area.

Contiki will select the most favourable kimberlite pipes for more detailed testing, and evaluation of their economic diamond potential after the Phase I drilling program. To date only one of the known Molopo pipes (M-1) has had any serious evaluation. Molopo is one of eight known kimberlite fields in Botswana. Two already have developed mines - Jwaneng and Orapa/Lethakane and a third, Gope has a project in feasibility. (SEE GCNL NO.35, 19Feb99, P.2 FOR PREVIOUS MOLOPO PROJECT INFORMATION)

EASTERN MERIDIAN MINING CORP.

[EME-ALBERTA] 30,790,003 SHS.

NEWFOUNDLAND DRILLING PLANNED - Brian Peckford, president, Eastern Meridian Mining Corp., reports **MING MINERALS INC.** (owned 70% by Eastern) will be embarking on a drill program on its Stog'er Tight gold deposit near its mill in Baie Verte, Newfoundland.

The Stog'er Tight property was purchased by Ming Minerals in August 1996. The Stog'er Tight gold zone and other gold prospects were discovered by Noranda as a result of their exploration activity during the period 1987-1990. As a result of exploration and bulk sampling carried out by Ming in 1996 and early 1997 the previous interpretation of one continuous zone was replaced with there being a number of ore lenses.

The purpose of the program is to get a better understanding of the grade continuity, strike and depth of these ore lenses.

The program will consist of two holes being drilled on Double Better Pond while ice conditions are favourable. The extent and nature of further exploration work will be determined after the results of this program are assessed. (SEE GCNL NO.215, 9Nov98, P.2 FOR OTHER NEWFOUNDLAND PROJECT INFORMATION)

CONS. VENTUREX HOLDINGS LTD.

[CVA-V] 6,662,732 SHS.

PLATINUM PROSPECTS OPTIONED - Benjamin Ainsworth, director, reports Consolidated Venturex Holdings Ltd. has entered an option agreement to acquire 50% of Pacific North West Capital Corp.'s interest in certain mineral claims (two claim units subject to a 2% NSR) in McNish, Kelly, Davis, and Janes townships about 50km northeast of the Sudbury nickel smelter complex totalling over 2,750 hectares (6,800 acres), subject to regulatory approval. The claims cover favourable Nipissing Diabase rocks and flank other Pacific North West claims on which trench sampling was recently reported to have returned copper, nickel, and significant platinum group metal (PGM) values. Drilling by Pacific North West is planned for April to test this mineralization.

The lower contact of the Nipissing Diabase is a potential host for platinum, palladium, and other PGMs associated with copper, nickel mineralization. Earlier exploration in the area by Kennco and others focussed on copper and nickel mineralization. In more recent exploration, Falconbridge, BP Minerals and others have identified a general relationship between copper, nickel sulphides and PGM values in the basal part of the Nipissing Diabase.

GRAB SAMPLE	NICKEL %	COPPER %	PD PPB	PT PPB	PT+PD+AU PPB
FR98-01	0.03	0.07	575	67	698
FR98-02	0.01	0.01	58	26	89
FR98-03	0.18	0.048	576	290	1135
FR98-04	0.09	0.023	414	192	754
FR98-05	0.11	0.024	2001	363	2635
FR98-06 (X)	0.09	0.20	1174	238	1546
FR98-07	0.15	0.29	5445	603	6342
FR98-08	0.02	0.05	527	102	671
FR98-09	0.04	0.10	346	127	549

(X) AVERAGE OF TWO ANALYSES

PD = PALLADIUM; PT = PLATINUM; AU = GOLD

Initial grab samples, taken by Pacific North West from

showings in the Nipissing Diabase outcrops on the optioned claim blocks three miles northwest of its trench sampling area, returned PGM values up to 6 grams/tonne.

The most easterly claim block under the option agreement, the Sargesson Lake property, was drilled between 1965 and 1968. Copper values up to 0.8% (average 0.36%) and nickel values up to 0.74% (average 0.19%) were reported in the Ontario Department of Mines geological report for McNish and Janes townships. PGMs were not reported, nor were the widths of the drill hole intercepts. Reference is made in the report to the occurrence of "a zone paralleling the contact and within 30 metres of the quartz sandstone contact on the northwest side". The drilling was carried out over a distance of about 500 metres along the contact. The general

**ARGENTINA GOLD CORP.
BARRICK GOLD CORP.**

-CONTINUED FROM PAGE ONE-

The Filo Federico target is open-ended.

Significant high-grade silver resources exist within the defined areas of the Veladero project. Earlier calculations estimate over 150,000,000 ounces silver. An updated global resource estimate for the Veladero project which will include a silver estimate is currently being completed. The silver metallurgy is being tested at CIMM Labs in Chile. The objective is to increase recoveries from the 20% region to at least 50% to 60%.

Assays are pending on 18 holes and drilling continues using five rigs (3 RC and 2 DD) at both the Amable and the Filo Federico/NW Targets as well as the Amable North Target. Results from the company's second diamond core hole and several reverse circulation holes are expected shortly. Drilling is expected to continue into May.

As previously reported, Argentina Gold continues to have discussions with selected major mining companies for possible participation in project. (SEE GCNL NO.34, 18Feb99, P.1 FOR PREVIOUS VELADERO PROJECT INFORMATION)

BIOMETRIC SECURITY CORP.

[BMS-V] 20,834,412 SHS.

MORE DISTRIBUTORS ADDED - Patrick McCleery, president,

Biometric Security Corp., reports TASK, a new distributor in Brazil, will install over 40 of the Veriprint 2100 (V2100) fingerprint units at the University of PUC - Rio Grande de Sur, to provide biometric-based time/attendance and access control. Biometric Security has an agreement to acquire 45% of Biometric Identification, Inc., a leading innovator in creating and applying fingerprint authorization and verification technology.

The announcement of TASK's upcoming installation occurred simultaneously with Biometric Identification's formal announcement that Brazilian based TASK, as well as two other globally recognized distributors, Galaxy Control Systems Inc., USA (GALAXY) and Intercol (The Gulf Region), have joined the growing worldwide distributor network.

The V2100 is a self-contained fingerprint identification and verification device that includes Biometric Identification's patented high-performance ridge recognition algorithm, coupled with a fully programmable microprocessor. The high capacity device stores extensive transaction logs and many thousands of fingerprints, making it an ideal solution for adding enhanced security to existing time/attendance and access control systems.

Brazil-based TASK was founded in 1984 by a group of computer engineers. Today, they have over 150 employees specializing in custom time/attendance and access control solutions.

Based in Maryland, Galaxy Control Systems entered the access control market in 1984. Since then, they have offered integrated access control and security management systems.

Originally established more than 40 years ago, Intercol is a multifaceted organization located in Bahrain, with 18 autonomous divisions. Through their Science and Industry (S&I) Division, they represent and are the primary distributors in the Gulf region for Motorola, Alcatel, and Nokia. (SEE GCNL NO.34, 18Feb99, P.6 FOR BIOMETRIC'S DIVESTITURE OF MINERAL PROPERTIES)

BORNEO GOLD CORP.

[BNO-V] 33,368,119 SHS.

CHILEAN EXPLORATION UPDATE - Ian G. Park, president, reports Borneo Gold Corp. has received silver, gold trench assays from its 100% optioned Toro property in the Southern Mariungu district of Chile. The company's objective was to locate high sulphidation deposits similar to those found at the La Coipa silver,

gold mines of Placer Dome.

Silver values in trenches in a large central rhyodacite dome where bedrock could be sampled ranged from 1.0 to 88 grams silver/tonne in individual samples, while chip samples assayed 18 metres of 14 grams silver/tonne, 20 metres of 15 grams silver/tonne, 14 metres of 11 grams silver/tonne and 38 metres of 14 grams silver/tonne. In a trench which sampled the sediments below the rhyodacite dome, a significant gold increase was noted and the trench assayed 24 metres of 0.44 grams gold/tonne and 25 grams silver/tonne. High gold and silver values are related to the northeast structures. The mineralized zones trenched to date extend over an area of 600 metres in width by 400 metres in length. The central part of the Toro property is underlain by a circular rhyodacite dome which intrudes a sedimentary rock package consisting of red and grey sandstones. The northeast to north-northeast faults cross the sediments and intrusives, while silicification and hydrothermal brecciation follow this structural trend.

Six trenches and access roads totalling 2.2 km were built and 450 samples were taken over a strong silver, gold geochemical soil anomaly extending over an area of one km by 800 metres. The silver portion of the anomaly outlines the rhyodacite dome, while the gold anomaly is more clearly noted at the contact of the sediments with the dome.

Similar geochemical patterns, with highly anomalous silver on surface grading into higher gold and silver with depth are noted at the new Coipa Norte deposit of Placer Dome and at the Can-Can deposit near Coipa. The company has decided to immediately drill the Toro targets. Drills are expected to be mobilized shortly. (SEE GCNL NO.242, 17Dec98, P.6 FOR PREVIOUS TORO INFORMATION & OPTION TERMS)

CANADIAN GOLDEN DRAGON RESOURCES LTD.

[CGG-V] 11,999,927 SHS.

PLATINUM PROSPECT ACQUIRED - Kenneth Crosby, president, reports Canadian Golden Dragon Resources Ltd. has acquired a 76 claim unit property in the Lake Nipigon region near Thunder Bay, northwest Ontario that is interpreted to cover a 2.5 km long ultramafic body which may host nickel, copper, platinum, palladium type deposits. The claims were purchased by Canadian Golden Dragon for \$10,000 and 100,000 shares to be issued in four equal instalments of 25,000 shares every six months with the vendor retaining a 1% NSR with a buyout for \$500,000 at any time.

This target lies on a north easterly trending structure 35 miles northeast of the Lac des Iles platinum, palladium mine. It is a setting similar style and age to the Great Lakes nickel deposit southwest of Thunder Bay and is also rocks of similar age for the Duluth gabbro which hosts important large tonnage nickel, copper and platinum, palladium values. Other zoned ultramafic bodies occur in the area containing significant platinum, palladium values which are now being explored by other companies.

Exploration will begin with magnetic and IP surveys followed by EM surveys prior to drilling. The company is evaluating the acquisition of other platinum-palladium targets in this region and other parts of the Canadian shield. (SEE GCNL NO.231, 2Dec98, P.2 FOR NIGHTEWING JOINT VENTURE INFORMATION)

EASTMAIN RESOURCES INC.

[ER-T] 16,326,187 SHS.

CAMBIOR INC.

[CBJ-T, M] 70,562,871 SHS.

LAC ELMER FARMED OUT - Donald Robinson, president, reports Eastmain Resources Inc. has granted an option agreement for Cambior Inc. to earn a 50% interest in the Lac Elmer project located in the Eastmain River area about 300 km

at 75¢ per share, expiring 4Feb2003. In May 1998 the company granted an option to an employee for 100,000 shares at a price of the greater of \$2.50 per share or 50% of the market price on the date of exercise, expiring 11May2000. In July 1998 the company granted an option to an employee for 25,000 shares at a price of \$1.77 per share, expiring on July 22, 2000. Subject to regulatory approval the exercise price of the above options has been reset to 21¢ per share. All other terms of these stock options remain unchanged.

In addition, subject to regulatory approval, the company has granted further stock options to certain of its directors and employees for 424,000 shares exercisable for five years starting 22Feb1999 and expiring 21Feb2004 at 21¢ per share.

The Longwoods project will continue to be the main focus of exploration efforts. Anzex has also begun an international search for other quality platinum exploration projects.

The Anzex annual meeting has been called for 19:30 a.m., March 31, 1999, at Maitland & Co. Suite 700 - 625 Howe St., Vancouver, B.C. (SEE GCNL NO.4, 7Jan99, P.2 FOR PROJECT & CORPORATE DATA)

DONNER MINERALS LTD.

[DML-V] 33,189,657 SHS.

FALCONBRIDGE LTD.

[FL-T, M] 176,967,900 SHS.

LAC ROCHER JOINT VENTURE FORMED - Harvey Keats, president, reports Donner Minerals Ltd. has formed a joint venture option with Falconbridge Ltd., one of the world's leading nickel producers, to option to earn a 50% interest in all 24 mineral claim blocks, totalling 511 claims (8,176 hectares), staked by Falconbridge in the Lac Rocher area of northwestern Quebec. SEE CLAIM MAP OVERLEAF P.2. To earn its interest, Donner must pay \$250,000 for acquisition costs and incur a minimum of \$2,000,000 of exploration expenditures on the claims over the next two years.

Falconbridge had completed a compilation of available geological, airborne magnetic and electromagnetic and lake sediment geochemical data for the Lac Rocher area about six months prior to the recently reported nickel, copper, cobalt discovery by Nuinsco Resources Ltd. This allowed Falconbridge to identify and stake specific high priority targets immediately after Nuinsco announced their discovery hole. Of the 24 claim blocks, three are contiguous to the Nuinsco property border on the east and southern sides.

Donner and Falconbridge are planning a work program consisting of linecutting, geological mapping, prospecting, airborne and ground geophysical surveys and diamond drilling, further details of which will be announced as they become available. (SEE GCNL NO.37, 23Feb99, P.7 FOR DONNER FINANCING INFORMATION)

EAST WEST RESOURCE CORP.

[EWR-V] 26,200,421 SHS.

PLATINUM PROSPECTS ACQUIRED - A. K. Crossley, president, reports East West Resource Corp. has purchased an 88 claim unit property in the Lake Nipigon region of northwest Ontario, located about 48 miles northeast of the Lac des Iles platinum, palladium mine near Thunder Bay, Ontario. The claims were purchased for \$25,000 and 25,000 shares with three more equal share instalments every six months totalling 100,000 shares over 1.5 years. A 1%

NSR, which may be purchased for \$500,000 has been retained by the vendor.

The property covers a three km long magnetic feature interpreted to reflect a large zoned ultramafic body which is the favourable host for nickel, copper, platinum, palladium deposits. An additional 88 claims have been staked to expand the property to cover other magnetic and structural features. A number of other ultramafic bodies occur in the region containing significant Platinum Group Elements (PGE) values which are now being actively explored by other companies. (SEE story Page One this News Letter)

The only producing platinum, palladium mine in Canada, located at Lac des Iles, is hosted in a zoned ultramafic-gabbro intrusion near the boundary of the Quetico Fault but is also located on the fringe of the Nipigon Plate where a number of favourable structures occurs that create an ideal setting for PGE-bearing host rocks. Exploring using ground magnetics and IP is planned for March, 1999, followed by drilling.

In a related transaction, East West has acquired a second property comprising 112 claim units in the Lake Nipigon area about 20 miles northeast of the Lac des Iles platinum, palladium mine. The property covers a five km long magnetic feature interpreted to reflect a large zoned ultramafic body. The claims were bought for \$15,000 and 25,000 shares with three more equal share instalments every six months totalling 100,000 shares over 1.5 years. A 1% NSR, which can be bought for \$500,000, has been retained by the vendor. (SEE GCNL NO.10, 15Jan98, P.4 FOR TIMMINS AREA PROJECT INFORMATION)

ECSTALL MINING CORP.

[EAM-V] 8,091,646 SHS.

QUEBEC PROSPECT OPTIONED - Chris Graf, P.Eng., president, reports Ecstall Mining Corp. has been granted an option from **NORCAL RESOURCES LTD.** [NLR-V] to earn a 50% interest in a well located but unexplored property near the nickel, copper discovery made by Nuinsco Resources Ltd. in northwestern Quebec. [See property location map overleaf P.2, No.36, Feb.22,1999] The 19 claim Ecstall/Norcal property is located six km northeast of the Nuinsco discovery within an extensive corridor of anomalous airborne magnetics that also encompasses the Nuinsco discovery. The zone of anomalous magnetics may represent the northeast extension of the favourable layered ultramafic rock units (gabbro) that hosts the nickel, copper mineralization on Nuinsco's claims. A discrete magnetic anomaly occurs on Ecstall's optioned claims.

Under the terms of the option, to earn a 50% interest in the property, Ecstall will pay Norcal \$100,000, issue 200,000 shares and spend \$250,000 on exploration over three years, subject to regulatory acceptance. The first years commitment is a \$20,000 option payment, which has been paid, 50,000 shares of Ecstall and a \$50,000 work program. After the first years work program, which will be managed by Norcal, Ecstall will be the operator of the property including any subsequent joint venture that may be formed. There are no underlying royalties encumbering the property.

Preliminary work programs will be initiated after financing is arranged and field conditions permit. (SEE GCNL NO.6, 11Jan99, P.2 FOR MEXICAN PROJECT INFORMATION)

HARVEY CREEK GOLD PLACERS LTD.
Suite 1730 - 355 Burrard Street
Vancouver, B.C. V6C 2G8
Tel: (604) 669-5598
Fax: (604) 669-8915

February 9, 1999

Trading Symbol: VSE - HVG

Platinum Prospect Acquired Near Sudbury

Harvey Creek Gold Placers Ltd. ("Harvey Creek") is pleased to announce the signing of a Heads of Agreement to acquire by option more than 200 mineral claims overlying a mafic intrusive complex located near Sudbury, Ontario. The agreement calls for an initial payment of \$15,700 and a series of annual cash payments totaling \$155,000 over 5 years. In addition, the Optionors will receive share payments of 10,000 shares upon signing and a further 90,000 shares in three allotments over the next 18 months from the signing of a formal agreement. A finder's fee is payable to an arm's length third party and is currently being negotiated.

Harvey Creek may earn a 51% vested interest in the property after completing a \$1 million work program on the mineral claims. A further \$1 million expenditure will earn Harvey Creek an additional 48% vested interest. The Optionors will retain a 1% free carried interest and a 2% net smelter royalty.

The intrusive complex is exposed as a 9 x 5km mafic layered intrusive body composed primarily of gabbroic and anorthositic rocks that form a SE-plunging trough-shaped intrusion. The property is underlain by all of the principal stratigraphic units of the intrusion. Harvey Creek intends to investigate the potential of the complex to host economic platinum group (PGE) mineralization of two distinct styles: (1) contact zone nickel-copper-platinum-palladium mineralization such as occurs in Sudbury deposits and in Russia's Noril'sk deposits, and (2) reef-type mineralization such as occurs in the Stillwater and Bushveld layered complexes.

The first type of mineralization has previously been identified at the basal contacts of the intrusion by BP Resources Canada. Grab samples returned values of up to 8.5 g/t Pt+Pd (with Pd/Pt ratio of 3.18), 0.36% Ni and 0.87% Cu. Drill core samples returned values up to 5.9 g/t Pt+Pd over 1.0 meters (with Pd/Pt ratio of 3.46), 0.39% Ni and 0.95% Cu. Due to poor exposure, the strike length of the contact zone mineralization has not been established. Harvey Creek will therefore test the lateral extents of each of the 5 zones with an initial program of stripping, trenching and sampling.

The second exploration target in the intrusion is the reef-type PGE mineralization. The potential for a PGE reef in the intrusion was not examined by earlier exploration activity, but a number of geochemical features suggest that the uppermost gabbroic rocks may contain this style of mineralization. Harvey Creek will investigate this target by conducting detailed rock and soil geochemical surveys.

The foregoing terms and conditions, including the proposed share allotments, are subject to the rules of the Vancouver Stock Exchange.

ON BEHALF OF THE BOARD OF DIRECTORS
"Roger Eckstrand"

O. ROGER ECKSTRAND, Ph.D., Director

Please contact Investor Relations at (604) 669-5598 for further information

*The Vancouver Stock Exchange has not reviewed and does not accept
responsibility for the adequacy or accuracy of the contents herein*

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ALTORO GOLD CORP.

[ATG-V] 12,706,160 SHS.

MINNESOTA PLATINUM - Ross Beaty, director, reports Altoro Gold PROSPECT OPTIONED Corp. has entered an option agreement giving it the right to acquire a 100% interest in a large platinum, palladium (PGE) copper, nickel occurrence at Birch Lake, northwestern Minnesota, one of North America's premier large tonnage, bulk mineable, potentially economic PGE prospects.

The Birch Lake PGE mineralization occurs in a discrete zone within the Duluth Magmatic Complex, a large mafic intrusion similar to the Norilsk intrusion in Russia which is the world's largest palladium and second largest platinum producer. Extensive previous drilling (1,900 holes) at the base of the Complex defined an uneconomic resource of about 4 billion tonnes grading 0.66% copper and 0.2% nickel with low PGE values. In 1985 selected drill core was analyzed for PGE's and a thick PGE-enriched zone was discovered. From 1989-1998 nine holes and three wedges were drilled on the Birch Lake property specifically to test for its PGE potential. Four of these holes, including one hole drilled in 1998, yielded PGE grades similar to those being mined at the PGE mines in South Africa, and over thicker intervals. Assay results for five holes and two wedges drilled historically on the Birch property are printed OVERLEAF P.3.

PGE mineralization at a grade and thickness considered as economic to mine, has been discovered at Birch Lake over an area 400 metres wide and 800 metres long, open along trend and to the east. An inferred resource has been calculated in this area of 4, 200,000 tonnes grading 3.09 grams platinum-palladium-gold/tonne, 0.66% copper, and 0.22% nickel (420,000 ounces PGE+gold). Potential exists to increase this resource to over 30,000,000 tonnes and will be tested in future drilling programs.

Altoro can acquire its 100% interest in the property, subject to VSE approval, by spending US \$3,000,000 on exploration over five years, including \$400,000 in 1999; making cash payments of US \$500,000 including \$35,000 in 1999; and issuing 200,000 shares, in four stages, including 50,000 on signing. A retained royalty of 5% to 15% of net proceeds can be purchased by the company for US \$2 million at any time.

Altoro will begin a 3,000 metre step-out drilling program in late January 1999 aimed at increasing the property's PGE resources. (SEE GCNL NO.238, 11Dec98, P.2 FOR BOLIVIAN DATA)

ANGLO SWISS RESOURCES INC.

[ASW-M; ASWC-OTC BB] APPROX. 37,300,000 SHS.

PRESIDENT COMMENTS - Len Danard, president, Anglo Swiss Resources Inc., reports at the request of the Montreal Exchange, the company has been asked to comment on the recent activity of the company's shares on both stock exchanges.

Management believes recent activity is due to the developments at its 100% owned Blu Starr gemstone property located in the Slovan Valley about 30 miles west of Nelson, southeast BC. Anglo Swiss personnel have extracted over 100,000 carats of rough iolite from two one-tonne test samples taken from outcrops one km apart. Iolite, the gem variety of the mineral known as cordierite, is a hard and durable gemstone with a violet-blue colour, similar in appearance to the gemstone tanzanite. The rough iolite crystal is undergoing final grading and blocking out for gem cutting, and the company has shipped parcels of gem-grade rough to several cutting facilities to evaluate cut designs.

On 14Dec98, the new iolite zones were examined by

gemmologist/geologist Dave Barclay, who states in a letter to the company following the tour: "The two iolite zones I was shown are most accurately described in your report of Dec. 9th released as a company news release on that date. (SEE GCNL NO.238, 11Dec98, P.2) The strata of iolite rich host have been very reasonably estimated as to size (width, length of strike, and a minimal depth)."

Additional shipments of large, flawless garnet rough have been sent for cutting in Sri Lanka, following an evaluation of the cutters and the cut designs. The company is currently building an inventory of finished gemstones prior to offering product for sale.

Anglo Swiss completed a private placement 31Dec98 of 200,000 Units at 50¢ for proceeds of \$100,000. Each unit consisted of one flow-through share, one common share and one warrant exercisable for one year at 30¢ per share.

Anglo Swiss will be displaying the new gemstones at the Vancouver Investment Conference Jan. 24 and 25, 1999 held at the Hotel Vancouver and will also attend the Tucson, Arizona Gem Show in early February. The company has also recently been the focus of articles on gemstone exploration in BC by the *Mining Review Magazine* of the BC and Yukon Chamber of Mines, numerous recent articles by the Chamber of Mines of Eastern BC and an upcoming article in the *National Jewelers Magazine* of New York.

ARGENTINA GOLD CORP.

[ARP-V] 35,717,764 SHS.

BARRICK GOLD CORP.

[ABX-T, AMEX] 375,992,672 SHS.

TAKEOVER PROPOSAL UPDATE - Lukas Lundin, director, reports Argentina Gold Corp. confirmed receiving the Barrick Gold Corp. notice of increase in the offer to acquire all the outstanding shares of Argentina Gold to \$5.00 cash per share and extending the offer to expire at 12:01 a.m. 29Jan99. Once a formal copy of the varied offer is obtained, the Special Committee of the board of Argentina Gold, together with its legal and financial advisors, will study the formal offer, following which the board will issue its recommendations to shareholders and issue a Notice of Change to its Directors' Circular. The varied offer is not a "permitted bid" under Argentina Gold's recently adopted limited duration shareholder rights plan.

Argentina Gold has issued a Notice of Change to its Directors' Circular containing a detailed description of its recently adopted rights plan and a summary of recent developments. This Notice of Change does not contain a recommendation regarding the recently varied offer by Barrick.

The operative terms of Argentina Gold's rights plan are essentially identical to the shareholder rights plan approved by the shareholders of Barrick at its last annual meeting, with the exception of the expiration of the shareholder rights plan. Barrick's plan is in effect until its annual meeting in 2002. Argentina Gold's plan is presently scheduled to expire 19Feb99. Both plans contain a permitted bid provision that does not trigger the dilutive effects of the plan. Under both plans, a "permitted bid" is one which is made to all shareholders and is open for at least 60 days. If at the end of 60 days, at least 50% of the outstanding shares, other than those owned by the offeror and certain related parties, have been tendered, the offeror may take up and pay for the shares, but must extend the bid for a further 10 days to allow other shareholders to tender.

In its 18Jan99 press release, Barrick indicated it intends to request a hearing before securities regulatory authorities in an attempt to remove Argentina Gold's rights plan based upon the fact

ITL CAPITAL CORP.
 [ICL-V] 20,466,014 SHS.
RUPERT RESOURCES LTD.
 [RUP-V] 7,328,969 SHS.

RED LAKE DRILLING PLANNED - David Duval, director, reports ITL Capital Corp. and joint venture partner Rupert Resources are planning a drill program to start in August in the Red Lake Mining Camp of northwest Ontario. Under an option agreement, ITL Capital can earn a 50% interest from Rupert in the Durham-McEwen gold property by spending \$1,800,000 over four years. ITL Capital is now preparing to implement a \$400,000 Phase Two exploration program following an expenditure of about \$550,000 in 1997. Diamond drilling has a projected hole depth to 2,000 metres.

The proposed drill hole will test for an extension of the ore horizon at the nearby Goldcorp mine which is trending easterly in the direction of the ITL/Rupert property. Goldcorp recently extended its gold-bearing horizon with two surface holes another 1,300 feet towards its common boundary with ITL/Rupert.

Ore grades at the Goldcorp mine have over the years averaged better than 0.3 oz. gold/ton. However, recent discoveries adjacent to historical mining areas in the Goldcorp mine average over 1.0 oz. gold/ton. A few months ago, Goldcorp reported high grade reserves of 1,300,000 ounces grading 1.3 oz. gold/ton.

ITL has negotiated a non-brokered private placement of up to 2,000,000 flow-through units at 15¢ per unit. Each flow-through unit will consist of one flow-through share and one flow-through warrant good to buy an additional flow-through share at 15¢ the first year and 17¢ the second year. The company will pay a finder's fee in either cash or units in an amount as is permitted by the policies. The above is subject to regulatory approval. (SEE GCNL NO.124, 9Jun98, P.3 FOR NORTHWEST TERRITORIES PROJECT DATA)

MUSTANG GOLD CORP.
 [MUST-CDN] 14,779,568 SHS.

MORE PGE PROSPECTS ACQUIRED - Robin Dunbar, president, reports Mustang Gold Corp. has completed the acquisition of additional ground adjacent to its 100% owned 165 claim East Bull Lake platinum, palladium, rhodium (PGE) property located 80 km west of Sudbury, Ontario. An additional 227 claims were optioned in Mandamin, Boon and Shibananing Townships. The claims were optioned in two separate transactions, the first consisting of consideration totalling \$125,000 (\$15,000 on signing) and 100,000 shares over three years to earn a 100% interest subject only to a 3% net smelter royalty (NSR). Mustang may buy back up to 1.5% NSR for \$1,500,000. The second transaction consisted of consideration of 100,000 shares payable over 18 months to earn a 100% interest subject to a 3% NSR. Mustang can buy back 2% of the NSR for \$2,000,000. (\$1,000,000 per 1%).

The East Bull Lake PGE property now consists of a total of 392 unpatented mining claims covering over 15,000 acres. Mustang now controls over 90% of the East Bull Lake Intrusion, a layered gabbro-anorthosite intrusive. The intrusive is geologically located along the boundary between the Southern Province and the Superior Province of the Canadian Shield along the Huronian-Nipissing Magmatic Belt (HNMB). The 200 km long HNMB includes the Sudbury Igneous Complex which hosts copper, nickel PGE deposits.

The property has been the focus of several Open File Reports published by the Ontario Geological Survey (OGS). The reports outlined several mineralized horizons at the property including extensive areas of contact sulphide mineralization particularly along the margins of the intrusion. Similarities were noted in the OGS reports between the extensive contact sulphide mineralization at East Bull Lake and sulphide mineralization distribution at the

Noril'sk deposit in Siberia.

The East Bull Lake Intrusive is about 22 km wide and up to 3.5 km wide and has a known depth of about one km. The intrusive is interpreted as an elongated lopolith (bowl) with inward dipping igneous layering generally striking parallel to its margins. Contact sulphide mineralization is concentrated along the margins of the intrusive at and proximal to the surrounding country rock.

The contact sulphide PGE mineralization at the East Bull Lake Property is well documented in many places along the southern margin of the intrusion at and proximal to the surrounding country rock. PGE enriched sulphide mineralization outcrops along a distance of over 21.6 km along the southern margin. The same stratigraphic host units are present at the north side of the intrusive but are less exposed on surface. In total the strike length of the contact mineralization at East Bull Lake extends for over 30 km. Samples noted OVERLEAF P.1 by the OGS were taken from the north and south margins of the intrusive over a distance of about 15 km. The margins are associated with the layered horizons (the Anorthosite Subzone and the Border Zone) which most consistently indicated the presence of PGE mineralization. These stratigraphic horizons together are interpreted as being about 200 meters thick.

The Ontario Geological Survey Open File Reports indicate the widespread "contact style" sulphide mineralization at East Bull Lake carries PGE metal abundances comparable to the higher grade "reef style" deposits such as the Merensky Reef in South Africa and the J-M Reef in Montana. Exploration targets include structural traps and embayments along the margins and along the base of the intrusion where PGE sulphide concentrations (including up to massive sulphides) are interpreted as being possible. In addition, several areas of the intrusion have zones of sulphide mineralization on surface for up to 1 km in strike length and up to 100 metres wide. (OGS Field Report 1992) These zones will be the immediate focus of Mustangs' exploration program.

Field work under the supervision of Ken Lapierre, VP exploration, will confirm the lateral continuity of the most exposed mineralized zones prior to the start of geophysics and diamond drilling. This will include the widespread PGE mineralization documented by the OGS east of Moon Lake in the 13 square km area withdrawn from staking from 1986 until May of 1998. (SEE GCNL NO.139, 21Jul98, P.4 FOR PREVIOUS EAST BULL LAKE DATA)

PAN AMERICAN SILVER CORP.

[PAA-T; PAASF-NASDAQ] 24,692,515 SHS.

SENIOR VICE PRESIDENT APPOINTED/ - Ross J. Beaty, chairman, RUSSIAN DUKAT PROJECT UPDATE reports Pan American Silver Corp has appointed James Wade as senior vice-president, Russia and general director of the company's 70% owned Russian subsidiary ZAO Serebro Dukat. Mr. Wade will have responsibility for all aspects of development of the large Dukat silver mine in Magadan State, far eastern Russia.

Mr. Wade is a well-known Canadian mining engineer who has worked in the Canadian and international mining industry for more than 30 years. He has worked in senior positions on Russian and neighbouring projects since 1990, including evaluation of a large producing gold mine, restructuring and restarting a large uranium mine, mill and processing operation, and managing the start-up of a 1,000 tpd underground and 2,000 tpd open pit uranium mine.

Mr. Beaty said, "Now that the bankable feasibility study is nearly completed, we are ready to build our operating team for the Dukat project."

Pan American expects to receive the first complete draft of the Dukat bankable feasibility study on July 27th for internal review and

CHALICE MINING INC.
[CLG-V] 8,426,220 SHS.

PLATINUM PROJECT OPTIONED - Michael Schuss, president, reports Chalice Mining Inc. has entered an agreement to acquire 100% interest in the Eva-Kitto property from a non-arms length party, subject to regulatory approval. The Eva-Kitto property has potential to host platinum group metals (PGM's) and is located in the Thunder Bay District of northwestern Ontario, about 18 km from the historic mining town of Beardmore and 115 km from the Lac des Iles PGM mine of North American Palladium Ltd. There are geological similarities, at both a regional and local scale, between the Noril'sk PGM-producing mining camp of Russia and the Nipigon Basin of northwest Ontario.

The presence of ultramafic rocks is generally regarded as one of the fundamental requisites necessary for the occurrence of PGM's. In 1987, Dr.R. Sutcliffe, formerly of the Ontario Geological Survey, described ground covered by the property as follows: "The intrusion in Eva-Kitto Townships consists of a ring of ultramafic rocks six km in diameter." The potential of the property is further highlighted by results published, during 1990, by the Geological Survey of Canada in Open File 2177. This regional, geochemical study of lake sediments show that samples taken in the immediate vicinity of the property are anomalous in copper, nickel, chromium, cobalt and magnesium; all elements that are often associated with PGM deposits.

The terms of the Eva-Kitto property acquisition call for Chalice to make staged cash payments totalling \$100,000 and to issue 70,000 shares by 23Apr2001. The vendors retain a 2% net smelter return royalty interest which may be reduced to 1.25% on the payment of a further \$500,000. A pre-production royalty of \$20,000 annually will be applied toward the net smelter return royalty starting 1May2005. Chalice continues to pursue the acquisition of other PGM projects of merit. (SEE GCNL NO.134, 14Jul98, P.3 FOR OTHER PGE PROJECT INFORMATION)

COMINCO LTD.

[CLT-T, M] 85,406,000 SHS.

THREE MONTHS ENDED JUNE 30, 1998	1997	
REVENUE	\$378,300,000	\$375,200,000
COSTS & EXPENSES	378,800,000	338,200,000
NET EARNINGS	2,900,000	22,700,000
EARNINGS PER SHARE	3¢	26¢

SECOND QUARTER REPORT - Cominco Ltd. reports financial

results for the three months ended 30Jun98. Revenues included a \$16,000,000 gain (\$11,000,000 net of taxes) on the sale of the company's investment in Global Stone Corp. of Oakville, Ontario to Ogleby Norton Co. of Cleveland, Ohio. Lower prices for zinc, lead and copper resulted in reduced sales revenue and earnings compared to 1997. Compared to 1997, the price of zinc declined 19%, lead declined 11% and copper declined 31%. In addition, operating results at the Trail, BC, smelter are still being adversely affected by the operating performance of the Kivcet lead smelter which contributed to a lower operating profit to the second quarter of the last year. At the Kivcet smelter, there were interruptions due to a failure of the BOC oxygen plant causing a 10 day outage, external power system failures and slag granulation equipment problems.

Cominco's two major zinc expansion projects are continuing on time and or below budget. At the 100% owned Cajamarquilla Mine in Peru, the 20,000 tonne per year production expansion is now complete and engineering work for the second phase of the expansion program is proceeding on schedule.

For both the second quarter and year-to-date, 1998 production

volumes exceeded 1997 production for all of Cominco's major products except for refined lead, which was affected by the operating performance of the Kivcet smelter. The smelter on line time was reduced to 61% and throughput to 46% of design capacity in the second quarter with lead production totalling 14,200 tonnes, a 19% decrease from the same period in 1997. Improvements planned for the July maintenance shut down are expected to address these problems, including the installation of higher capacity copper cooling jackets in the smelting section of the furnace.

The production rate increase effort at the 100% owned Red Dog Mine in northwest Alaska, the largest zinc mine in the world, is continuing on schedule and on budget. Zinc concentrate production in the second quarter was 24% higher than the same period in 1997, mainly as a result of mining higher grade ore and an increase in the flotation capacity of the mill. Once full capacity is reached, the annual rate of production is expected to exceed 900,000 tonnes of zinc concentrates and 160,000 tonnes of lead concentrates.

In south-central BC, Highland Valley Copper continued to perform well in the second quarter of 1998. Cominco's 50% share of the mine's production was 26,100 tonnes of copper contained in concentrate, a 3% increase over the second quarter of 1997. Year-to-date production was 9% higher than last year with the increase mainly due to higher mill throughput resulting from changes in mining methods. Cominco's share of second quarter sales was 10,000 tonnes higher than last year, with spot sales and the additional copper arising from the higher production volumes providing the majority of the increase.

At 30Jun98, working capital totalled \$388,000,000 compared with \$436,000,000 a year ago. Net debt (total debt less cash and short term investments) was \$770,000,000. (SEE GCNL NO.135, 15Jul98, P.3 FOR MEXICAN VENTURINA PROJECT DATA)

FORAN MINING CORP.

[FOM-V] 10,873,116 SHS.

SHAREHOLDERS APPROVE ACQUISITION - Gregory J. Binning, chief financial officer, Foran Mining Corp., reports that at a meeting held 14Jul98, shareholders approved the acquisition of a group of mineral interests in the Flin Flon Greenstone Belt in western Manitoba in consideration of the issuance of 3,000,000 shares 75% or, 2,250,000 shares are pooled over three years under a voting trust agreement. The group of properties includes a former producer, properties with known mineralization hosting gross metal values in the US \$50,000,000 range and upon which \$12,000,000 of previous exploration expenditures have been incurred. The VSE has accepted the acquisition in principle and closing is expected to occur in the immediate future.

Shareholders also approved the adoption of a shareholders rights plan which will provide additional safeguards to permit the board to maximize shareholder value in the event of an unsolicited or unexpected takeover bid.

In conjunction with the acquisition of the Flin Flon mineral interest, the company has appointed representatives of the property vendors, Gregory Pearson and Steve Masson, as directors of Foran Mining. Mr. Pearson is a Victoria, BC based businessman with experience in the financing of venture capital and junior mining companies. Mr. Masson is a professional geologist and former exploration manager of Aur Resources and Granges Exploration.

Foran repriced 310,000 previously announced options to 90¢ per share and the granted a further 122,215 options at 90¢, all such options expiring 31Jul2000. (SEE GCNL NO.114, 15Jun98, P.3 FOR DICKSTONE PROJECT INFORMATION)

CHANNEL RESOURCES LTD.

CONTINUED FROM PAGE ONE - Arthur Andersen further states they are of the opinion there is a reasonable likelihood to significantly increase, perhaps double, the tonnage of indicated resources of oxide material at the Bombore First Target, and to identify significant additional resources and mineralization on other permits at a competitive cost.

During the past five years Channel has carried out exploration work on the Bombore Permit of: 1,193 drill holes totalling 50,256 metres, including 10 diamond drill holes, 183 reverse circulation holes, 1,000 rotary air blast holes, on the Bombore First Target BFT; extensive preparatory work including soil geochemistry (16,643 samples), trenching (6,270 samples), mapping and rock sampling (5,457 samples), airborne (8,548 line km) and ground geophysics and satellite imagery.

The indicated resource of 1,200,000 ounces gold is defined over seven mineralized zones with a total strike length of 8,500 metres, from surface to an average depth of 50 metres, with a cut-off grade of 0.5 grams/tonne. The mineralized zones, located within a strong geochemical soil gold anomaly which is 14 km in length and 1.5 km in width, are well correlated with the known geology. All the zones are open at depth and most of them along strike and along section.

Work will begin on a preliminary feasibility study during the rainy season of July and August with infill and stepout reverse circulation and diamond drilling will begin in September with the objective of increasing the resource and classifying it as a reserve for preparation of a final feasibility report. In addition, metallurgical work and engineering studies will be carried out from September to December and it is expected the final feasibility study can be prepared by June 1999.

Channel has a 45% working interest and a 10% carried interest in the Bombore Permit. **SOLOMON RESOURCES INC.** [SRB-] has earned 50% of Channel's 90% interest with each company now paying 50% of exploration costs. Channel recently bought the remaining 10% carried interest in the property. Ownership of this 10% carried interest is in dispute.

On the Bouroum Permit a soil geochemical survey and a rock sampling program are in progress. Six targets have been identified on strike or sub-parallel to three previously discovered mineralized zones totalling 500,000 ounces of gold resources. Preliminary results, based on 2,736 soil samples, indicate strong soil anomalies correlated with known structures. The discovery of a new gold showing is also reported with two grab samples (33.07 grams gold/tonne and 28.19 grams/tonne) located 250 metres apart.

Drilling to increase the known resource to an economic level is planned to resume in September 1998. Work is 100% funded by **VICEROY RESOURCE CORP.** [VOY-T] up to the delivery of a positive feasibility study to earn a 60% interest of Channel's 100% interest of the Bouroum Permit.

On the Barao and Bouroum North Permits, a showing was recently discovered by prospecting on one of the target areas previously identified (Kinapouin target area) on these two adjacent permits. Located in a 16 km strike length gold, copper, arsenic soil anomaly, the new showing has a minimum 600 metre strike length. The following grab sample values were reported: 5.11 grams gold/tonne, 4.45 grams/tonne, 4.15 grams/tonne and 2.25 grams/tonne. Channel has a 95% interest in the Barao Permit and a 100% interest in the Bouroum North Permit.

An exploration program funded by **PLACER DOME INC.** [PDG-T, M] will start in the fall 1998. Placer has an option to earn 65% interest in the two permits by funding US \$5,000,000 in exploration towards a feasibility study.

On the Somifa and Madougou Permits, a rock sampling phase has been performed to assess 10 large target areas defined through

previous work. These two adjacent permits, totalling 2,225 km², are prospective for large oxide gold deposits. Channel has a 95% interest in both the Somifa Permit and Madougou Permit.

An exploration program funded by Placer will start by the fall 1998. Placer has an option to earn 65% interest in the two permits by funding US \$7,000,000 towards a feasibility study.

On the Tounte and Manaboule Permits, a favourable five km strike length structure, hosting the Tounte - 1 deposit with a 100,000 ounce gold resource, has been recognized. Placer Dome has the option to a 65% interest in these two adjacent permits by funding US \$5,000,000 towards a feasibility study. Channel has an 82% interest on the Tounte Permit and a 100% on the Manaboule Permit.

Channel's planned exploration program expenditures on the above permits for the remaining year ended 1998 is \$4,660,000. Only \$1,000,000 is to be funded by Channel, representing 21.45% of total expenditures on exploration. Channel has sufficient working capital to fund its share of expenditures. Channel operates all projects.

ASIA PACIFIC RESOURCES LTD.

[APQ-T, V; APQCF-NASDAQ: FRANKFURT] 48,386,277 SHS. \$19,200,000 PRIVATE - Dr. Gerald Wright, executive chairman, PLACEMENT ARRANGED reports Asia Pacific Resources Ltd. has arranged for a private placement of \$19,200,000, representing 40% of a previously announced \$48,000,000 financing. The placement was arranged by David Williamson Associates of London, England and Scotia Capital Markets. The placement comprises US \$3,000,000 of convertible debentures with the balance in shares at \$4.00 per share, subject to regulatory approval. The balance of the \$48,000,000 private placement has been agreed with Olympus Capital Holdings Asia.

Asia Pacific has received a bankable feasibility study prepared by Kilborn Western Inc. on the Udon Thani potash project located 480 km north of Bangkok, northeast Thailand. The study is being reviewed by Asia Pacific's technical staff and is expected to be finalized in the near future. At that time, the results and conclusions of the study will be reported. (SEE GCNL NO 122, 25Jun98, P.2 FOR PREVIOUS RELATED PROJECT & FINANCIAL DATA)

CHALICE MINING INC.

[CLG-V] 8,426,220 SHS.

PLATINUM PROJECT OPTIONED - Michael Schuss, director, reports Chalice Mining Inc. has agreed to acquire a 100% interest in the McIvor platinum group metals (PGM) property from a non-arms length party, subject to regulatory approval. The McIvor property, located in the Thunder Bay District of northwestern Ontario, about 80 km east of the Lac des Iles PGM mine property, has potential to host PGMs. These rare metals, which include platinum, palladium, rhodium, osmium, iridium and ruthenium, are used in the electrical, electronic, dental, and jewellery industries and as catalysts in the automotive, fuel cell, chemical and petroleum refining industries.

The uncertainty of supply and the increasingly important role PGM's play has led Chalice management to implement a program to acquire interests in platinum and palladium projects. There are only two primary producers of PGM's in North America; the Stillwater Mine in Montana and the Lac des Iles Mine in northwestern Ontario.

Many geological similarities, at both of regional and local scale, between the platinum producing Noril'sk area of Russia and the Midcontinental Rift System of the Lake Superior area of northwestern Ontario make this region prospective for the discovery of new PGM deposits.

The road accessible property covers 2.56 square km of unexplored ground on which a significant, semi-circular airborne

agnetic anomaly was located by regional airborne geophysical surveys performed on behalf of the Ontario Geological Survey. The non-linear nature of this geophysical anomaly, having a total magnetic field expression in excess of 61,000 gammas, and the proximity of this feature to significant northwest trending fault structures suggests the cause of the geophysical anomaly may be an ultramafic intrusion, a geologic environment required to host PGM deposits.

The terms of the Melvor property acquisition require Chalice to make staged cash payments totalling \$90,000 and to issue 70,000 shares by 23Apr2001. The vendors retain a 2% net smelter return royalty interest which may be reduced to 1.25% on the payment of a further \$500,000. Chalice continues to pursue the acquisition of the PGM projects in northwestern Ontario. (SEE GCNL NO.121, 24Jun98, P.2 FOR PREVIOUS PLATINUM PROJECT DATA)

CONSOLIDATED MAGNA VENTURES LTD.

[CMV-V] 24,704,632 SHS.

BIG ONION PROGRAM STARTS - Robert A. Archer, director, Consolidated Magna Ventures Ltd., reports fieldwork has begun on the Big Onion project, a well-known porphyry copper deposit located 16 km east of Smithers, north-central BC. Cons. Magna acquired the 81 unit (2,025 ha.) property in 1996 and has an option to earn a 100% interest subject to a 2% NSR. The company recently signed a sub-option agreement with junior capital pool company **GLADIATOR MINERALS LTD.** [GLM-ALBERTA]. Under the terms of this agreement, Gladiator can earn 50% of the property by paying \$275,000, issuing 150,000 shares and spending \$1,000,000 on exploration, all over three years. An additional payment of \$250,000 in cash or shares equivalent must be made to Cons. Magna on the earlier of commercial production or 20Feb2004.

Previous work in the 1960's and 1970's by Canadian Superior, Texas Gulf, Cyprus and Noranda established a geological resource of 3,000,000 to 100,000,000 tonnes of 0.42% copper and 0.02% molybdenum. Subsequent work by Varitech Resources Ltd. in 1991 identified the presence of a significant thickness of supergene enrichment that returned positive results from metallurgical tests employing leaching methods of copper recovery.

Gladiator is now committed to the first \$200,000 of exploration expenditures and this work is currently underway with Cons. Magna as the operator. Exploration will focus on expanding the known resource by following up on several IP anomalies identified in the 1960's along strike from the drilled-off portion of the deposit. The program will begin with pole-dipole induced polarization (IP) and magnetic surveys to redefine the anomalies followed by 1,000 metres of diamond drilling.

Cons. Magna is of the view there is excellent potential to increase the size of the Big Onion deposit through the discovery of new zones to the south and southwest of the known mineralization. The application of modern geophysical methods should better define the IP anomalies, which could be related to disseminated sulphide mineralization. Additionally, the identification of higher-grade supergene copper mineralization could improve the project economics through the application of lower cost SX-EW technology.

In other news, diamond drilling at the Koala project in Chihuahua, Mexico has been suspended to allow the assays to catch up with the drilling. A total of eight holes have been completed to date, roughly twice the initial number planned, and have tested a series of mineralized structures over a strike length of 2.4 km. The break will give Magna geologists the opportunity to receive assay results and correlate them with the geology in order to better understand the controls on mineralization. Management is encouraged by the results of drilling to date wherein lead, zinc

mineralization appears to be predominantly associated with a series of dykes and sills, typical of replacement-style systems. The intensity and extent of alteration and brecciation observed in the core is further evidence of the significant proportions of this system. It is expected drilling will resume mid July. Cons Magna has granted **NOVAGOLD RESOURCES INC.** [NRI-T] an option to earn a 51% interest in the Koala II and III claims and 51% out of Magna's option to earn a 95% interest in the Koala I claims. Cons. Magna will maintain operatorship through to vesting by NovaGold, which must spend US \$3,000,000 on exploration. (SEE GCNL NO.93, 14May98, P.3 FOR PREVIOUS KOALA PROJECT DATA)

DIA MET MINERALS LTD.

[DMM-T, AMEX] 21,941,296 SHS.

THREE MONTHS ENDED APRIL 30	1998	1997
REVENUE	\$361,383	\$615,265
EXPENSES BEFORE WRITE OFFS	694,707	1,113,148
INCOME TAXES	131,513	-
NET LOSS	428,112	477,455
WORKING CAPITAL	44,023,847	37,679,711

FIRST QUARTER RESULTS - James Eccott, president, Dia Met

Minerals Ltd., reports financial results for the first quarter ended 30Apr98; see table above. Dia Met holds a 29% interest in Core Zone joint venture with BHP Diamonds Inc., 51% in the Lac de Gras region of the Northwest Territories. The joint venture is developing the first major commercial diamond mine in North America, the Ekati Diamond Mine, on which construction is now 91% complete. Dia Met also has diamond and gold projects in other parts of the world (SEE GCNL NO.104, 1Jun98, P.1 FOR NWT DIAMOND BULK SAMPLE RESULTS)

GERLE GOLD LTD.

[GGL-V] 22,804,858 SHS.

DOYLE LAKE PROGRAM TO START - Ray Hrkac, president, Gerle Gold Ltd., reports the 1998 program for Doyle Lake is about to begin. The Doyle Lake project, which includes the claims known as LA 1-25, is located on the Slave Craton, about 280 km northeast of Yellowknife, Northwest Territories. The company plans to drill two of the lake targets which are accessible from shore. Depending on logistics and other variables, a number of drill targets will also be reviewed for inclusion in either the early drilling program or for drilling in late summer or fall. Originally a number of the lake targets were to have been drilled through the ice. But because of poor ice conditions caused by unseasonably high temperatures this spring, crews were unable to proceed with the planned ice-based drilling; several of these lake targets are too far from shore for summer drilling.

In addition to drilling, the program will include indicator minerals sampling and ground checks of selected target areas

These properties are subject to an agreement between Gerle Gold and Monopros Ltd., (De Beers Consolidated Mines Ltd.) Gerle, 40%, is the operator and project manager at Doyle Lake, working in conjunction with and under the direction of Monopros, which earned its 60% interest in the property in 1997. The Doyle Lake project is financed by Monopros. (SEE GCNL NO.95, 19May98, P.4 FOR PREVIOUS DOYLE LAKE PROJECT INFORMATION)

KERNOW RESOURCES & DEVELOPMENTS LTD.

[KRD-V] 6,168,501 SHS.

WESTONE VENTURES, INC.

[WTV-ALBERTA] 1,750,000 SHS.

LABRADOR GEOPHYSICS UNDERWAY - Alan Matthews, president, reports Kernow Resources & Developments Ltd. and optionee Westone Ventures, Inc. have

AYALON VENTURES LTD.

[AVL-V] 17,762,564 SHS.

CONTINUED FROM PAGE ONE - This initial study is expected to be completed in May, at which time a second phase of testwork will be initiated on a larger bulk sample in order to produce marketable grade concentrates. A detailed mineralogical study will also be carried out in May and June.

The Phase 2 drilling program was completed early March with an additional 3,829 metres drilled in 27 holes. Assays for all 27 holes have now been received and are compiled in the table OVERLEAF P.1. Of the 27 holes drilled in the Phase 2 program, 20 were designed as in-fill holes on 25 metre spacing to better define the near-surface, open-pitatable resource in the Big Whopper petalite deposit, to the 75 metre level. A "global" resource estimated for the deposit following the Phase 1 program, totalled 7,081,700 tonnes grading 1.285% Li_2O and 0.346% Rb_2O . The in-fill holes confirmed that the deposit has excellent internal continuity and consistent grades. With the exception of two holes (S 98-33,53), which intersected a feldspar-rich sub-zone, the assays ranged from 1.278 to 1.617% Li_2O , 0.310 to 0.439% Rb_2O and 0.004 to 0.009% Ta_2O_5 over true widths of 15 to 67 metres. These grades are consistent with visual estimates of petalite and feldspar contents averaging 30-40% respectively. Two deeper exploration holes on Sections 4-60W and 5-00W confirm that the deposit extends to depths of at least 275 metres (where it remains open) with little change in the character or thickness of the mineralized zone. A new calculation of the increased resource for the deposit will be prepared in April, establishing the Big Whopper as one of the two largest petalite pegmatite deposits in the world.

The Phase 2 program also included five exploration holes designed to look for new zones of tantalum mineralization. These holes were drilled on the eastern and western extensions of the Big Whopper system and on a newly-outlined dyke enriched in the lithium-rubidium mineral lepidolite (the Lepidolite Dyke), situated immediately northeast of the Big Whopper. The work was successful in identifying some of the highest grade tantalum mineralization found to date on the Separation Rapids property and confirmed these zones tend to be associated with albite-rich pegmatite dykes located peripheral to the Big Whopper petalite deposit. Hole S 98-49 cut a narrow dyke assaying 0.164% Ta_2O_5 on the little explored western part of the property, and hole S-98-55 intersected a 2.0 metre wide dyke averaging 0.035% Ta_2O_5 on the eastern extension of the Big Whopper system. Numerous similar dykes mapped elsewhere on the property have yet to be evaluated for their tantalum potential, and a follow-up exploration program is scheduled to begin in May. The Lepidolite Dyke also shows enrichment in tantalum relative to the Big Whopper, averaging 0.011% Ta_2O_5 across a 15 metre true width along with 0.728% Rb_2O and 1.662% Li_2O .

Avalon expects to begin the pre-feasibility study in May as soon as a consulting engineering firm has been contracted. In the meantime, the company has begun a baseline environmental study on the property under the supervision of Knight-Piesold, Consulting Engineers of North Bay, Ontario. (SEE GCNL NO.243, 18Dec98, P.3 FOR PREVIOUS SEPARATION RAPIDS DRILL RESULTS/AIAP)

BITTERROOT RESOURCES LTD.

[BTT-V] 14,271,447 SHS.

PLATINUM/PALLADIUM PROPERTIES ACQUIRED - Michael Carr,
director,
reports Bitterroot Resources Ltd. has staked and optioned claims covering 20 square km in the Lake Nipigon region of Ontario. The

claims cover part of a Proterozoic (Keweenawan) ultramafic intrusion and a number of geophysical targets which are prospective for platinum, palladium and nickel mineralization. The geological similarities between this part of the Midcontinent Rift in Ontario and the Noril'sk nickel, platinum, palladium producing region of Russia are well documented.

The presence of a recently discovered surficial platinum, palladium deposit on the nearby Wolf Mountain property confirms the parent magmas which formed ultramafic intrusions in the region are enriched in platinum group metals. The region has not been subjected to systematic exploration for platinum/palladium, despite its favourable geology and good road access from Thunder Bay.

Within the recently acquired land package, Bitterroot has optioned claims covering about 500 hectares on an ultramafic intrusion. Bitterroot can earn a 100% interest in these claims by making staged cash payments totalling \$70,000, issuing 100,000 shares and spending \$400,000 on exploration within five years. The property is subject to a 2% NSR royalty, which Bitterroot can reduce to a 1.25% NSR by paying the vendors \$500,000. The obligations in the first year are a \$10,000 cash payment, the issuance of 25,000 shares and a commitment to spend a minimum of \$50,000 on exploration. The agreement is subject to VSE approval. (SEE GCNL NO.49, 11Mar98, P.6 FOR OTHER INFORMATION)

CHERRY LANE FASHION GROUP (NORTH AMERICA) LTD.

[CFG-V] 19,180,000 SHS.

PERUVIAN PROJECTS OPTIONED - Daniel Matthews, president,
reports Cherry Lane Fashion Group (North America) Ltd. has been granted an option from Ulysses International Resources Ltd. of Denver, Colorado to acquire a 65% interest in seven mining claims (+/-3,900 hectares) known as the Halley and Leoncocha gold properties in Southern Peru, subject to due diligence and regulatory approval. The properties are presently under an option by Ulysses which can earn an 85% interest by paying US \$1,405,000 to the owners and spending US \$5,000,000 on exploration by July 10, 2000.

To acquire its 65% interest, Cherry Lane must pay Ulysses US \$280,000 over one year and must keep Ulysses' underlying option in good standing. Upon exercise of the Cherry Lane/Ulysses option, the Halley and Leoncocha properties will be owned as to Cherry Lane 65%, Ulysses 20% and the original owners 15%. At that point, all future work will proceed on a joint venture basis with Cherry Lane responsible for 65% and Ulysses 35% of costs. In the event any party fails to contribute its proportionate share, its interest will be subject to dilution. Cherry Lane will be operator of all joint venture operations for so long as it holds an interest of at least 50%.

The Halley and Leoncocha properties are 140 km southwest of Cuzco, one hour by air southeast of Lima. A recently completed road crosses the southern portion of the more advanced Halley property, allowing easy access to the known zones of interest. Although neither of these properties has been previously evaluated by diamond drilling, adit and glory-hole mining between 1940-1950 saw the removal of an estimated 200,000 tonnes of unknown gold grade from the Quilca Breccia area.

Gold and locally occurring silver mineralization on the Halley property is hosted within a structurally complex Cretaceous sedimentary package displaying extensive areas of brecciation with strong to intense silicification, sericitization and pyritization.

The primary exploration target on the Halley property is the Quilca Breccia which has current exposed surface dimensions of 150 by 160 metres. The Quilca Breccia is one of a series of partially exposed, gold zones within a minimum 700 by 900 metre area of

program will focus on expanding the Cork South zone and will also test the silver rich Gold Cure and Silver Bear zones. (SEE GCNL NO.42, 2Mar98, P.2 FOR PREVIOUS KASLO PROJECT DATA)

GOLDEN KNIGHT RESOURCES INC.
[GKR-T, M, V, NASDAQ]

YEAR ENDED DECEMBER 31, 1997	1997	1996
REVENUE	\$2,073,000	\$19,977,000
EXPENSES	8,764,000	26,008,000
NET LOSS	31,595,000	56,084,000
LOSS PER SHARE	\$1.18	\$3.43

YEAR END REPORT - Robert Quartermain, president, Golden Knight Resources Inc., reports financial results for the year ended 31Dec97. The net loss in 1997 includes asset writedowns of \$27,900,000. Of this amount, \$23,700,000 related to a 17.5% equity investment in Gold Fields Ghana Ltd. (GFGL), \$3,000,000 to write offs of a number of West African exploration properties, and \$1,200,000 related to another investment. The reduction in the carrying value of GFGL reflects reduced gold prices since Golden Knight's acquisitions in GFGL.

The 1996 net loss was due primarily to the \$58,800,000 write-off of a 40% interest in the Casa Berardi joint venture, northwest Quebec. Golden Knight recorded no revenues from production in 1997 as a result of the closure of the mine and its write-off, effective year-end 1996. Subsequent to year-end 1997, Golden Knight reported the sale of its interest in the joint venture to **TVX GOLD INC.** [TVX-T, M, NY]. Under the terms of the agreement, TVX will pay Golden Knight a nominal consideration, assume Golden Knight's obligations and liabilities with respect to the Casa Berardi Mine and release Golden Knight from all amounts due to TVX. (SEE GCNL NO.66, 3Apr98, P.3 FOR MORE RELATED DETAILS)

In 1997, Golden Knight spent \$21,500,000 on investments, exploration in West Africa and Canada. This included \$11,400,000 advanced to GFGL, primarily for Golden Knight's pro-rata equity share of construction costs at Tarkwa, Ghana, where construction of Phase I of the authorized starter project is nearing completion. Over 1,200,000 tonnes of ore have been stockpiled and ore is being conveyed to heap leach pads, with gold production expected to start in the second quarter of 1998.

Other development expenditures included \$1,800,000 at the Oda River Concession in Ghana, largely on infill drilling of the Abore North Zone where a gold resource of 600,000 ounces has been outlined and prefeasibility work substantially completed. The company is the operator and holds a 50% interest in the Manso Nkwanta joint venture which holds the exploration rights to the Oda River Concession. Golden Knight's share of gold resources, including Tarkwa and the Manso Nkwanta joint venture, now exceeds 2,500,000 ounces of gold.

In Burkina Faso, exploration during 1997 included \$1,000,000 at the 90%-owned Seguenega Concession where four areas of gold mineralization have been identified.

In Canada, the company spent \$1,600,000 on the 60%-owned Night Hawk Lake joint venture which has developed numerous targets for base and precious metals mineralization near Timmins, northern Ontario. In addition, Golden Knight invested \$4,150,000 in shares of **CROSS LAKE MINERALS LTD.** [CRN-V] in 1997 and obtained a right of first refusal on a further financing. Cross Lake, which holds a 16% interest in the joint venture, is drilling a zone of massive sulphide mineralization on a wholly-owned property which trends onto the joint venture's ground. In the first quarter of 1998, the joint venture completed a \$550,000 program of geophysics and diamond drilling and results will be reported on receipt of all assays.

At year-end 1997, Golden Knight had no long-term debt. The

company's major asset is its 17.5% interest in Gold Fields Ghana Ltd. which holds the mining rights to the Tarkwa Concession. Golden Knight also has interests in 12 exploration concessions in Ghana and Burkina Faso, and the Night Hawk Lake joint venture and CFM claims in the Timmins gold and base metal camp.

HOME VENTURES LTD.

[HMV-V] 13,212,516 SHS

PLATINUM PROSPECT ACQUIRED - Clive Brookes, director, reports Home Ventures

Ltd. has entered an agreement to earn an 100% interest in a platinum/palladium prospect known as the Buck Lake property consisting of eight claims in the Thunder Bay Mining Division, northwest Ontario. Under the terms, Home must pay \$250,000 over six years, spend \$150,000 on exploration, issue 200,000 shares in four tranches of 50,000. The agreement is subject to a 2.5% NSR with an option to purchase back 1.25% for \$500,000. Home has also negotiated a 1,000,000 unit private placement consisting of one share at 15¢ and a two year warrant with an exercise price of 15¢ the first year and 18¢ the second year. A total of 666,667 of these units will be flow-through. The acquisition and the private placement are subject to regulatory approval.

The Buck Lake intrusion is a previously unrecognized mafic to ultramafic intrusion outcropping in the northern part of Buck lake located 24 km west of the Lac des Iles palladium/platinum mine. The main intrusion consists of phases ranging from hornblende gabbro and gabbro-norite to clinopyroxenite and hornblende clinopyroxenite. Hornblende gabbro is the dominant lithology and is typically medium grained with local development of pegmatoidal patches containing biotite and quartz. Ultramafic rocks in the intrusion contain variable proportions of hornblende and clinopyroxene. Breccia zones are common in the intrusion. Melanocratic (dark coloured mafic) phases ranging from gabbro to pyroxenite have been intruded by leucocratic (light coloured) phases to form the breccia. These textures are similar to those observed on the margin of the Lac des Iles Complex. The intrusion is coincident with a regionally documented gravity anomaly.

Previous grab sampling by the property owners has returned assays up to 0.142 oz/ton combined platinum and palladium with several in the 0.05 to 0.09 oz/ton range and anomalous values (more than 100 ppb) along a strike length of over 400 metres. Grab samples from prospecting in 1997 by the owners with assays performed by Chemex Labs in Mississauga returned values of up to 1,440 ppb platinum (1.44 grams/tonne), 1,900 ppb palladium (1.90 grams/tonne), 276 ppb gold (.276 grams/tonne), 5,650 ppm copper (0.56%) and 5,220 ppm nickel (0.52%).

The strike of the intrusive is at least three km with swamp and overburden covering most of this length. The rocks at and near the most prominent showing consist of gabbro to anorthositic gabbro plus what could best be described as hybrid rocks: granitized gabbro or gabbro with granitic veinlets and stringers plus locally brecciated gabbro with granitic fracture filling. These hybrid rocks constitute a minority of the rock observed, but indicate the showings close proximity to the granite/granodiorite intrusion.

Home is continuing to work towards executing a formal agreement on and to investigate two copper-gold properties in the Palpa area of Peru. A geological crew has been dispatched to perform a preliminary evaluation. Management intends to perform additional work on the Bay Claims massive sulphide prospect located south of Smithers, BC in the upcoming field season. The company is pursuing other acquisitions. (SEE GCNL NO.61, 27Mar97, P.7 FOR PREVIOUS RELATED INFORMATION)

ROSCOE POSTLE ASSOCIATES INC.

APPENDIX D

Publications on Valuation of Exploration Properties by

H. Agnerian and W. E. Roscoe

Property Valuation

Valuation of exploration properties

Hrayr Agnerian,
Consulting Geologist
Roscoe Postle Associates Inc.

KEYWORDS: Property valuation, Exploration, Fair market Value, Market value.

Paper reviewed and approved for publication by the Geological Society of CIM. Received January 30, 1996; revision accepted July 8, 1996.

ABSTRACT

The fair market value of an exploration property is determined by its potential to host a mineral deposit. This potential is gauged by the results of previous exploration, exploration stage, meaningful past expenditures and remaining targets that are not yet tested. Values of exploration properties can be viewed as distinct points in a three-dimensional space defined by orthogonal axes, namely: Exploration Stage (x-axis); Cumulative Expenditures (y-axis); and Property Value (z-axis). In general, these values are estimated by applying activity factors on previous exploration expenditures, e.g. an activity factor of 100% for an active property with good potential and a factor of 50% for an active property but past expenditures have not upgraded the property. At certain periods, a market factor may also be applied to reflect the activity of mineral property acquisitions. For properties that do not

exhibit any exploration potential, only nominal values are applied.

Introduction

The fair market value of a mineral exploration property is the price that an informed, willing and independent purchaser would pay to an informed, willing and independent seller at a specific time. The valuation process itself is, by definition, subjective and influenced by the experience of the person who carries out the valuation, as it is predicated on the potential for the discovery of an economic mineral deposit on the property. This paper discusses a method of valuing a mineral exploration property that does not contain a mineral deposit.

Methodology

The methodology of valuing a mineral exploration property discussed in this paper is based on the rationale that property value is based on its potential, which can be gauged by the results of previous exploration, exploration stage, past expenditures and remaining targets that are not yet tested (Roscoe, 1986, 1988, 1994). Thus, it is an appraised value and is dependent on the experience of the valuer in assessing geological environments and market factors, and is predicated on the potential for the discovery of a mineral deposit. If applied properly, experienced geologists should arrive at similar values for exploration properties that exhibit similar geologic features located in similar environments.

In the literature, other approaches of property valuations have been presented, based on a conceptual probability of discovery of a mineral deposit on a mineral claim (Kilburn, 1990), on joint venture terms (Goulevitch, 1991) and on assessment of geological criteria (McDonald, 1989). The value of a mineral property, however, is reflected by the successful upgrading, or downgrading, of the property during the exploration stages.

At certain periods a market factor may be applied to reflect the activity of mineral property transactions. In general, in periods of low market demand exploration property values would be low, e.g. prior to the recent discovery of the Ni-Cu-Co deposit at Voisey's Bay, Labrador, the low market activity in property transactions in Canada during the past few years was due to the depressed state of the exploration industry.

The methodology discussed in this paper is mainly for individuals or companies who are contemplating a transaction of mineral properties involving cash payments, transfer of shares and earn-in commitments as exploration expenditures. These earn-in commitments would, in general, be structured on a schedule of payments and exploration expenditures starting with lower commitments and higher probability of execution in the early years and gradually increasing to much higher commitments, and hence with lower probability of occurrence, in the latter years. Alternatively, if only cash is involved in the mineral property transactions, then the transaction value would be considerably lower than the value arrived at considering earn-in commitments.

The appraised property value may also be compared to transactions of properties with similar attributes to reflect current market conditions. In periods of low market activity, however, it is difficult to compare transactions of mineral properties because of the relative paucity of mineral transactions. Thus, the appraised value approach forms the basis of the valuation method.

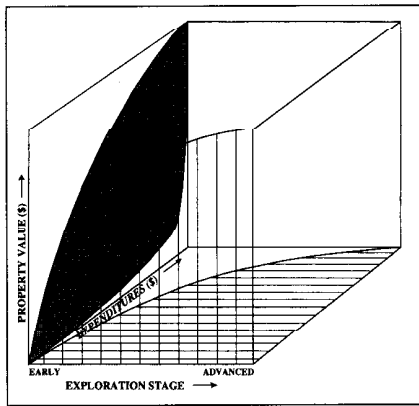
Values of exploration properties can be viewed as distinct points in a three-dimensional space defined by orthogonal axes, namely: Exploration Stage (x-axis); Cumulative Expenditures (y-axis); and Property Value (z-axis), as shown in Figure 1. It should be noted that the curves in Figure 1 indicate general trends with respect to each pair of axes. In general, they are based on two premises:

- the higher the cumulative expenditures, the higher the property value. In some cases, however, past expenditures on properties



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Fig. 1. Values of exploration properties displayed as an array of points in three-dimensional space.



that do not have merit may reflect only nominal values.

- the more advanced the exploration stage, the higher the expenditures, hence the higher the property value.

In numerical terms the value (V) of a property can be expressed as follows:

$$V = A \cdot a + C \cdot F \cdot (E1 \cdot e1 + E2 \cdot e2 + E3 \cdot e3 + \dots) + W,$$

where

- A = Acquisition and maintenance costs; staking, option payments, legal costs, licence and permits
- a = Acquisition factor, $0 < a \leq 1$
- C = Market factor, $0 < C \leq 1$
- F = Activity factor, $0 < F \leq 1$
- E1 = Preliminary exploration expenditures; airborne geophysics, regional geochemistry, geological mapping and prospecting
- E2,3 = Follow-up exploration work; detailed geophysics, geochemical sampling, drilling
- e1, e2 = Retained exploration expenditure factors, $0 < e \leq 1$
- W = Warranted exploration work based on past exploration results, does not include future contingent exploration

The acquisition factor (a) is generally considered to be equal to 1 unless unreasonably high acquisition costs or option payments are involved.

Retained past exploration costs involves a process of two stage factoring, based on technical factors and activity factors, as follows:

- **Technical Factor:** Exploration costs in individual years are factored to result in "meaningful" expenditures which identified the exploration potential. To retain meaningful exploration costs it is important to consider the technical relevance to that portion of the property, age of exploration expenditures and generally accepted industry costs. These are explained in more detail

TABLE 1.

Retained portion	Criteria
100%	Currently active property with recommended work justified and which contains several targets with potential; past work has upgraded the property.
50%	Currently active property; past exploration work has not upgraded property, but recommended work is justified, as there may be untested targets.
25%	Currently inactive property with considerable past expenditures, work is not recommended currently but could be in future, for example, at a higher commodity price or for a new type of target. Past exploration work has tested most of the targets. Also, for a currently inactive property with recommended work that is justified.
0%	Currently inactive property and further work neither recommended nor justified. Nominal value is assessed for the property.

below. Obviously, if past exploration has downgraded the property, then the property value would be low.

- **Activity Factor:** The total retained meaningful expenditures can be factored further, in 25% increments from 0 to 100%, depending on how active the property is, as described in more detail below.

Technical Factors

The exploration expenditures factors (e1,e2,e3 ...etc) define the deemed or retained exploration expenditures for the first, second, third year and so on, which are in turn determined in relation to current exploration costs and at constant dollar values, i.e. applying inflation factors. Some of the criteria for retaining certain portions of past exploration costs are as follows:

- **Technical Relevance:** If airborne geophysical surveys or diamond drilling have been completed over that portion of the property which has been subsequently reduced in size, then these costs would be pro rated according to the current (actual) size of the property. Similarly, one cannot assign credit to work done on adjoining ground, either by the same company or another company, simply based on the claim that these expenditures "increased the geologic knowledge of the area".
- **Age of Technical Data:** The more current the technical information is, the higher its contribution to the e1, e2 and e3 factors will be. In general, exploration expenditures that are older than 10 years are not considered to have much current value. Exceptions to this rule would, of course, be those marginal or subeconomic properties which have had significant diamond drilling expenditures and defined mineral deposits but which are currently inactive, e.g. Izok Lake Zn-Pb (Cu-Ag) deposit in the Northwest Territories. But that is beyond the scope of this paper.
- **Accepted Industry Costs:** Most exploration costs include direct and indirect costs. Direct costs consist of acquisition costs, contracted work by third parties, and work carried out by company personnel. Indirect

costs include legal costs, property maintenance costs, administration and overhead, among others. In general, these costs reflect industry standards for a given period. However, if contracted work has been carried out by a subsidiary of the company, which charged higher than normal overhead rates, or an excessive amount of work was done for testing a target, then these costs are reduced to reflect industry standards. Such excessive amounts of exploration costs were incurred during the "Flow Through Days" of the mid to late 1980s.

Activity Factors

Other criteria for retaining certain portions of past exploration costs, the "F" values in the equation above, are shown in Table 1.

Warranted Future Costs

For exploration properties that are in the early stage of exploration, where little money has been spent, but with good potential, the warranted future expenditures contribute a significant portion of the property value. In general, these costs are related to the detailed geophysical surveys, geochemical sampling, geological mapping and prospecting to define drill targets, and do not include future costs contingent on the results of these surveys.

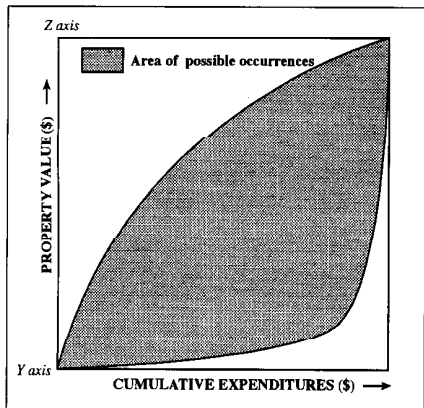
Three-dimensional Space of Property Values

Exploration property values are considered to represent an array of points in a three-dimensional model with axes defined by property value, exploration stage and exploration expenditures. To illustrate the three-dimensional model, let us look at its three components:

Property Value versus Cumulative Expenditures

The shaded area in Figure 2 shows the area of possible occurrences of property values, considering these two axes. In general, the higher the exploration expenditures the higher the property value. However, if a property does

Fig. 2. Property values vs cumulative expenditures.



not exhibit any mineral potential, but has had large past expenditures, then a nominal value is assessed. On the other hand, if there are no significant past expenditures and the property does not have any merit, then its value would be nil. These points are illustrated by the blank area in the lower right corner of Figure 2, as well as the corresponding area for the two axes — Property Value vs Expenditures — in Figure 1. For most exploration properties, the retained exploration expenditures are adjusted to reflect current market value conditions. To illustrate this point, consider the following examples:

Example A:

Company A has acquired a property for \$25,000 and has spent, on average, \$100,000 per year for five consecutive years. The property has been inactive for the past five years, but recommended work is justified. Assuming that (a) the acquisition cost is reasonable, in the opinion of the assessor, then the acquisition factor would be equal to 1, (b) previous expenditures were justified, there is a good market for property transactions, hence a market factor of 1, then the total exploration expenditures would be equal to:

$$V(a) = \$25,000 + (5 \times \$100,000) = \$525,000$$

However, in terms of the exploration expenditures factors (e1, e2 etc...), if current market conditions indicate that the same amount of work could be carried out at say two thirds of the original cost, then the adjusted figure would be:

$$V(b) = \$25,000 + (2/3 \times 500,000) = \$25,000 + \$333,000$$

Furthermore, because the property has been inactive for the past five years, the activity factor (F) would be equal to 0.25 and if, in the opinion of the valuer, future work of say \$50,000 is justified, then the final adjusted "Fair Market" value of the property would be: $V = 25,000 + (0.25 \times 333,000) + 50,000 = \$158,000$

Example B:

Company B has optioned a property from company C and earn-in commitments of \$50,000, \$100,000 and \$200,000 have been fulfilled for a 50% interest. The property is currently active and, although it has not been upgraded by past exploration work, further recommended work is justified based on a number of untested drill targets. The company's 50% share of the property value would then be equal to:

$$V = 0.5 \times 0.5 \times (50,000 + 100,000 + 200,000) = \$87,500$$

Finally, if future work is justified, then this amount would be added to the figure above to reflect the fair market value.

Example C:

Company C has acquired a property through staking in a geologically favourable environment for base metal and/or gold mineralization. Initial staking costs are about \$15,000 and the current exploration budget of \$35,000 is mainly for ground geophysics. Because the company is actively trying to farm-out the property, it has not budgeted for future exploration. However, in the judgement of the valuer, there is good potential for economic mineralization and minimum exploration expenditures of \$150,000 are warranted to test this potential. Even though the company has spent only \$50,000, the property value would be equal to:

$$V = \$15,000 + \$35,000 + \$150,000 = \$200,000$$

As mentioned above, property values are directly proportional to past exploration expenditures. However, in the opinion of the valuer, if some of these costs were not justified, or no new targets were identified, then they may be adjusted by applying a low expenditures factor. See also the example under Market Factors below.

Property Value versus Exploration Stage

The shaded area in Figure 3 shows the area of possible occurrences of property values, considering these two axes. In general, the more advanced the exploration stage the higher the property value. However, if diamond and/or reverse circulation drilling results have not upgraded the property, then only a fraction of the exploration expenditures are retained and included in the property value.

Cumulative Expenditures versus Exploration Stage

The shaded area in Figure 4 shows the area of possible occurrences of property values, considering these two axes. In general, the higher the exploration expenditures the more advanced the stage of the property.

Fig. 3. Property values vs exploration stage.

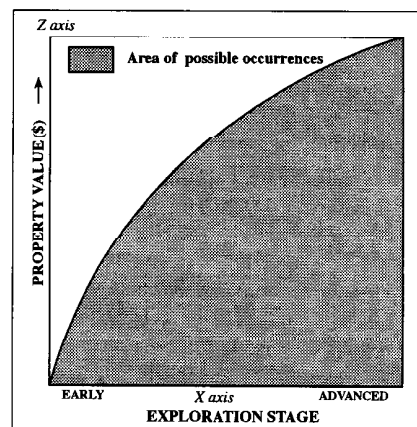
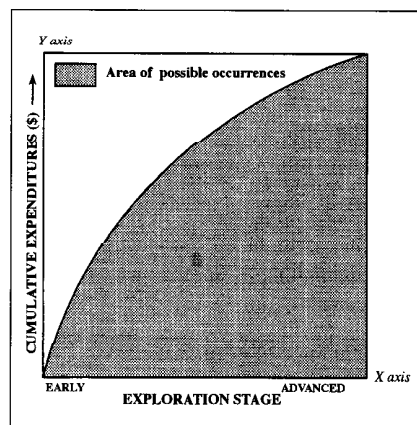


Fig. 4. Cumulative expenditures vs exploration stage.



In the case of a schedule of payments and work commitments not yet fulfilled, the value of the property is reflected in the subjective probability of the optionee making the payments and continuing with the exploration program. As noted above, earn-in commitments for later years in an agreement have a lower probability of being fulfilled, and hence factored at a lower rate, then commitments that need to be fulfilled during the first or second year of an agreement.

It is important to note that the value of an exploration property is determined relative to other properties at a given time, and is based on the following considerations:

Technical Merit

The likelihood of a mineral deposit being present on the property, based on drill hole intersections, would indicate a higher priority for acquisition over another property that contains only untested but interesting geology and geophysical or geochemical targets. Alternatively, a property with interesting geophysical and geochemical targets would have a higher priority for acquisition over another property with favourable geological environment only. In all cases, howev-

er, the terms of the equation above determine the value of the property, if the costs are incurred at the same time as for other properties.

Geographical Factors

When comparing two properties with similar technical merits, the one situated in a remote area would have a lower priority for acquisition than the one situated in an area with infrastructure, but their values may be identical. Obviously, properties with favourable locations — along strike of a known deposit — would have higher value. Properties in close proximity but located in a geologic environment different from a neighbouring mineral deposit are assessed a low value. Finally, if a property is located in an environmentally sensitive area, then it would likely have a low value because (a) it would be too risky to test the potential, and (b) even if a mineral deposit is discovered, its chance of ever being developed as a mine would be in doubt.

Market Factors

The commodity market, financial market, stock market and mineral property market affect the value of an exploration property. Some explorationists confuse the value of a mineral property with its saleability. One example to illustrate this point would be as follows:

Properties A and B are adjacent, acquired at similar costs, situated in similar geologic environments and are at the same (pre-drill testing) stage of exploration. Both properties contain the same number of geophysical and geochemical targets, but additional geophysical surveys have confirmed the presence of the previously detected targets on Property A. Because no new targets have been detected, the value of the property has not increased by additional geophysical work but the property has become more saleable, i.e. the Property A value would still be in the same shaded area of Figure 2. In assessing value to a property it is important to relate it to values of other properties in the same geographic area.

Another example would be an advanced exploration property situated in a favourable geologic environment and close to infrastructure. Based on the number of interesting targets and the potential for economic mineralization this property may become more or less saleable depending on demand and market factors listed above (Figs. 3 and 4). In an inactive market, however, it becomes increasingly difficult to determine the value of a property, as there would be few choices to compare the relative merits with other properties.

Conclusions

The value of an exploration property is determined by the exploration potential for the

discovery of an economic mineral deposit. One component of the value is deemed exploration expenditures. The property value is dependent on the experience of the valuator in assessing geological environments and market factors, and is predicated on the potential for the discovery of a mineral deposit. If applied properly, experienced geologists should arrive at similar values for exploration properties that exhibit similar geologic features located in similar environments.

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NEWS IN BRIEF

INSTITUTE FOR PRECIOUS METALS

An institute for precious metals is in the process of being organized. The purpose of the institute will be to:

- **conduct systematic research** with the objective of maximizing the potential of the process of extraction/separation of precious metals from ore, as well as from the recycled product;
- **teach the subject** of precious metals in a manner that helps the student to fully understand their occurrence and distribution in the ore, as well as in the recycled product;
- **address all other applications** of the precious metals, for example, finances, jewellery, electronics, dentistry, medicine, etc.

NNS '96

Competitive Advantages by Near-Net-Shape Manufacturing (NNS '96) will be held in Bremen, Germany, **December 9-11, 1996**. The conference will present state-of-the-art Near-Net-Shape technologies, including basic technical and scientific features, as well as the most recent achievements in new application technologies. Comparison of economic and strategic aspects to well established production techniques such as machining and joining will be emphasized. The conference theme is focussed on generative and forming methods for the production of metallic components as well as on computer simulation of the processes.

Members of the institute will all be qualified professionals interested in one or more aspects of any or all of the eight precious metals — namely gold, silver, rhodium, ruthenium, palladium, osmium, iridium and platinum.

There is only one internationally reputed institute of this kind in existence today, and that is operating in Kunming, China. The proposed new institute will provide a much needed service to the precious metal community in the western world.

Support, so far, in the form of expertise, data and/or facilities, has been offered by individuals in Europe, China, Australia, the United States and Canada.

For additional information, and full details regarding this project, contact: Dr. Claudia Gasparrini, 2 Lansing Square, Suite 703, Willowdale, ON, M2J 4P8; Tel: (520) 577-2429.

Keynote lectures will cover topics such as: powder metallurgy; casting technology; forming technology; computer simulation; and rapid prototyping.

The progress made in metal injection molding and warm compaction technology will be presented. The conference will provide a sound basis for a comparison of different methods for Near-Net-Shape manufacturing on a technical and economical basis.

Simultaneous translation (English/German) of the conference presentations will be provided. For further details, contact: Deutsche Gesellschaft für Materialkunde e.V., Hamburger Allee 26, D-60486 Frankfurt, Germany; Tel.: (+49) 69-7917-751; Fax: (+49) 69-7917-733.

ROSCOE POSTLE ASSOCIATES INC.

THE VALUE OF MINERAL EXPLORATION PROPERTIES AS RAW MATERIAL FOR NEW MINES

William E. Roscoe, Ph.D., P.Eng.

**Presentation to the CIM Mineral Economics Society Discussion Group
October 12, 1994**

INTRODUCTION

A mineral exploration property is a mineral rights holding on which an economically viable mineral deposit has not been discovered. Exploration work leads to discovery of mineral deposits on a small proportion of such properties. A small portion of these mineral discoveries eventually become new operating mines. The prospector and the much-maligned exploration geologist thus have a valuable role to play in the mining cycle, since exploration properties are the raw material for discovery of new mines to replace exhausted ore reserves at old ones and, hopefully, to expand Canada's metal production.

The intrinsic value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit. In the mining industry, exploration properties are optioned, joint ventured, bought, sold and traded on the basis of perceived exploration potential. There are a number of different approaches and methods which are used to determine the value of a mineral exploration property, all of which are subjective. These are discussed later, but first it is important to examine the types of mineral properties and to define value.

TYPES OF MINERAL PROPERTIES

There are two main categories of mineral properties, exploration properties and development properties. Each require different approaches to valuation.

Development properties are those on which an economically viable mineral deposit has been demonstrated to exist. Such properties are at a sufficiently advanced stage that enough reliable information exists to value the property by discounted cash flow analysis, with a reasonable degree of confidence. In general, such information includes reasonably assured mineable reserves, workable mining plan and rate, metallurgical test results and process recoveries, capital and operating cost estimates, environmental and reclamation cost estimates, and commodity price projections.

The value of a development property is the net present value of a stream of estimated cash flows, discounted at an appropriate rate to properly reflect the risk of the mining project. Development properties include producing mines as well as properties on which development of an economically viable operation is planned.

As noted above, exploration properties are those on which an economically viable mineral deposit has **not** been demonstrated to exist, and its real value lies in its potential for the existence and discovery of an economically viable mineral deposit. Only a very small number of exploration properties will ultimately become development properties, but until exploration potential is reasonably well tested, they have value. Exploration properties can be further subdivided into those with and without quantifiable mineral resources or reserves.

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THE NATURE OF EXPLORATION PROPERTIES

The challenge of the exploration process is to discover economic mineral deposits on those very few exploration properties where they exist. Modern exploration is a process which operates by stages. In general, each stage is designed to get to the next decision point, that is, whether or not to continue exploration on a property, based on results. Each successive stage is, in general, more expensive, due to the progressively more detailed nature of the work required. Whenever an exploration program is carried out to get to the next stage, the value of a property may be enhanced, reduced, or remain the same, depending on how results of the program affect the perceived exploration potential.

The objective of the exploration process is to identify and concentrate work on the properties that show more promise in terms of exploration potential, and screen out the properties which are downgraded by ongoing work. Obviously the properties on which work demonstrates higher exploration potential are more valuable to mining companies. A corollary is that exploration properties on which work demonstrates little or no potential have little or no value.

FAIR MARKET VALUE

Fair Market Value can be defined as the price agreed upon between a willing buyer and a willing seller dealing at arm's length, both fully informed and under no compulsion to act, in an open and unrestricted market, at a given point in time. The effective date at which the fair market value is established is important. This is because mineral property values change over time, depending on events on neighbouring properties, market interest, commodity prices, and the like. Note that there are other types of value, such as appraised value, replacement value, salvage value, book value, assessed value, insured value, etc.

VALUATION METHODS FOR EXPLORATION PROPERTIES

As noted previously, the intrinsic value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit. There are a number of different basic approaches to the valuation of exploration properties, all of which are subjective and have advantages and disadvantages. The approaches preferred by RPA are the cost approach, the comparable transaction approach, and the option agreement terms approach. Methods which follow these three approaches are summarized below. Other approaches and methods which are considered inappropriate by RPA for the valuation of exploration properties include cash flow analysis, the "geoscience factor" approach (Kilburn, 1990), probabilistic methods, market capitalization of a company, value per ton of mineralization in the ground and value per ounce of gold in the ground. Reviews of various valuation methods for exploration properties are given in Thompson (1991) and Glanville (1990).

Cost Approach

The cost approach follows up on the basic premise that the real value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit. Methods using the cost approach assume that the amount of exploration expenditures on a property are related to its value. The cost approach is given some validity by the fact that option agreements on exploration properties are often based on exploration expenditures being required to earn an interest. There is also often a reference to past exploration expenditures in option

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agreements, which can be related to value of the residual interest of the optionee.

One cost approach published by the writer (Roscoe, 1986, 1987) is widely used for valuation of exploration properties in Canada. This method, called the Appraised Value Method by Thompson (1991), is summarized in the next section.

Appraised Value Method

The basic philosophy of this approach is that an exploration property is worth the **meaningful past exploration expenditures plus warranted future costs**. An important element of this method, which is often overlooked in its application, is that only those past expenditures which are considered reasonable and productive are retained as value. Productive means that the results of the work give sufficient encouragement to warrant further work by identifying potential for the existence and discovery of an economic mineral deposit. Warranted future costs comprise a reasonable exploration budget to test the identified potential, which can be geophysical or geochemical anomalies, or promising mineralization already identified. As noted previously, if exploration work downgrades potential, it is not productive and should not be retained as value. Obviously, if the property is considered to have negligible exploration potential, it has little or no value.

Application of the appraised value method requires a thorough understanding of the exploration process, industry standards, and unit costs for drilling and other exploration techniques. It requires that the valuator become familiar with the geological setting, the exploration target, the exploration history and results, and appropriate exploration techniques. These requirements are best fulfilled by seasoned exploration geologists with a variety of experience and sound technical judgement.

A few examples of valuations by the appraised value method are given on the attached sheets. In recent years, because of the depressed state of the market in exploration properties, at least in Canada, RPA has found it necessary to adjust the appraised values by a market factor in order to derive a fair market value. This reflects the reality of the marketplace for mineral exploration properties, in which very few transactions take place. The market factor is based on subjective judgement and takes into account the exploration potential, the location of the property, and activity in the area.

One advantage of the appraised value method is that exploration cost information and technical data are readily available for most exploration properties. It is a good way of comparing the relative values of exploration properties. The main disadvantage is that experienced judgement is required to separate the past expenditures considered to be productive from those considered not to contribute to the value of the property. This leaves the method open to misuse and possible abuse.

Comparable Transaction Approach

The comparable transaction method uses the transaction price of a comparable property to establish a value for the subject property. The difficulty of this approach in the mining industry is that there are no true comparables (unlike real estate or oil and gas), since each property is unique with regard to key factors such as geology, mineralization, costs, stage of

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exploration, and infrastructure. In addition, there are relatively few transactions for mineral properties compared to the frequency of real estate transactions in general. When transactions do occur they rarely involve strictly cash, leaving the valuer the task of converting blocks of shares, royalties or option terms into present day money equivalent. Nonetheless, transaction prices of similar properties can indicate a range of values for a particular property.

Exploration property transactions also give an indication of how active the market may be at any given time. For example, in recent years there have been relatively few exploration property transactions across Canada because of the depressed state of the exploration and mining industries. Consequently market values have been relatively low.

Many or most valuations of real estate properties are done by the comparative transaction method. The value of recent comparable transactions are used with adjustments for location and area, as deemed appropriate. The reliability of the appraisal or valuation depends on an active market in comparable properties in the area of the subject property. Mineral properties are different from real estate properties in several ways. There are no true comparables in the valuation of mineral properties, since each property is considered to be unique. Mineral properties can be at different stages of exploration and development, and their value can vary enormously, depending on the potential for cash flow from an identified mineral deposit, or for discovery of a mineral deposit. In addition there is a small volume in mineral property transactions compared to the real estate market.

The main advantage of the comparable transaction method is that it 'ground truths' the fair market value of mineral properties which are subject to arms length transaction, and provides a general measure of relative property values. The main disadvantage is that there are no true comparables; each mineral property is unique in terms of location, mineralization, geological attributes, exploration potential, etc. Subjective judgement is needed to identify similar properties.

RPA has developed a database of over 500 mineral exploration properties which we have valued over the last eight years. Each property has been categorized as to commodity, location, size, and stage of exploration and has been rated as to exploration potential. This extensive database is used as a basis for comparison whenever we value a new group of exploration properties. Each new property is compared to similar properties in the database to make sure that our current valuation is in line with previous valuations. Ranges of values for various categories of properties are discussed later in this presentation.

Option Agreement Terms

The option agreement terms approach can be applied where a property is subject to an existing option agreement. In a typical option agreement, a schedule of committed and optional cash payments and work commitments applies over a period of several years. An approximation of the value of the property is reflected in the payments made and work commitments fulfilled, plus the subjective probability of the optionee making the rest of the payments and fulfilling the balance of the exploration program.

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This method is best applied to properties being actively explored during the option period. The method is generally not applicable to properties on which the option has been exercised by fulfilment of the payment terms and work commitments. The method is similarly not applicable to properties on which the option has been dropped. Options terms on a property adjacent to or similar to a property being valued can be useful as a guide to valuing the subject property.

One advantage of this method is that it has some real world validity in the early years of the option period. A disadvantage is that the valuation is meaningful only during the early years of the option period. As time goes on and more exploration results are collected, the property value is likely to diverge either up or down from the option agreement terms. Either the results will not justify continued expenditures and the option is dropped, or results will be good enough that further expenditure and payment terms will seem to be a bargain compared to the property value.

RANGE OF EXPLORATION PROPERTY VALUES

As noted above, RPA has developed an extensive database of mineral exploration property valuations. Of the more than 500 properties valued, most are in Canada and over 400 are gold properties. The attached sheets show ranges of values for various stages of exploration and for various ratings for 435 gold exploration properties. It can be seen that the property values vary greatly with exploration potential rating and with stage of exploration.

The properties are divided into three stages of exploration:

- Grassroots to initial surface work
- Initial drilling to test targets
- Delineation drilling and underground exploration

The properties are also rated as to perceived exploration potential in three priority levels:

- Poor to fair
- Moderate
- Good to excellent

INDEPENDENT EXPERTISE FOR MINERAL PROPERTY VALUATION

The valuation of mineral properties requires the application of considerable subjective judgement. This applies to development properties as well as exploration properties. Experienced professional judgement is essential to assess, for example, the quality of technical data, estimated mineral reserves, exploration results and potential, reliability of feasibility work and cost estimates, etc. For exploration properties, expertise and relevant experience is required in the fields of exploration geology and the valuation of mineral properties.

Independence is an important part of the qualifications of a mineral property valuer. Obviously a person not at arms length to both parties to the expropriation may be perceived to have a bias in the valuation. The Ontario Securities Commission recently formulated Policy Statement 9.1 which includes requirements and recommended procedures for valuations with respect to related party transactions. The policy emphasizes the independence of the valuer.

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SOURCES OF INFORMATION

- Glanville, Ross (1990): Evaluation of Mineral Exploration Properties; Paper presented at the Northwest Mining Convention, Spokane, Washington, December 6, 1990
- Kilburn, Lionel C. (1990): Valuation of Mineral Properties which do not Contain Exploitable Reserves; CIM Bulletin, v.83, p.90-93, August 1990
- Lawrence, Ross D. (1989): Valuation of Mineral Assets: Accountancy or Alchemy?; Paper presented at the CIM Annual General Meeting, Quebec, May 2, 1989
- Ontario Securities Commission: Policy Statement 9.1 - Disclosure, Valuation, Review and Approval Requirements and Recommendations for Insider Bids, Issuer Bids, Going Private transactions and Related Party Transactions
- Roscoe, William E. (1986): Getting Your Money's Worth; Northern Miner Magazine, No.1, p.17-20, February 1986
- Roscoe, William E. (1988): Valuation of Mining Exploration Properties; The Land Economist, v.18, No.4, p.3, January 1988
- Thompson, Ian S. (1991): Valuing Mineral Properties without Quantifiable Reserves; Paper presented at CIM Mineral Economics Symposium, Toronto, January 17, 1991

VALUATION OF EXPLORATION PROPERTIES

EXAMPLE 1

Exploration property in Timmins area, near producing gold mine. Meaningful past work consists of 3,800 m of diamond drilling over the past decade. Exploration potential judged to be very good. Exploration budget for proposed work considered reasonable.

Meaningful past expenditures	230,000
Warranted future costs	900,000
Appraised value	1,130,000
Market factor	100%
Fair Market Value	1,130,000

VALUATION OF EXPLORATION PROPERTIES

EXAMPLE 2

Old gold property with marginal reserves. Only 25% of past exploration expenditures considered meaningful. Exploration potential rated as fair. Current drilling on adjacent property.

Meaningful past expenditures	528,000
Warranted future costs	125,000
Appraised value	653,000
Market factor	75%
Fair Market Value	490,000

Compare to a separate valuation one year earlier of \$460,000

VALUATION OF EXPLORATION PROPERTIES

EXAMPLE 3

Past producer with marginal reserves in an established gold camp. Exhaustive surface and underground exploration over 15 years failed to establish economic reserves, and remaining exploration potential is considered to be limited. Salvage of the existing mill approximately balances off the estimated cost of environmental liabilities.

Past exploration in current unit costs	7,000,000
Meaningful past expenditures (retain 10%)	700,000
Warranted future costs	300,000
Appraised value	1,000,000
Market factor	100%
Fair Market Value	1,000,000

Comparable transaction on an adjacent property with better exploration potential:
\$2,000,000.

VALUATION OF EXPLORATION PROPERTIES

EXAMPLE 4

OPTION AGREEMENT TERMS METHOD

Base metal property with good exploration potential in Year 2 of a four year option agreement whereby another company can earn a 50% interest.

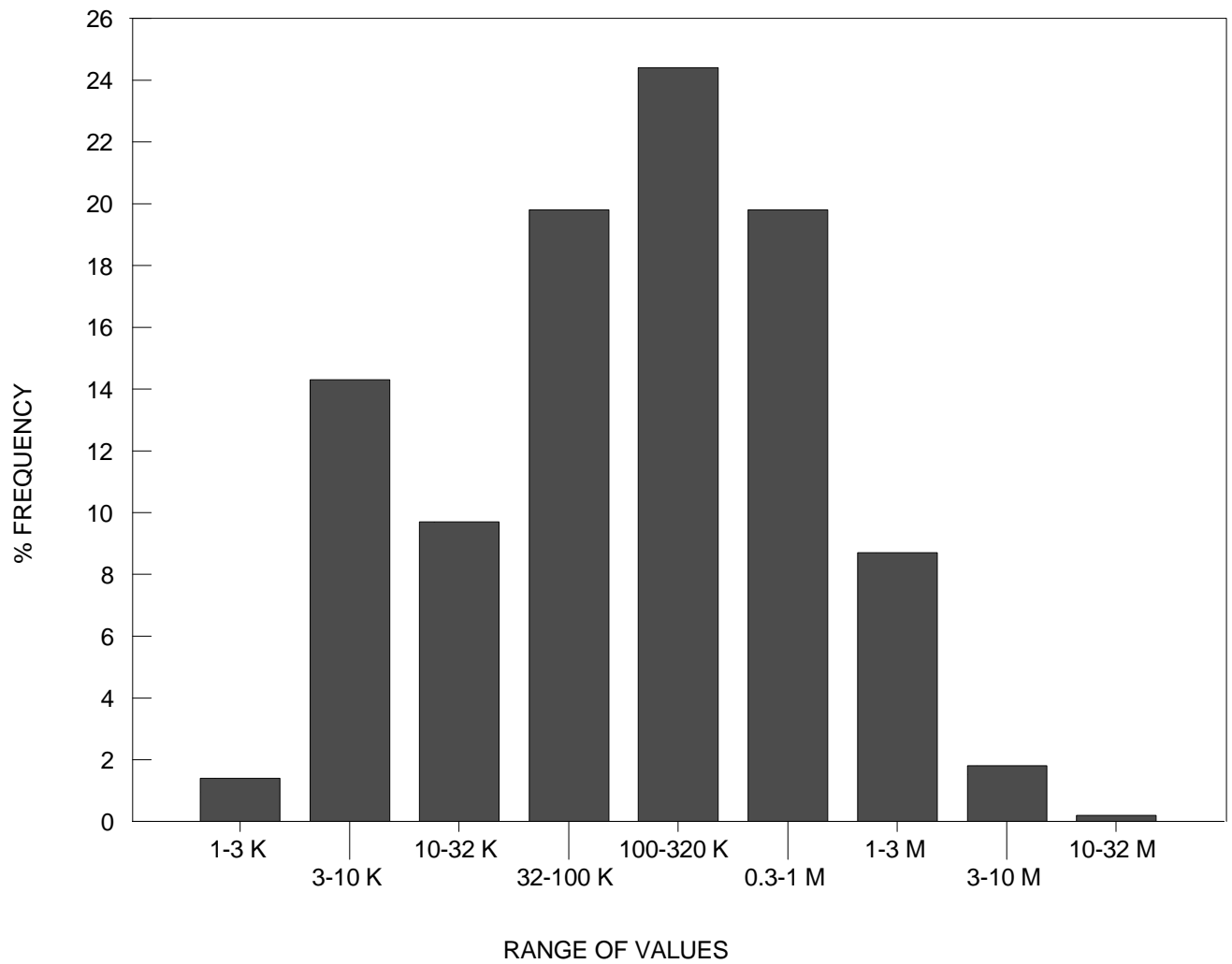
Year	Payments	Work Commitment	Status	Probability	Value Implied
1	10,000	50,000	Fulfilled	100%	60,000
2	30,000	150,000	Committed	100%	180,000
3	60,000	300,000	Optional	50%	180,000
4	100,000	500,000	Optional	20%	120,000
Totals	200,000	1,000,000			540,000

Value is \$540,000 for a 50% interest.

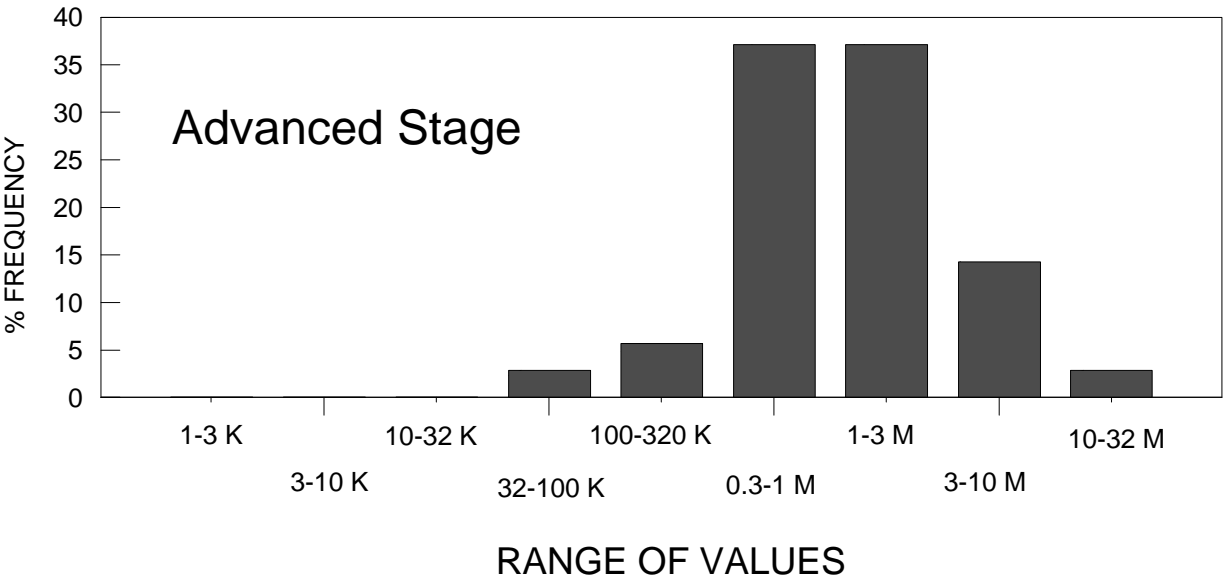
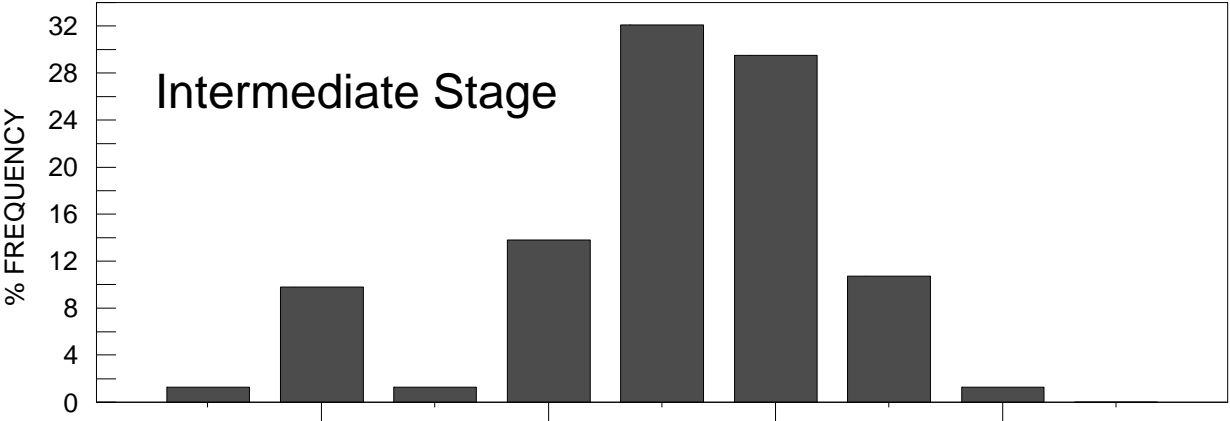
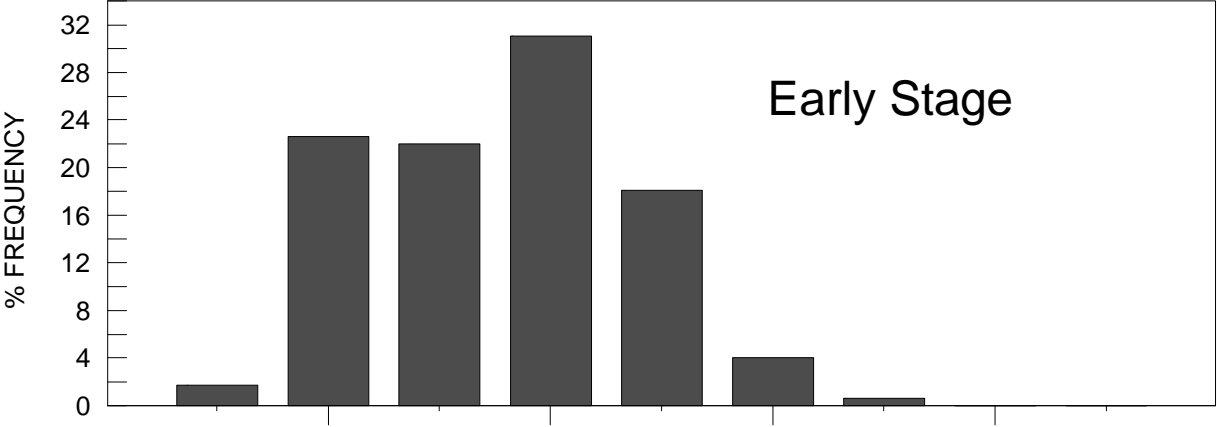
Property value is therefore \$1,080,000.

VALUATION OF EXPLORATION PROPERTIES

435 GOLD PROPERTIES

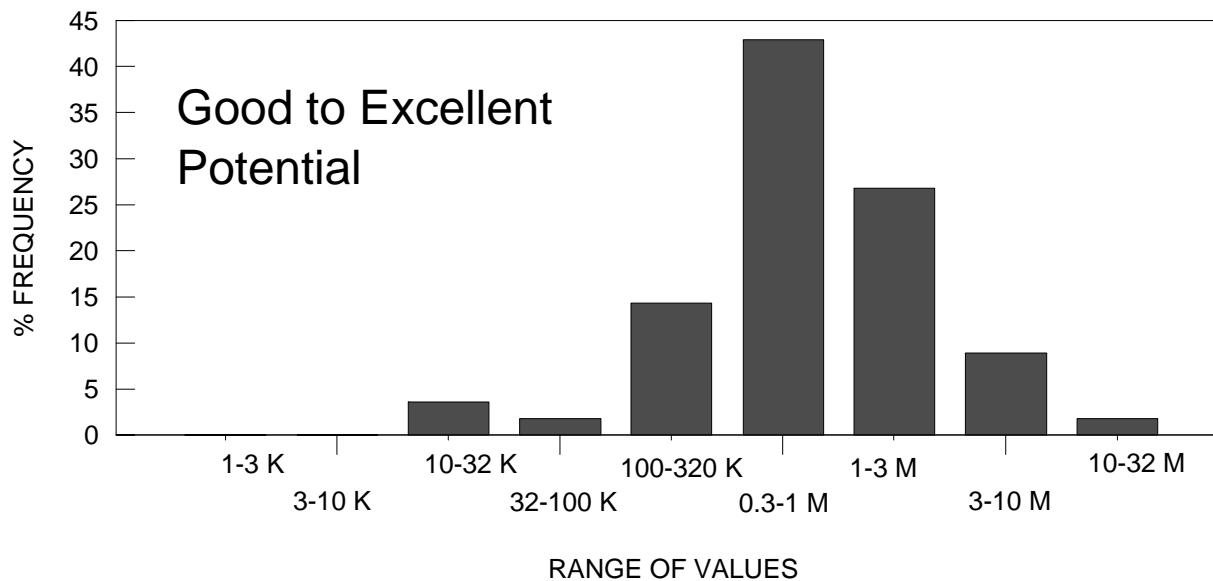
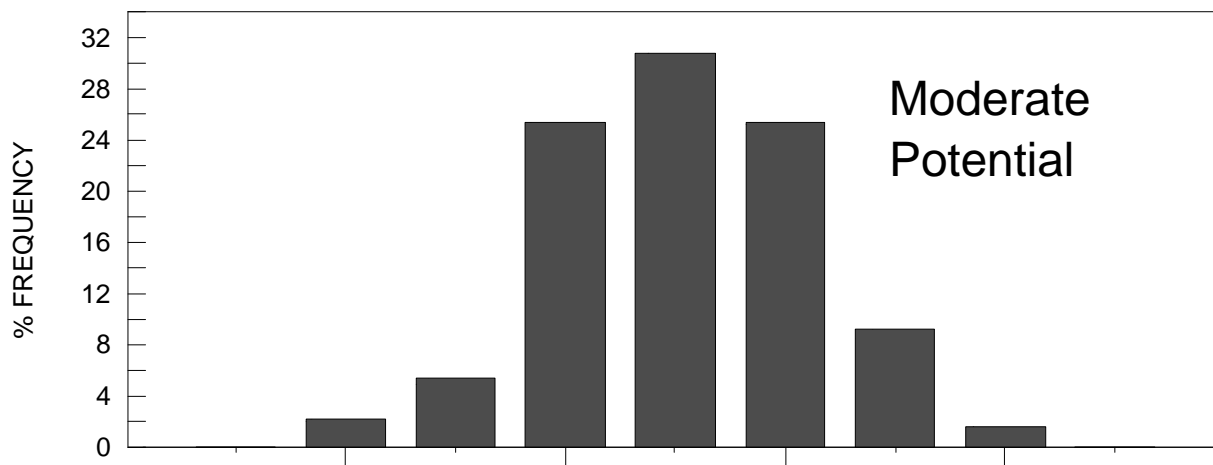
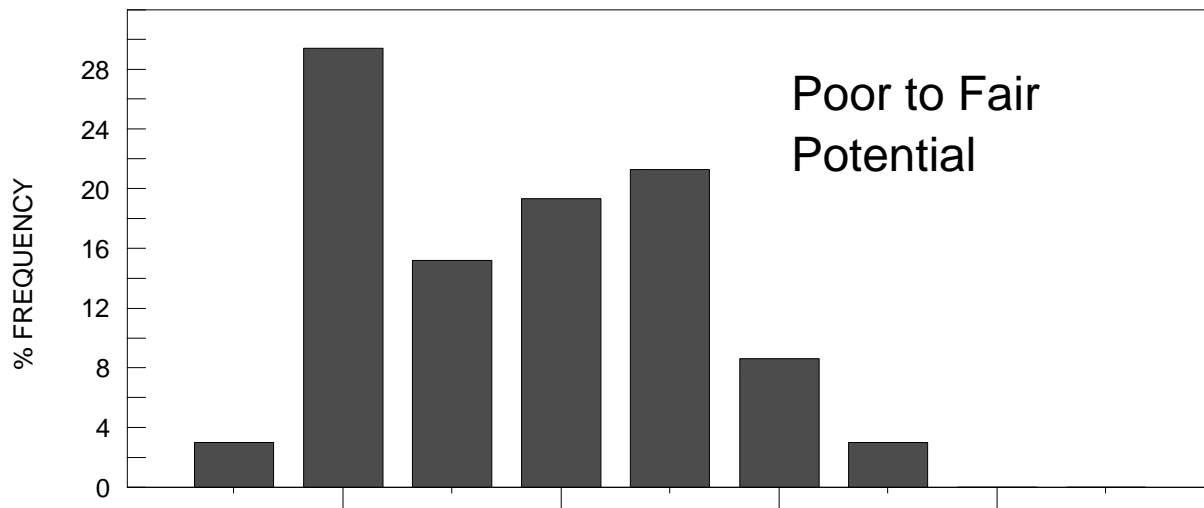


VALUATION OF EXPLORATION PROPERTIES VALUES BY EXPLORATION STAGE



RANGE OF VALUES

VALUATION OF EXPLORATION PROPERTIES VALUES BY POTENTIAL RATING



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APPENDIX E

Description of Ultramafic Rocks

Source: Williams, H., Turner, F. J. and Gilbert, C. M.

Petrography: An Introduction to the Study of Rocks in Thin Sections

W. H. Freeman and Company, San Francisco, 1955

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ULTRAMAFIC ROCKS

Most ultramafic rocks, or ultramafites, contain less than 45% silica and are typified by the scarcity or absence of feldspar. Many of them are found in the lower parts of thick sills, flows, and lopolith - a lenticular or convex-shaped layered intrusion that is sunken in its central part due to sagging of the underlying country rock - where they grade upward into mafic rocks. There are two types of ultramafic rocks, fine-grained type and coarser-grained type.

Fine-grained Types

Most fine-grained ultramafites form individual flows or intrusive bodies marked by scarcity or lack of feldspar, and by a distinctly alkaline composition. A brief mineralogical description of the different rock types is as follows:

Picrite and ankaramite: Olivine (50% - 75%), Ca-plagioclase (10% - 25%), minor pyroxene and hornblende. Pyroxenes are usually diopsidic augite.

Limburgite: These are dark, glass-rich rocks, usually devoid of feldspar. Euhedral phenocrysts of pyroxene are common. Phenocrysts of olivine are also abundant, but seldom more than pyroxene. All these constituents are embedded in a matrix of brown, soda-rich glass.

Feldspathoid-rich types: These are rare.

Katungite: Is a melilite-rich olivine rock devoid of pyroxene, with about 35% of silica content. Apatite, perovskite and titaniferous magnetite are abundant, with minor amounts of biotite, leucite and nepheline, in a greenish groundmass.

Ugandite: Is similar in appearance to katungite, but consists essentially of olivine, with subordinate augite, leucite, perovskite, iron ore and biotite in a matrix of dark glass, generally rich in potash and soda.

Coarser-grained Types

These rocks also occur in layered igneous complexes. A few coarse-grained ultramafites carry a small amount of calcic plagioclase. The different varieties are as follows:

Dunites: These are almost pure olivine rocks. They take their name from Dun Mountain, New Zealand, where they weather to a dun-brown colour. They generally form sills, but they are also found in parallel lenses and cross-cutting pipes, as in the Bushveld Complex, South Africa. Two characteristic features are common: freshness and protoclastic texture. Many dunites are so intensely crushed as to be mylonites, with fine olivine-rich bands containing "eyes" of ovoid

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porphyroclasts. Olivine in most dunites is either forsterite or crysolite. With high contents of chromite and picotite the rock is classed as *olivine chromitite*.

Peridotites: As the name implies, peridotite, like dunite, has olivine for its main constituent, but it contains other mafic minerals in considerable amount. The most common types are:

Pyroxene-bearing peridotites: These are the wehrlite, hartzburgite and lherzolite varieties.

Hornblende peridotites: These are characterized by large poikilitic grains of hornblende that enclose ortho- or clino-pyroxenes, and by olivine. In general, hornblende is formed by deuteric alteration of pyroxenes and olivine.

Mica peridotites (kimberlites): Is the variety of the rocks which occurs in the diamond pipes of Kimberley, South Africa.

Pyroxenites: These are coarse, allotriomorphic-granular rocks consisting mainly of pyroxene. They are not abundant. Some of them form discrete intrusions; others are border facies of basic and intermediate plutons, especially near limestone contacts; and still others are layers in stratified sills and lopoliths. The different varieties are; clinopyroxenites, orthopyroxenites (bronzites), biotite pyroxenites and hornblende pyroxenites.

Feldspathoidal ultramafites: Almost all of these rocks appear to have been produced by desilification of basic magna in contact with limestone or dolomite.

Serpentinities: Huge sills of serpentinites are found in many orogenic belts, where they intrude geosynclinal sediments and are associated with basaltic flows and sills. These serpentinites appear to be hydrothermally altered intrusive dunites and peridotites. Most serpentinites consist of flaky antigorite developed under stress conditions; some are composed wholly or in part of fibrous chrysotile serpentine.