

- 1st 25 holes re-assayed, Consistent 1:2:1 Au:Cu ratio
- Au to Cu

006915

Good this year

BIG CREEK RESOURCES LTD.

NEWS RELEASE

Wednesday, July 15, 1992


R.A. Bruce McDonald, Chairman (BIK-VSE), is pleased to announce the results from the first four holes drilled in 1992 at its Casino gold-copper-molybdenum porphyry deposit in southern Yukon. The locations of these holes relative to holes drilled during the period 1969 to 1973 are shown on the attached map.

| Hole No. | Zone | Depth (ft) | Thickness (ft) | Au (g/t) | Cu (%) | MoS2 (%) | Cu Equiv. (%) |
|----------|-------------|------------|----------------|-----------------------|--------|----------|---------------|
| 123 | Overburden | 0-27 | 27 | -----not assayed----- | | | |
| | Leached Cap | 27-77 | 50 | .59 | .13 | .041 | 0.77 |
| | Supergene | 77-342 | 265 | .90 | .77 | .047 | 1.72 |
| | Hypogene | 342-600 | 258 | .52 | .41 | .032 | 0.97 |
| 124 | Overburden | 0-8 | 8 | -----not assayed----- | | | |
| | Leached Cap | 8-37 | 29 | .39 | .04 | .012 | 0.44 |
| | Supergene | 37-222 | 185 | 1.35 | 1.55 | .026 | 2.94 |
| | Hypogene | 222-600 | 378 | .66 | .58 | .047 | 1.30 |
| 125 | Overburden | 0-10 | 10 | -----not assayed----- | | | |
| | Leached Cap | 10-141.5 | 131.5 | .29 | .11 | .025 | 0.43 |
| | Supergene | 141.5-364 | 222.5 | .33 | .55 | .028 | 0.91 |
| | Hypogene | 364-700 | 336 | .29 | .23 | .024 | 0.55 |
| 126 | Overburden | 0-10 | 10 | -----not assayed----- | | | |
| | Leached Cap | 10-385 | 375 | .43 | .16 | .059 | 0.66 |
| | Supergene | 385-601.5 | 216.5 | .44 | .52 | .053 | 1.03 |
| | Hypogene | 601.5-800 | 198.5 | .32 | .29 | .066 | 0.69 |

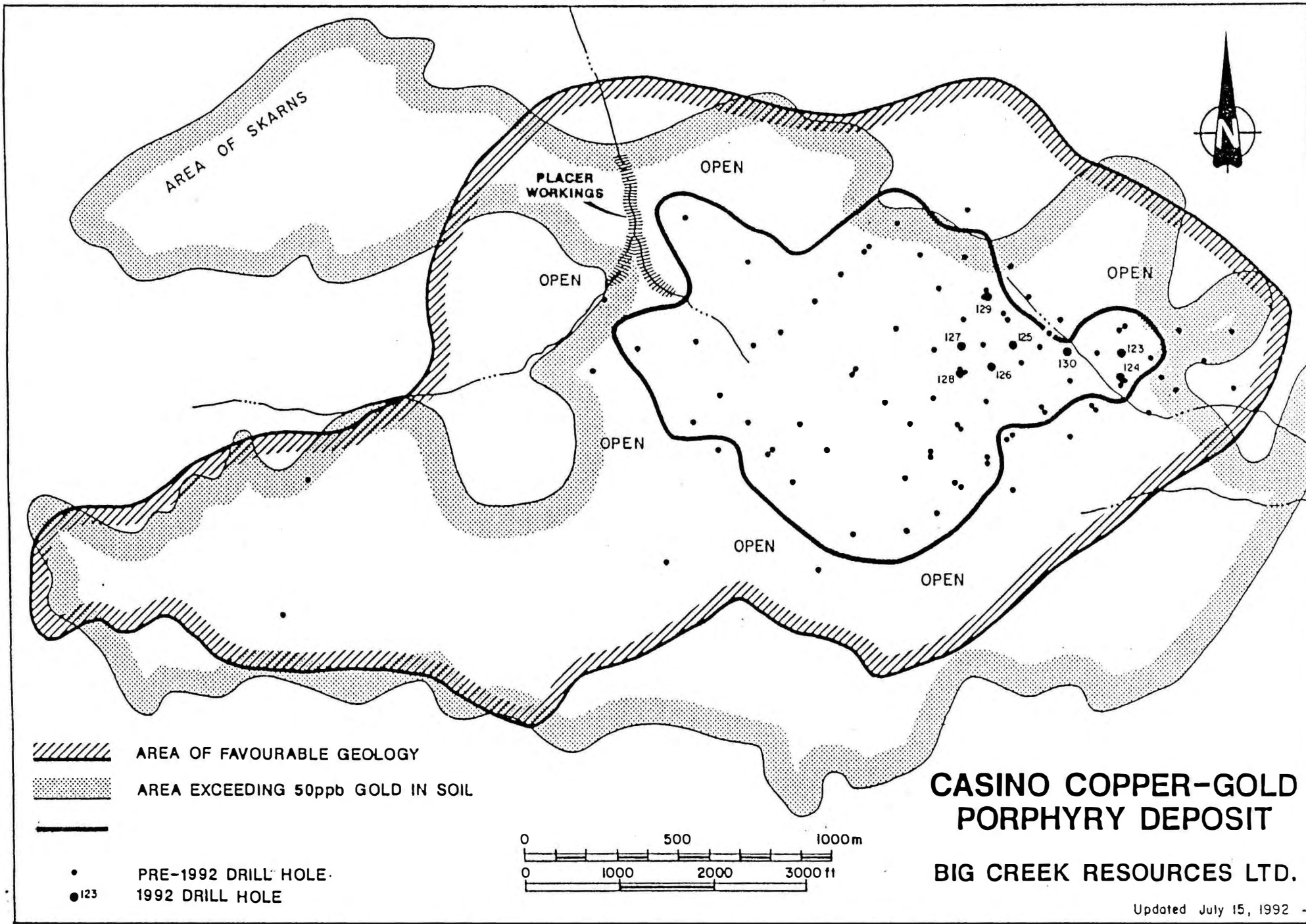
All holes were drilled vertically and all terminated in mineralization. Results for Hole 123 were previously reported on June 29. Hole 124 was drilled 280 feet south of Hole 123 and twinned Hole P22 drilled in 1969. Assays averaged 61% better in gold and 27% better in copper than previously obtained to the same depth. Holes 125 and 126 were drilled to test a different portion of the deposit 1200 feet to the west of Hole 123. Assays are not yet available for Holes 127 to 130 shown on the map.

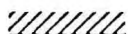


Several major mining companies are reviewing the data and arranging for property visits.

BIG CREEK RESOURCES LTD.

per: 
R.A. Bruce McDonald, Chairman

3:46
Miles 12:1
WGS (revised)



 AREA OF FAVOURABLE GEOLOGY
 AREA EXCEEDING 50ppb GOLD IN SOIL


• PRE-1992 DRILL HOLE
● 123 1992 DRILL HOLE

0 500 1000m
0 1000 2000 3000ft

CASINO COPPER-GOLD PORPHYRY DEPOSIT

BIG CREEK RESOURCES LTD.

Updated July 15, 1992

\$1.30 8m shares.
M.C. paying \$15m to Feeder + Sp. \$3.2m staged.

BIG CREEK RESOURCES LTD.

PRELIMINARY ECONOMIC EVALUATION CASINO DEPOSIT

→ own control of Company
includes rest of porphyry belt
(Cost, Revenue etc.)

GENERAL

The Casino copper-gold-molybdenum deposit, located in southwest Yukon, is one of the largest, highest grade, porphyry deposits in Canada. The claims covering the deposit are owned 100% by Casino Silver Mines Ltd. which optioned them to Archer, Cathro & Associates (1981) Limited in fall 1991. Big Creek Resources Ltd. acquired the Archer Cathro option in November 1991. Under terms of the agreement, Big Creek is required to spend \$2 million in 1992 and an additional \$1.5 million in 1993 to earn the right to sell the property at any time prior to June 1, 1995, provided the sale price exceeds \$15 million. Proceeds of the sale will be split 20% Big Creek and 80% Casino for the first \$15 million, 50% Big Creek and 50% Casino for the portion exceeding \$15 million up to \$100 million, and 60% Big Creek and 40% Casino for the portion over \$100 million. Archer Cathro will receive 5% of Big Creek's share of sale proceeds up to \$100 million and 10% of Big Creek's sale proceeds exceeding \$100 million.

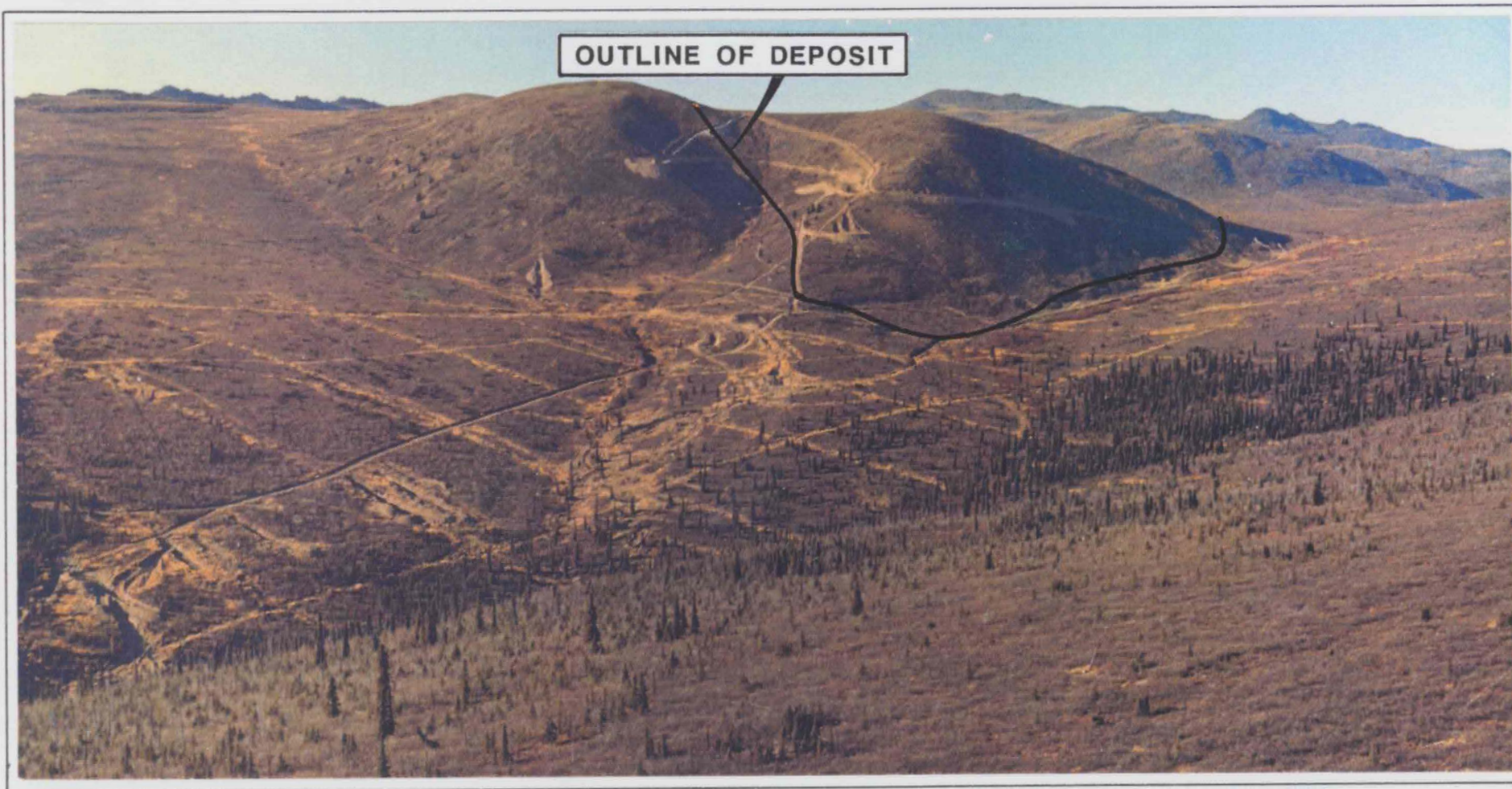
If the property is not sold by June 1, 1995, Big Creek may elect to earn a 50% interest in the property by spending an additional \$4 million prior to 1999. Big Creek's interest would be subject to a 5% net profit interest payable to Archer Cathro from Big Creek's share of future profits.

The agreement with Casino was modified on April 13 to give Big Creek the option of acquiring a 100% working interest in the property by making a \$1,000,000 cash payment by December 31, 1992, \$2,000,000 by December 31, 1993 and \$12,000,000 by December 31, 1994 with Casino retaining a 10% net profit interest.

PROPERTY, GEOMORPHOLOGY AND ACCESS

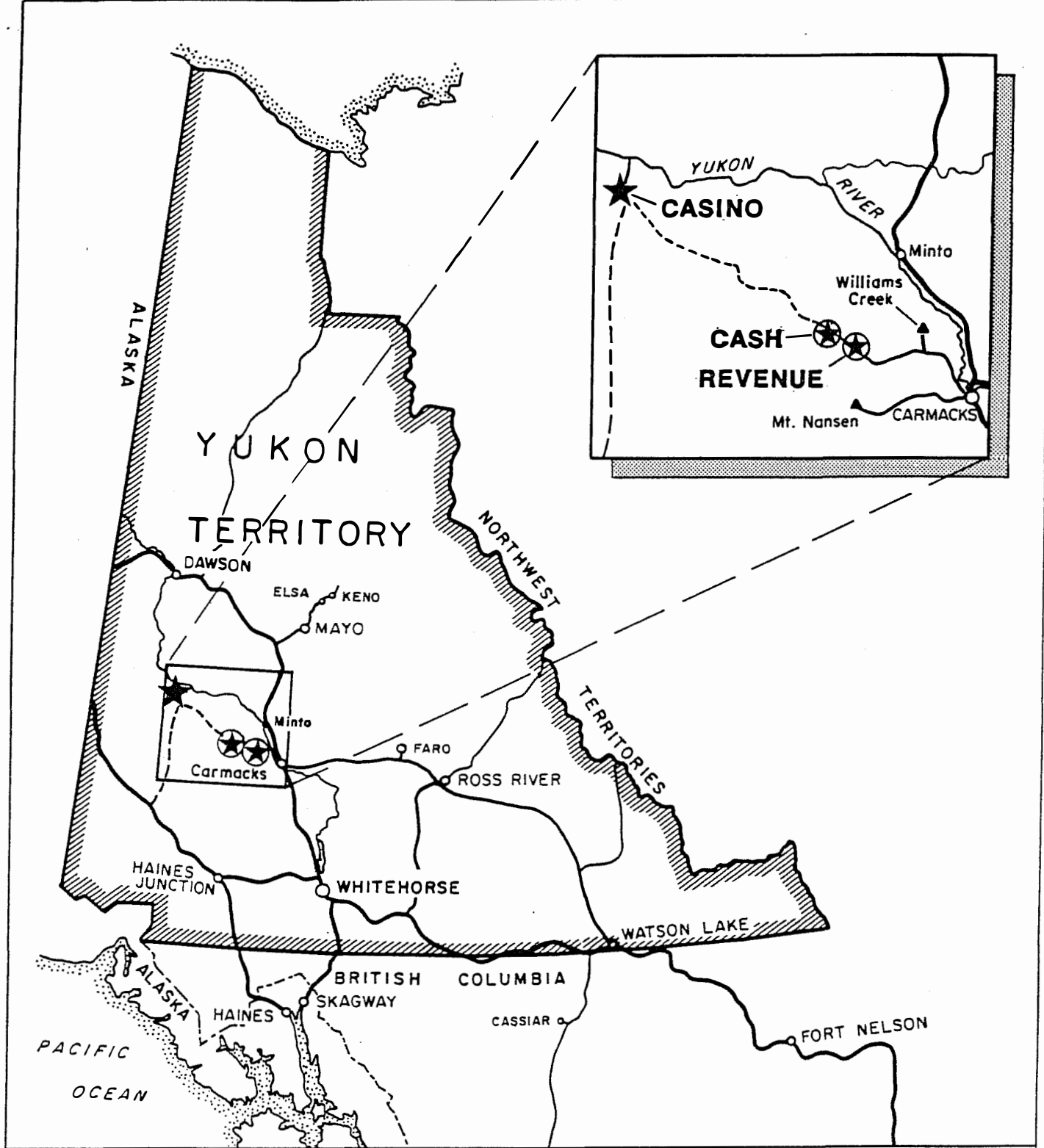
The property consists of 230 mineral claims and is not encumbered by any native land claim. The deposit lies above treeline and there are no specific environmental concerns. It stands out as a topographic high in an area of gentle relief and is therefore ideally suited for large scale open pit mining. Average winter temperatures and annual precipitation closely resemble those in the prairie provinces of Canada and adjacent northern states in the United States.

Direct ground access is possible in winter by two routes, as shown on the location map on the following page. The first joins the Klondike Highway at Carmacks and consists of a 45 mile long bulldozer trail that extends northwest from the 74 mile long, government-maintained Freegold Road. The other is a 140 mile long winter road running south from the property to Mile 1095 on the Alaska Highway. In summer, heavy equipment can be mobilized using barge services on the Yukon River from Minto to the mouth of Britannia Creek, coupled with a 12 mile long, secondary road running from there to the property. Year-round access is possible by an airstrip on the property that is suitable for DC-3 aircraft. An extensive road system is already developed on the property.




OUTLINE OF DEPOSIT

**CASINO
COPPER-GOLD PORPHYRY DEPOSIT
LOOKING NORTHWEST**



 Major copper + gold + molybdenum porphyry deposit owned by BIG CREEK RESOURCES LTD.

 CASINO copper + gold ± molybdenum porphyry deposit under option to BIG CREEK RESOURCES LTD.

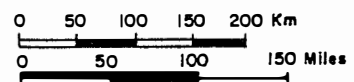
 Winter road

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

LOCATION MAP

BIG CREEK PORPHYRY COPPER BELT

BIG CREEK RESOURCES LTD.



The Yukon government has long recognized the significance of the Casino deposit and recently extended the Freegold Road as part of a road to resources program intended to eventually access the Casino property and other en route mineral and placer prospects.

Total road distance from Casino to deepsea loading facilities at Skagway, Alaska is 338 miles. The road from Carmacks to Skagway is paved and currently handles about twenty, 52 ton truck loads of concentrate per day from the Curragh lead-zinc mine.

HISTORY

Although the Casino area has been actively explored for placer gold since 1912 and silver-lead-zinc veins since the 1930's, the porphyry deposit was unrecognized until 1968 because it is poorly exposed and deeply weathered.

Casino Silver Mines Ltd. was formed in 1965 and aggressively explored the silver-lead-zinc veins both on surface and underground. The Brynelsen Group acquired control of the company in 1967 and did grid soil sampling to explore the porphyry potential before optioning the property to Brameda Resources Ltd. in May 1969. During the period June 1969 to March 1970, Brameda conducted detailed geological mapping, IP and magnetic surveys, and 36,922 feet of diamond drilling in 49 holes (mostly BQ in size). A rotary drill was taken to the property in January 1970. It completed a total of 17,481 feet in 35 holes (5" in diameter) by August 1970 when exploration terminated. The first nine rotary holes were directed toward the best mineralization outlined by diamond drilling, with three of them twinning diamond drill holes to allow assay comparison of the two drilling methods. The last 26 rotary holes were mainly directed toward peripheral portions of the deposit.

In 1973, Teck Corporation acquired 38.4% of Casino Silver's stock and conducted 4,659 feet of diamond drilling in seven NQ size holes. Two holes were drilled to test the extent of a better than average grade area indicated by 1969 drilling while the remaining five tested selected areas within and peripheral to the main area of interest.

In 1985, the upper part of the deposit (leached cap) was optioned to Permian Resources Ltd. and Nordac Mining Corporation (now Big Creek Resources Ltd.) which conducted soil geochemical surveys, column tests and 19,360 feet of bulldozer trenching to explore its heap leach gold potential.

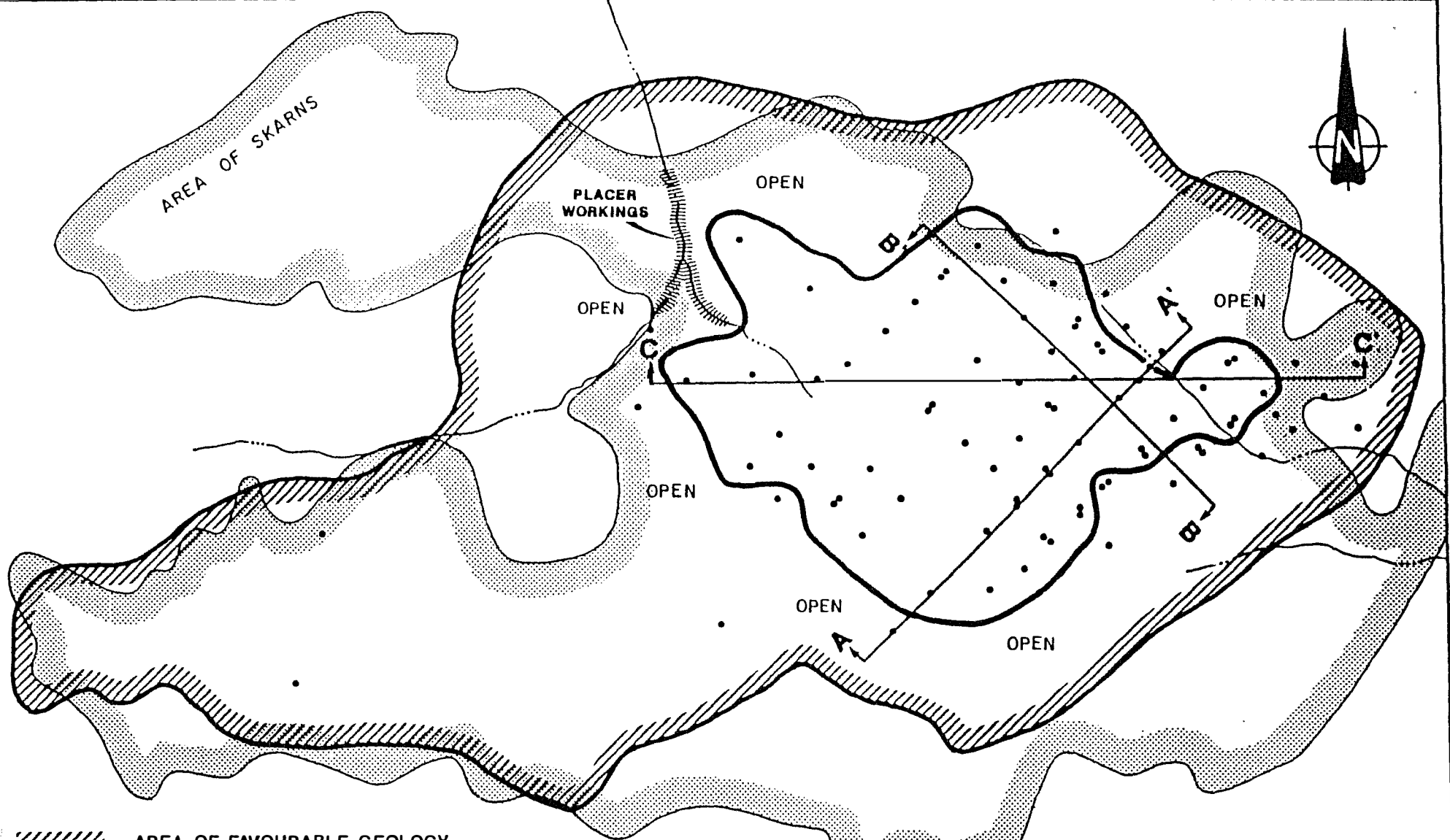
GEOLOGY





The porphyry deposit is hosted by the Casino Complex, a volcanic and subvolcanic suite composed of rhyolite tuffs and related breccia pipes, dykes and porphyritic stocks. The complex is approximately 12,000 feet long by 6,000 feet wide and is dated at 70 million years. It intrudes or overlies Paleozoic metamorphic rocks and Triassic granodiorite. The map on the following page shows the approximate boundary of the Casino Complex, along with the outline of the deposit, drill hole locations and the area of anomalous soil geochemical response for gold.

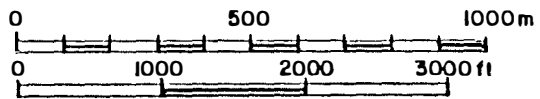
Mineralization occurs throughout the complex but appears to be best developed in and adjacent to breccia pipes, particularly within a 2000 by 1200 foot area near the southeast end of the complex. Hydrothermal alteration affects most of the complex and some of the surrounding wallrocks. It is concentrically zoned with a core of potassic alteration surrounded by less intense phyllic, argillic and propylitic facies.

The deposit has not been glaciated and this, coupled with a high degree of fracturing and permeability, has resulted in deep weathering and development of a classic Arizona-type porphyry with marked vertical zonation of copper. Gold and molybdenum, which are less mobile during surface weathering, do not show the same zonation. The uppermost zone is the leached cap from which the copper has been largely carried away by descending groundwater. It is underlain by an enriched or supergene zone where the dissolved copper has been redeposited as higher grade secondary minerals (primarily chalcocite) that usually replace or coat primary chalcopyrite and pyrite. At Casino, the leached cap ranges from 30 to 500 feet thick and the supergene-enriched zone averages about 250 feet thick. Grades in the supergene-enriched zone are about 1.7 times higher in copper than the primary mineralization it replaces. The deepest zone is referred to as the hypogene zone which consists of primary mineralization that has not been affected by surface weathering or supergene enrichment. The leached cap and supergene-enriched zone are presumed to have had copper grades identical to the hypogene zones before weathering and reprecipitation. The hypogene minerals consist primarily of pyrite, magnetite, chalcopyrite and molybdenite with traces of bornite and hubnerite. The bottom of the hypogene mineralization has not been identified and drilling has shown that it extends to at least 1400 feet below surface.

Three sections through the deposit appear on the following pages. These sections clearly demonstrate the enormous size of the system, the continuity of assays and the marked vertical zonation. They also show that the deposit is open to depth and in three directions laterally. Soil geochemical, ground magnetic and IP surveys have identified several promising targets on the periphery of the deposit that have not yet been drilled.

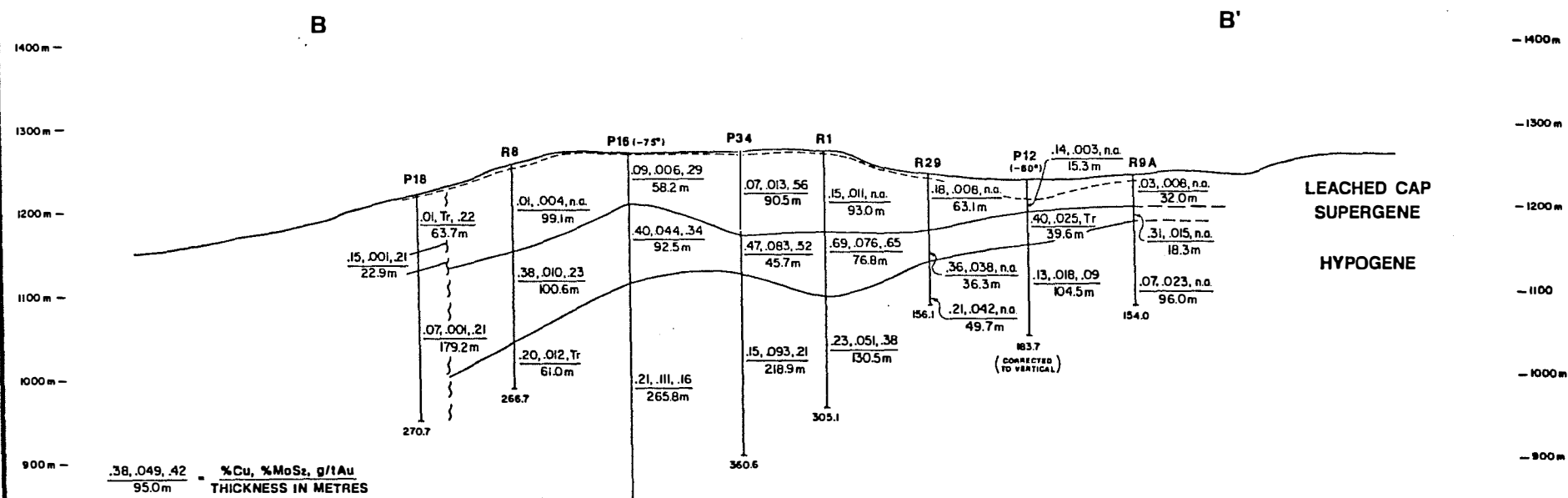
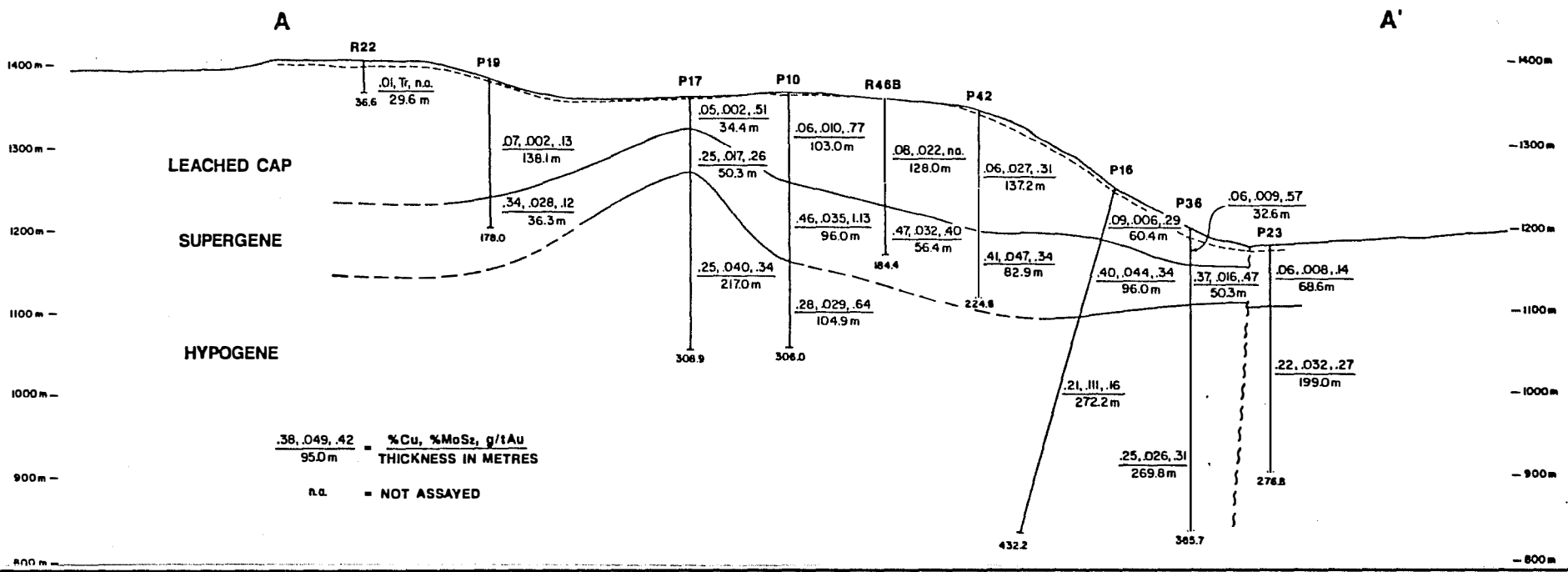


-  AREA OF FAVOURABLE GEOLOGY
-  AREA EXCEEDING 50ppb GOLD IN SOIL
-  379 MILLION TONNES TO 300m GRADING 0.3%Cu AND 0.038% MoS₂
-  PRE-1992 DRILL HOLE



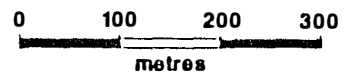
**CASINO COPPER-GOLD
 PORPHYRY DEPOSIT**

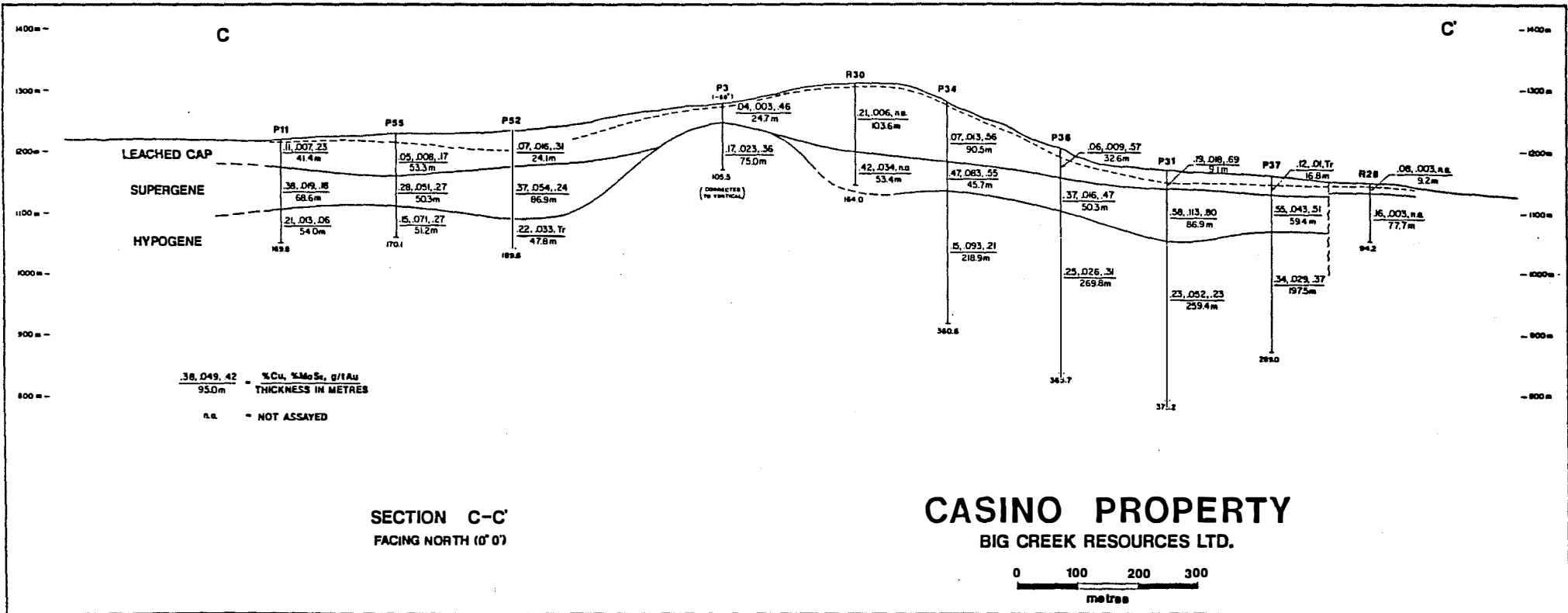
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CASINO PROPERTY

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RESERVES

In late March 1970 after completion of the diamond drilling and the first few rotary holes, mineral inventories were independently calculated by four consultants as follows.

| <u>Consultant</u> | <u>Tons</u> | <u>Cu (%)</u> | <u>MoS2 (%)</u> | <u>Pit Depth (ft)</u> | <u>Approximate Stripping Ratio</u> |
|----------------------------|---------------|---------------|-----------------|-----------------------|------------------------------------|
| Chapman, Wood and Griswold | 193,000,000 | 0.36 | 0.065 | not specified | not specified |
| | 629,000,000 | 0.33 | 0.053 | not specified | 0.55 to 1 |
| | 1,132,000,000 | 0.29 | 0.044 | 1400 | 0.15 to 1 |
| Walter Clarke | 272,000,000 | 0.27 | 0.035 | 1000 | 0.97 to 1 |
| Colin Knight | 427,900,000 | 0.27 | 0.037 | 1000 | 1.4 to 1 |
| Archer Cathro | 209,400,000 | 0.35 | 0.047 | 900 | 1.62 to 1 |

Average gold grades were not calculated by these consultants because the assay data was incomplete and the price was too low in 1970 for it to be a major factor in the economics of the deposit. Drill hole spacing over the deposit ranges from 400 to 800 feet; thus, most of the mineral inventory falls into a possible reserve category.

In 1991, Archer Cathro recalculated the mineral inventory using all of the drill data. This calculation integrated available gold assays and identified an area of higher grade supergene mineralization in the core of the deposit that could be mined during initial production. The 1991 mineral inventory is as follows.

| | <u>Tons</u> | <u>Cu (%)</u> | <u>MoS2 (%)</u> | <u>Au (opt)</u> | <u>Pit Depth (ft)</u> | <u>Approximate Stripping Ratio</u> |
|--------------------|-------------|---------------|-----------------|-----------------|-----------------------|------------------------------------|
| | 417,000,000 | 0.30 | .038 | 0.010 | 1000 | 1 to 1* |
| including Hypogene | 275,000,000 | 0.25 | .040 | 0.009 | 1000 | |
| Supergene | 142,000,000 | 0.39 | .033 | 0.011 | 500 | |
| of which | 71,000,000 | 0.46 | .036 | 0.014 | 500 | 0* |

*Assumes the leached cap overlying the high grade supergene core contains enough recoverable gold to pay for its stripping.

Initial work on the deposit did not systematically evaluate its gold potential. Based on available data, the average gold content in the deposit is 0.010 opt; however, this estimate is almost certainly low for the following reasons. First, the gold assays were done on composite samples using lower analytical sensitivities and higher detection limits than are now used. These analytical procedures resulted in the majority of the assays being reported as trace (which were assigned a zero value in the estimation of average gold content). Second, and probably more important, most of the samples came from small diameter diamond drill holes which typically produced poor core recovery, especially in highly fractured and brecciated areas. Only eight rotary holes were assayed for gold and three of those twinned diamond drill holes so that

comparisons could be made between the two drill methods. Assays from the three rotary holes were significantly higher than the diamond drill holes with grade improvements averaging 37% for copper, 5% for molybdenum and 86% for gold.

Gold grades given in the 1991 mineral inventory are estimates because most of the rotary holes used in the inventory calculations were not assayed for gold. Grades in these holes had to be extrapolated from those in adjacent diamond drill holes. Gold assays are available for 68% of the tons in the supergene core and 52% of the tons in the leached cap overlying the supergene core. Assuming the unassayed material had a similar grade to the assayed material, both the supergene core and overlying leached cap average 0.014 opt gold. These average grades are supported by results from chip samples collected from 19,360 feet of bulldozer trenches cut over the deposit in 1985. The trenches averaged 0.013 opt gold over their entire length and 0.017 opt gold over a 1640 by 1300 foot area in the core of the deposit.

METALLURGICAL TESTING

Preliminary metallurgical tests on drill core composites were carried out by the Colorado School of Mines Research Institute, Golden, Colorado; Britten Research Ltd. of Vancouver; and, Seymour Laboratories of North Vancouver. The Colorado School of Mines testing was done solely on supergene-enriched material and recovered 86% of the copper and 88% of the molybdenite by conventional flotation. Work by Britten was conducted on three types of mineralization: supergene; a mixture of supergene and hypogene; and, hypogene. These tests showed an average work index of 12.0 and flotation recoveries of at least 80% copper and 88% molybdenite in a concentrate grading 25% copper. Gold and silver were found to report with the copper with recoveries up to 88% for gold. Flotation tests on hypogene mineralization by Seymour gave recoveries of 90.7% copper and 93.7% molybdenite.

A 1985 column test of crushed leached cap material recovered 73% of the gold in twelve days with acceptable cyanide and lime consumption.

ECONOMIC EVALUATION

PRODUCTION PARAMETERS

- Assume a 40,000 ton/day mining rate for a mine life of 28.6 years.
- Assume the 71,000,000 tons of high grade supergene ore is mined during the first 4.9 years. This material averages 0.456% copper, 0.036% MoS₂ and 0.0138 opt gold and is capped by 74,500,000 tons of leached material averaging 0.014 opt gold. Because the MoS₂ is much less significant than copper or gold, in subsequent calculations it has been converted to copper equivalents (at a factor of 1.3% MoS₂ to 1% copper). This brings the copper equivalent head grade to 0.50% (excluding gold values). Later mining will focus on the remaining 346,000,000 tons of combined supergene and hypogene ore grading 0.263% copper, 0.038% MoS₂ and 0.009 opt gold. The copper equivalent for copper plus molybdenum in this material is 0.31%.
- Assume stripping of the initial 71,000,000 tons of supergene enriched ore is paid for by heap leach recovery of gold from the leached cap, thereby reducing the effective stripping ratio for this stage of mining to zero.

- Then:

Year 0 to 4.9

- head grade 0.50% copper equivalent plus 0.0138 opt gold
- copper concentrate grade 25%
- copper recovery 85%
- gold recovery 80%
- copper produced per year = 62,050 tons
- copper concentrate per year = 248,200 tons (dry)
- gold produced per year = 161,184 oz
- gold grade of concentrate = 0.649 opt
- zero stripping ratio

Year 4.9 to 28.6

- head grade 0.31% copper equivalent plus 0.009 opt gold
- copper concentrate grade 20%
- copper recovery 90%
- gold recovery 80%
- copper produced per year = 40,734 tons
- copper concentrate per year = 203,670 tons (dry)
- gold produced per year = 105,120 oz
- gold grade of concentrate = 0.516 opt
- 1 to 1 stripping ratio

CAPITAL COST

Current construction cost estimates for a 40,000 ton/day conventional milling operation (including allowances for the remote location where applicable) are as follows:

| <u>Item</u> | <u>Description</u> | <u>Cost Million \$ Can.</u> |
|-------------------------|----------------------------------|---------------------------------|
| Access road* | - initial road access | 5.0 |
| Plant site | - excavations, piping, concrete | 8.0 |
| Primary crusher | - 60" x 89" | 10.0 |
| Coarse ore stockpile | | 6.0 |
| Conveying | | 7.0 |
| Concentrator | | 85.0 |
| Water systems | | 6.0 |
| Shops and warehouse | - including tools and equipment | 10.0 |
| Change house | | 2.0 |
| General office | | 2.0 |
| Assay lab | | 1.0 |
| Miscellaneous buildings | | 2.0 |
| Power supply | - 31 miles of transmission lines | 5.0 |
| | - substations and distribution | 3.0 |
| | - 50 MW coal plant | 50.0 |
| Open pit equipment** | - 3x27 cu yd electric shovels | 15.0 |
| | - 13x195 ton haulage trucks | 19.5 |
| | - 3x12.5" blasthole drills | 3.0 |
| | - dozer, graders, etc. | 3.0 |
| | - service vehicles | 3.0 |

| <u>Item</u> | <u>Description</u> | <u>Cost</u> <u>Million \$ Can.</u> |
|-----------------|---|---------------------------------------|
| Pre-stripping | | 5.0 |
| Tailing dam | - initial construction | 5.0 |
| | - pond preparation | 2.0 |
| | - pipeline and reclaim system | 5.0 |
| Port facilities | - concentrate storage facilities in Skagway | 5.0 |
| Accommodation | - 150 single person accom. and recreation | 5.0 |
| Transportation | - employee transport system | <u>2.0</u> |
| | TOTAL DIRECT COSTS | - 274.5 |
| Indirect costs | - construction overhead (7%) | 19.2 |
| | - operation overhead (1%) | 2.8 |
| | - project management (10%) | 27.5 |
| | - design and engineering (6%) | 16.5 |
| | - freight and duty (3%) | <u>8.2</u> |
| | TOTAL INDIRECT COSTS | - 74.2 |
| Other costs | - contingency (15% of total) | 52.3 |
| | - initial operating costs | 20.0 |
| | - warehouse inventory | <u>4.0</u> |
| | TOTAL OTHER COSTS | - <u>76.3</u> |
| | TOTAL PROJECT COSTS | - <u>425.0</u> |

* - Assumes Yukon Government will construct the final access road.

** - Includes sufficient equipment to mine leached cap.

SUSTAINING CAPITAL

Use about 1% of total project costs as an annual expenditure toward capital projects: say \$4 million/annum.

FREIGHT

Concentrate will be hauled in 52 ton loads by truck from the mine site to the port facility in Skagway, a distance of 338 miles. This will cost about \$42/ton of concentrate based on existing contract prices in Yukon. Assuming concentrate handling and loading in Skagway costs \$2.50/ton and ocean shipping costs \$25.00/ton, total shipping costs will be \$69.50/ton of concentrate. Add 8% for moisture content for a total of \$75.06/ton.

SMELTER TERMS

treatment charge - \$75.00/ton concentrate
refining charge - \$ 0.10/lb copper
 - \$ 8.00/oz gold
payment - 95% of contained copper less 1 unit
 - 93% contained gold less 0.03 opt
assume no penalty metals

METAL PRICES

Assume copper at \$1.00 U.S./pound and gold at \$400 U.S./ounce with Can. dollar at \$0.82 U.S., this will be \$1.22 Can./pound copper and \$488 Can./ounce gold.

OPERATING COSTS

| | |
|--|-----------------------|
| Mine: typical B.C. porphyry mining costs @ \$0.55/ton, plus 18% to cover possible costs caused by remote location | - \$0.65 |
| Process: conventional copper and MoS ₂ , mineral flotation at 40,000 tons/day: | |
| - power at 14 KWH/ton x \$0.03 KWH using local coal | - 0.42 |
| - supplies, reagents | - 1.00 |
| - labour | - 0.30 |
| Plant: assume \$4 million/year | - 0.27 |
| Administration: assume a very high \$10 million/year because of remote location | - <u>0.69</u> |
| | TOTAL - <u>\$3.33</u> |

After year 4.9 add \$0.65 for stripping costs for a total of \$3.98/ton.

SUMMARY

Annual cash flow will be as follows:

Year 0 to 4.9

Copper Revenue:

95% of 248,200 tons concentrate x (500 lbs contained copper
less 20 lb smelter deduction) x (\$1.22/lb less \$0.10/lb
refining charge) less (248,200 tons concentrate x 1.08
to correct for moisture) x \$75/ton smelter charges

\$106,656,500

Gold Revenue:

93% of 248,200 tons concentrate x (0.649 opt less 0.03
opt deduction) x (\$488/oz less \$8/oz refining charge)

68,583,000

TOTAL ANNUAL SMELTER RETURN - \$175,239,500

| | |
|--|-------------------|
| Total Costs: | |
| - operating costs 14,600,000 tons @ \$3.33/ton | 48,618,000 |
| - sustaining capital | 4,000,000 |
| - freight 248,200 tons concentrate at \$75.06/ton | <u>18,629,900</u> |
| TOTAL ANNUAL COSTS | - \$ 71,247,900 |
| Profit/year before taxes, interest costs and capital payback | - \$103,991,600 |

Year 4.9 to 28.6

| | |
|--|-------------------|
| Copper Revenue: | |
| 95% of 203,670 tons concentrate x (400 lbs contained copper less 20 lb smelter deduction) x (\$1.22/lb less \$0.10/lb refining charge) less (203,670 tons concentrate x 1.08 to correct for moisture) x \$75/ton smelter charges | |
| | \$ 65,850,600 |
| Gold Revenue: | |
| 93% of 203,670 tons concentrate x (0.516 opt less 0.03 opt deduction) x (\$488/oz less \$8/oz refining charge) | |
| | <u>44,186,300</u> |
| TOTAL ANNUAL SMELTER RETURN | - \$110,036,900 |

| | |
|--|-------------------|
| Total Costs: | |
| - operating costs 14,600,000 tons @ \$3.98/ton | \$ 58,108,000 |
| - sustaining capital | 4,000,000 |
| - freight on 203,670 x \$75.06/ton | <u>15,287,500</u> |
| TOTAL ANNUAL COSTS | - \$ 77,395,500 |
| Profit/year before taxes | - \$ 32,641,400 |

CONCLUSION

Preliminary economic evaluation of the Casino deposit indicates that the mineral inventory as defined is profitable at current metal contract prices. The \$425 million projected capital cost is repaid in less than five years. Subsequent operations will be highly profitable and can be expected to continue for at least 23 years. There is excellent potential to significantly expand the present mineral inventory by exploring peripheral to and beneath the known deposit.

The 1992 development program will focus on better defining the 71 million tons of high grade supergene ore because this material forms the nucleus of the initial production. The program will also include some holes to test the best soil geochemical and geophysical targets on the periphery of the deposit to look for other previously unidentified high grade centres. All of the drilling will be done with large diameter diamond drill equipment and is expected to significantly increase gold and copper values and dramatically enhance the economics of the project.



BIG CREEK RESOURCES LTD. - GOOD BET AT THE CASINO

Favourable results from drilling on the Casino gold-copper-molybdenum porphyry deposit in the southern Yukon suggest that things are working out for the strategy Big Creek has modelled on that of Hunter-Dickinson's Taseko Mines. The Fish Lake strategy of Taseko is to upgrade a previously developed reserve with new drilling technology, re-interpret its economics in the context of a copper-gold mine, and market the company for a buy-out by a major.

Under the deal with Casino Silver Mines (CSV-V), which is controlled 38% by Teck, Big Creek has the right to earn a 50% interest in the Casino deposit by spending \$7.5 million by the end of 1998. During the term of the option Big Creek has the right to market 100% of the deposit to a third party, with the proceeds split between Casino Silver and Big Creek on a basis ranging from 80:20 to 40:60 according to the value of the sale. Where the deal differs significantly from Taseko's deal with Cominco on Fish Lake, is the additional option to purchase 100% minus a 10% NPI for \$15 million by the end of 1994. To keep this option alive Big Creek must keep the exploration earn-in agreement in good standing, and make cash payments of \$1 million and \$2 million at the end of 1992 and 1993, with a final \$12 million payment due December 31, 1994.

What this means is that Big Creek will not be trying to market the deposit, but rather the option to purchase the deposit for \$15 million. Big Creek hopes to demonstrate through its exploration work that the present value of the Casino deposit less capital costs is considerably more than \$15 million. In the Fish Lake deal Cominco can collect up to \$48 million, with only amounts in excess of \$120 million going 100% into the pockets of Taseko shareholders. Big Creek shareholders have much better leverage. If the Casino deposit were valued at \$120 million, a major could acquire it by making a takeover bid for Big Creek valued at \$105 million, or \$16 per share. Casino Silver would collect only \$15 million in cash payments. A major would consider making a takeover bid for Big Creek rather than negotiating a direct purchase because it could probably get away with an all paper offer similar to that secured by Robert Friedland from Amax Gold for Fairbanks Gold.

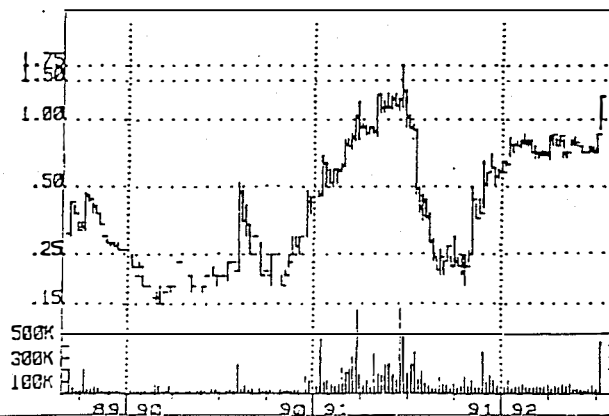
The \$20 takeover bid price that Hunter-Dickinson hope to attract for Taseko Mines suggests a present value of about \$250 million for Fish Lake, plus capital costs. Big Creek's current price of \$1.30 implies a value of about \$22 million for the Casino deposit, which leaves plenty of room on the upside. But a word of caution. Big Creek must still do substantial work to demonstrate that the deposit has any chance of justifying development.

For this reason initial results are very significant. The first hole of the 15,000 foot program returned excellent assays of 0.021 opt gold and 0.59% copper from 77 - 600 feet. The metal content of the combined supergene and underlying hypogene mineralization is 37% higher in copper and 95% higher in gold than indicated by previous drilling. The Casino deposit was drilled in the 1960's by Teck. Big Creek has re-evaluated the drill data and estimates a mineral inventory of 417 million tons of open pit material down to 1,000 feet grading 0.3% copper, 0.003% Mo, and 0.010 opt gold. Current drilling is intended to confirm this inventory and define a high grade core for rapid pay-back. The deposit is open in all directions. Big Creek at this stage is a very speculative play with substantial upside potential.

Big Creek (\$1.35 BIK - V)

Issued: 6,020,002 Public Float: 5.4 mm
Diluted: 6,620,002
Management: Jim Stephen, President
Financial Condition: \$500,000

Ownership: Big Creek has the option to participate in the proceeds of the sale of the Casino property or earn 100% interest (subject to a 10% net profit interest) by making payments to Casino Silver totalling \$15.0 million, according to the following schedule:



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1500 - 700 West Georgia Street
Vancouver, B.C. V7Y 1G1

Telephone: (604) 681-2174
Telex: 04-507666
Fax: (604) 681-5440

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Member of Alberta Stock Exchange
Member of Investment Dealers Association

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| | <u>Cash Payments</u> | <u>Exploration</u> |
|-------------------|----------------------|--------------------|
| December 31, 1992 | \$1 mm | \$1 mm |
| December 31, 1993 | \$2 mm | \$1 mm |
| December 31, 1994 | \$13 mm | \$1.5 mm |

If the property is not sold by June/95, and \$3.5 million in exploration has been spent, Big Creek earns a 20% interest which can be increased to 50% with \$4.0 mm in further expenditures by Dec/98.

It is crucial that the exploration expenditures be satisfied to keep any interest in the property. If the cash payment schedule is not met, Big Creek can only earn a maximum 50% interest by completing the \$7.5 mm in exploration expenditures.

A very attractive aspect of the deal is the structure of the property agreement which increases the potential for a buy-out of Big Creek by a third party. Big Creek receives an escalated portion of a purchase price paid for the property but this is academic. Unlike the Taseko deal where a buy-out is no different than a purchase of the property, a third party could buy-out the shares of Big Creek and then pay the \$15 mm to Casino. This is a far cheaper way for a major to take over the property where most of the money goes to Big Creek.

Project History: Casino Silver (38%-owned by Teck) explored the Casino property in the late-1960's with 55,000 feet of drilling. They developed a small two pit mining plan containing only 170 million tons grading 0.37% copper, 0.039% molybdenite, and 0.010 opt gold. This drill program is noted for its poor core recovery. Limited drilling by Teck was completed in 1973 with little excitement. No other exploration has been done to date.

Location: The Casino project is located in southern Yukon. Only 45 miles of road must be constructed to connect the property to the Yukon road system. An all-weather/paved road continues from this point for 338 miles to the deepsea loading facilities at Skagway, Alaska. The Casino deposit is not encumbered by any native land claim and has no specific environmental concerns.

Timing: A total of 8-9 holes will be drilled by mid-July. Six holes have been drilled to date with the first four holes in for assay. Drilling is expected to continue through the summer with continued success based on consistent results similar to the grade intersected in the first hole.

Evaluation: The first hole of this program is definitely a winner with a 37% upgrade in copper grade and a 95% increase in gold. The better core recovery with modern drilling techniques and larger core seems to be paying off. In the earlier drilling, the samples were only sporadically assayed for gold. A systematic assay program is key to upgrading the gold content.

The mineral inventory of 417 million tons includes 141 million tons of supergene enriched material which is suitable for low cost solvent extraction of copper. This includes a high grade core of 71 million tons grading 0.46% copper and 0.014 opt gold which could provide a quick four year payback.

A copper depleted leach cap of some 70 million tons covers most of the property resulting in a strip ratio of 1:1. However, this cap contains enough recoverable gold to pay for any pre-stripping costs. Preliminary metallurgy yields a 73% gold recovery of the leach cap material. Recoveries of 80% to 90% were obtained from conventional floatation.

The reserve estimate of 417 million tons stated by Big Creek, if confirmed by current drilling, makes this deposit an attractive asset for sale to a major mining company. The deal structure with Casino also increases the potential for a buy-out. The long-term outlook for copper is excellent, and with the added benefit of low cost SX/EW processing, the deposit is a plum. However, the mineral inventory as calculated by Big Creek has yet to be verified, classifying this as a speculative venture.

Andrew Muir, B.Sc., CFA