REDELL MINING CORP.'S LA FORMA MINE AT MOUNT FREEGOLD

The La Forma Property (the "Property") on Mount Freegold is situated in the Seymour Creek watershed 45 kms. (28 miles) northwest of Carmacks, Yukon. Gold was first discovered on Mount Freegold in 1930. Since then the Property and the gold bearing G3 shear zone (the "G3 Zone") have been explored, mined and milled resulting in a wealth of information relating to the Property and the La Forma Mine (the "Mine").

Redell Mining Corp. ("Redell") of Vancouver, B.C. optioned the 400 hectare (1,000 acre) Property in 1993 and carried out a surface diamond drilling and trenching exploration and development program in 1994. Subsequently, the contiguous Antoniuk, Goldstar and Ant properties were optioned to increase the land package (the "Land Package") to a continuous 3000 hectare (7,500 acre) claim block (Figure 1.). The Land Package is situated in the Dawson Trend Porphyry Belt, an area known for gold, silver and copper mineralization of commercial interest.

The Property's geology is characterized by a granodiorite stock cut by two main shear systems: the G3 Zone trending northeast and the Pal Fault trending northwest. Two distinct ore grades have been identified in the G3 Zone:

.higher–grade quartz vein material within oxide clay–sericite alterations having gold values exceeding 3.1 gms. (0.1 ozs.) /tonne; and

.lower–grade within oxide clay–sericite alterations having gold values less than 3.1 gms. (0.1 ozs.)/tonne.

Advanced exploration on the Land Package will begin next field season (1995). A geochemistry field survey will be carried out in selected areas to identify high priority mineralization targets.

Historical information indicates that the known geological reserves in the Land Package are in the order of 300,000 to 350,000 oz. of gold. The ore reserve calculations are being revised to include the results of this year's exploration program.

Redell proposes to carry out a pilot project and, at the same time, complete environmental and socio–economic baseline and feasibility studies prior to full production in 1997. The approach

will be to use surface mining methods followed by both gravity/flotation and leaching gold recovery systems.

Separate test sites are available on the Property for both processing systems. Material for testing will be taken from a starter pit in the G3 Zone south ore body (Figure 2.) approximately .5 km (.3 mile) from the test sites.

The higher–grade ore will be tested with a gravity/flotation system and the lower–grade ore will be leach tested. Approximately 300,000 tonnes of ore have been identified for testing in the G3 Zone south ore body. The gravity/flotation system will involve crushing of the ore prior to processing in a portable, placer–like, plant located near the mill building on level 4 (Photo 2). A closed–circuit water supply will be developed with a dam and settling ponds.

The 1 hectare (2.5 acre) test leaching site will be located at a former camp site on level 4 approximately 1 km (.6 mile) from the G3 Zone (Photo 3). Tests will be carried out on both the lower–grade ore and the tailings from the higher–grade ore gravity/flotation recovery system.

Redell will immediately begin to collect available environmental and socio–economic baseline information. Two field seasons (1995/96) will be available to collect specific data. The topics to be studied include atmospheric conditions, terrestrial setting, vegetation, land use, wildlife and aquatic resources, and hydrology and hydrogeology.

Public consultation and involvement will begin immediately in both Whitehorse and Carmacks. Redell's long–term objectives are to develop the Mine into a financially successful and environmentally secure enterprise which will create a positive socio–economic impact in this emerging mineral development area.

The gazetted government road from Carmacks is being improved so that travel time over the 63 km. (39 miles) to the Mine from Carmacks will be reduced to under one hour and daily commuting should be viable. A small camp will be established at the Mine for the 1995 exploration, pilot testing and study activities. Redell intends to establish an office and housing in Carmacks and, with the improved road, institute a commuter system rather than construct a large camp.

FIGURE 1.

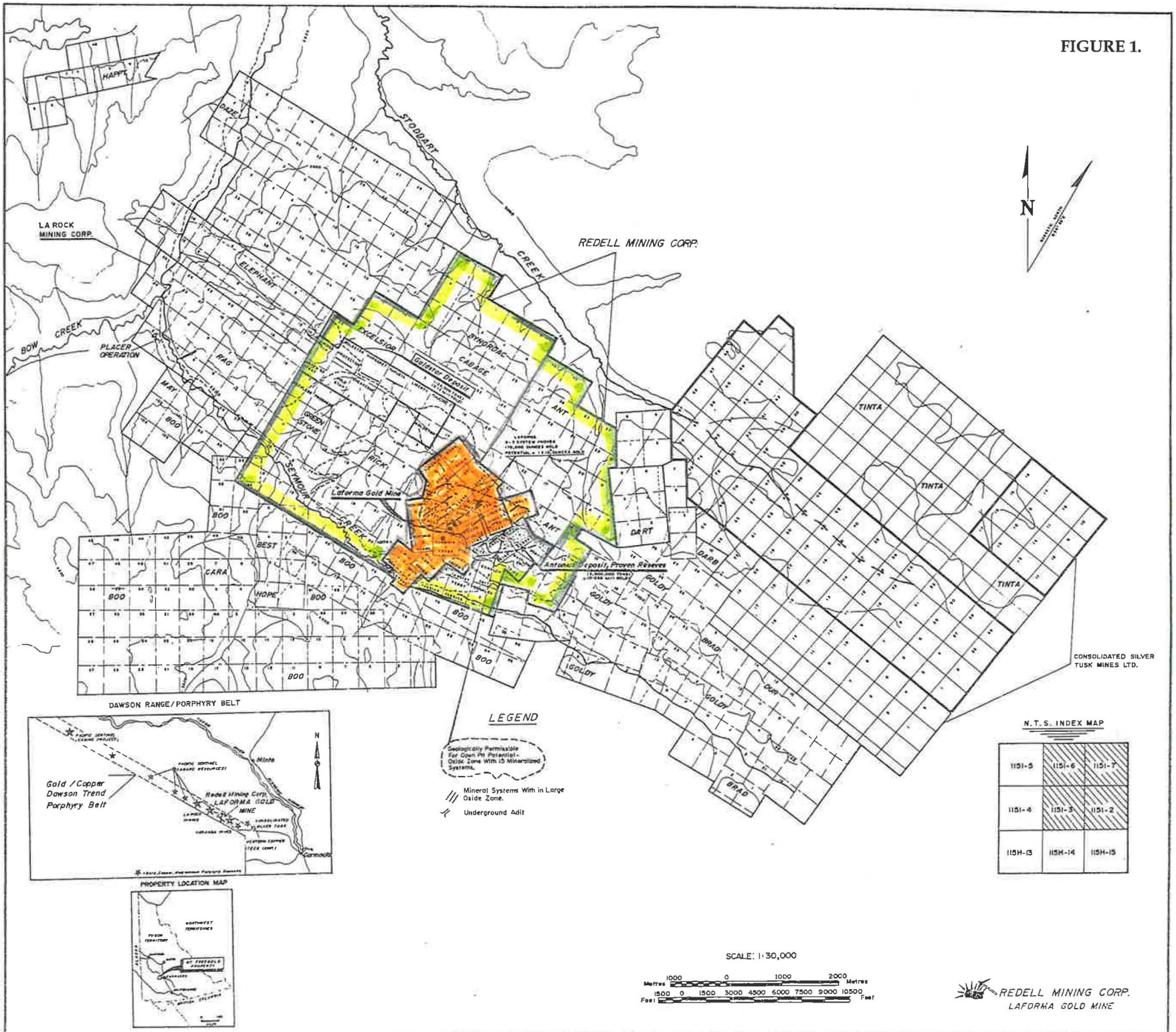
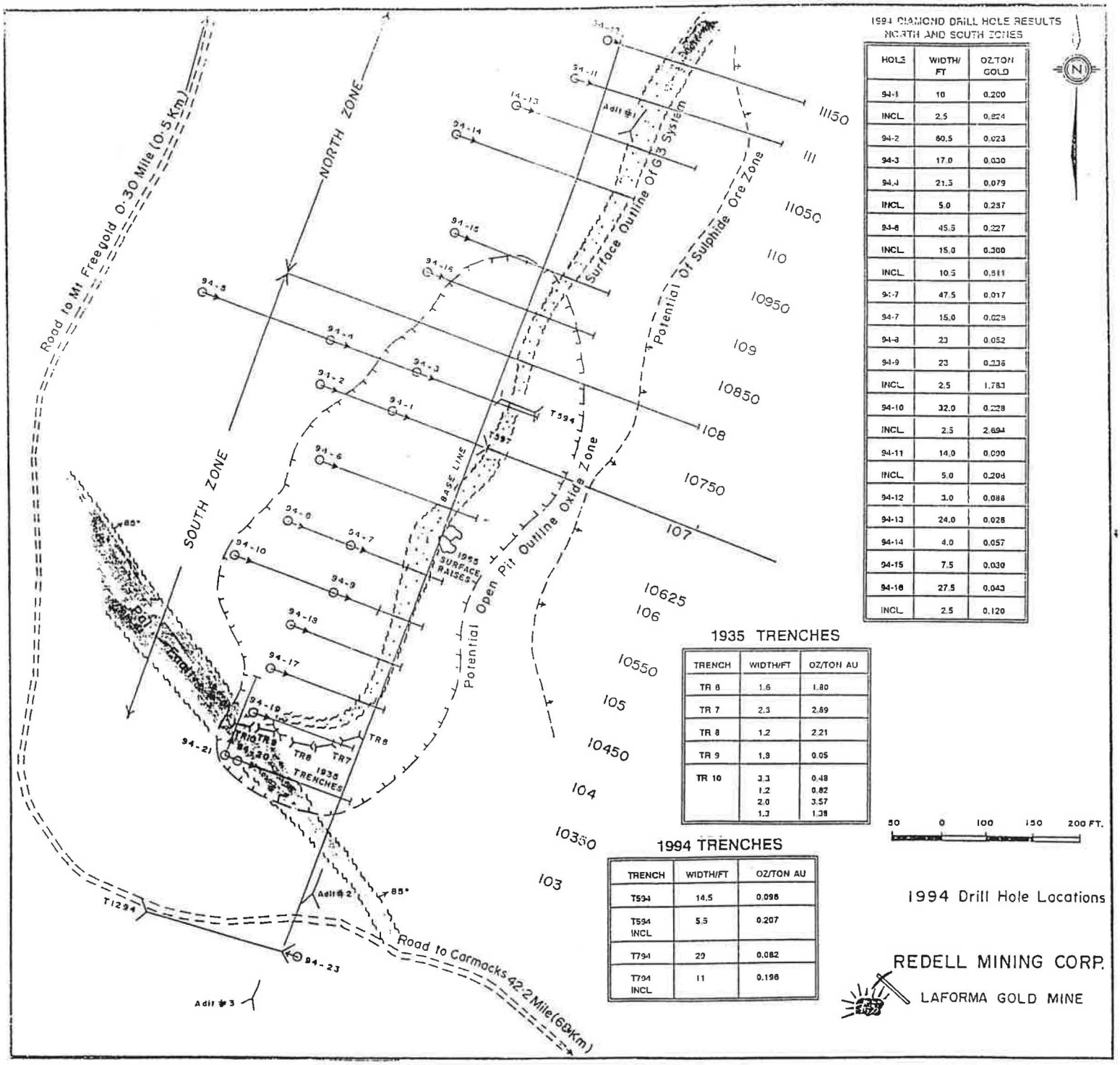

HAPPY
DAZE
STODDART
CREEK
LA ROCK
MINING CORP.
REDELL MINING CORP.
ELEPHANT
BOW
CREEK
PLACER
OPERATION
RAG
MAY
BOO
EXCELSIOR
Galactor Deposit
CABBAGE
SYMROAC
ANT
GREEN
STONE
RICK
SEYMOUR
CREEK
Laforma Gold Mine
Antonio Deposit, Proven Reserves
DART
DARB
GOLDY
BRAD
DUG
TINTA
BEST
CARA
HOPE
N
CONSOLIDATED SILVER
TUSK MINES LTD.
DAWSON RANGE/PORPHYRY BELT
Gold / Copper
Dawson Trend
Porphyry Belt
Minto
Redell Mining Corp.
LAFORMA GOLD
MINE
Carmacks
PROPERTY LOCATION MAP
LEGEND
Geologically Permissible
For Open Pit Potential-
Oxide Zone With IS Mineralized
Systems.
Mineral Systems With in Large
Oxide Zone.
Underground Adit
N.T.S. INDEX MAP
115I-5
115I-6
115I-7
115I-4
115I-3
115I-2
115H-13
115H-14
115H-15
SCALE: 1:30,000
1000 0 1000 2000 Metres
Metres
1500 0 1500 3000 4500 6000 7500 9000 10500
Feet
Feet
REDELL MINING CORP.
LAFORMA GOLD MINE

FIGURE 2.



1994 DIAMOND DRILL HOLE RESULTS
NORTH AND SOUTH ZONES

HOLE	WIDTH/FT	OZ/TON GOLD
94-1	10	0.200
INCL	2.5	0.824
94-2	60.5	0.023
94-3	17.0	0.030
94-4	21.5	0.079
INCL	5.0	0.237
94-6	45.5	0.027
INCL	15.0	0.300
INCL	10.5	0.511
94-7	47.5	0.017
94-7	15.0	0.029
94-8	23	0.052
94-9	23	0.236
INCL	2.5	1.783
94-10	32.0	0.228
INCL	2.5	2.694
94-11	14.0	0.090
INCL	5.0	0.206
94-12	3.0	0.088
94-13	24.0	0.028
94-14	4.0	0.057
94-15	7.5	0.030
94-16	27.5	0.043
INCL	2.5	0.120

1935 TRENCHES

TRENCH	WIDTH/FT	OZ/TON AU
TR 6	1.6	1.80
TR 7	2.3	2.89
TR 8	1.2	2.21
TR 9	1.8	0.05
TR 10	3.3 1.2 2.0 1.3	0.48 0.82 3.57 1.38

1994 TRENCHES

TRENCH	WIDTH/FT	OZ/TON AU
T594	14.5	0.098
T594 INCL	5.5	0.207
T794	20	0.082
T794 INCL	11	0.196

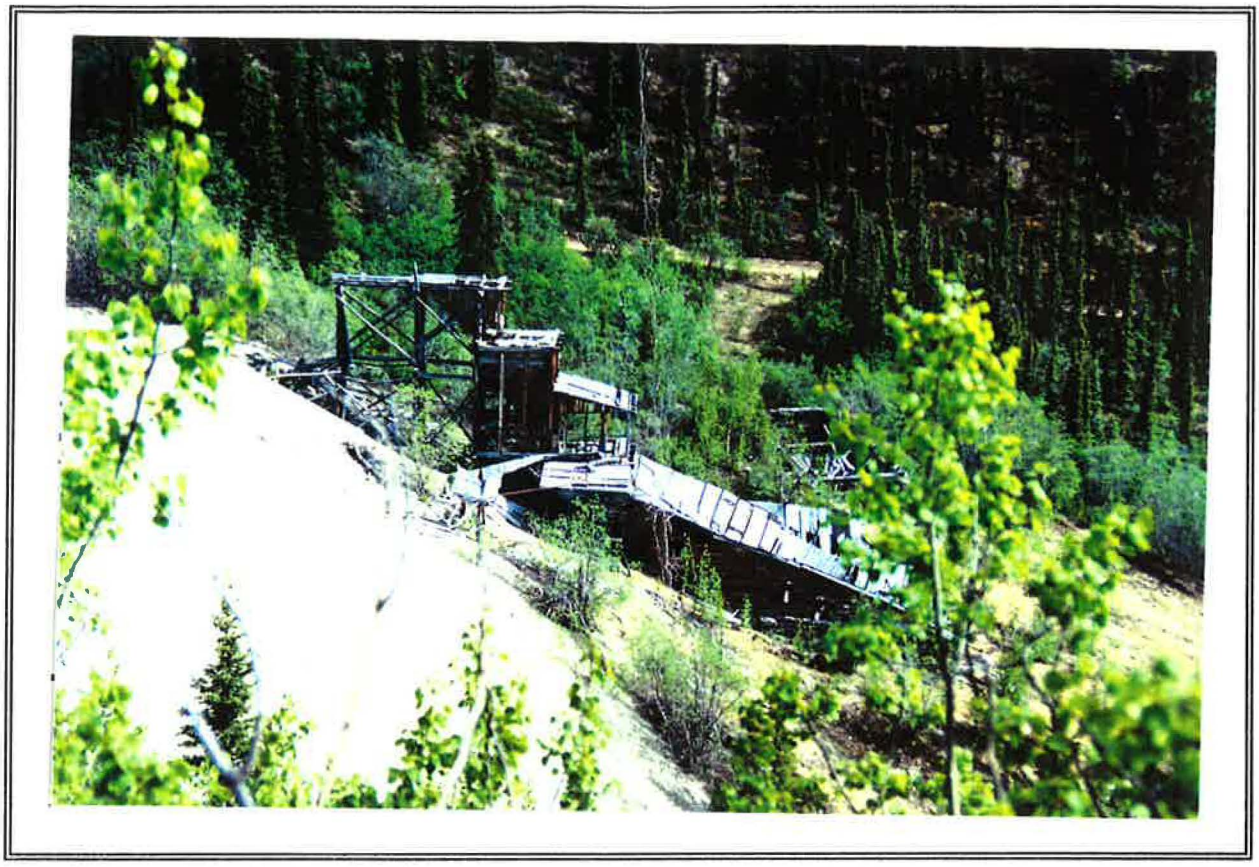


Photo 1: Nine Ton Mill at No.2 Level

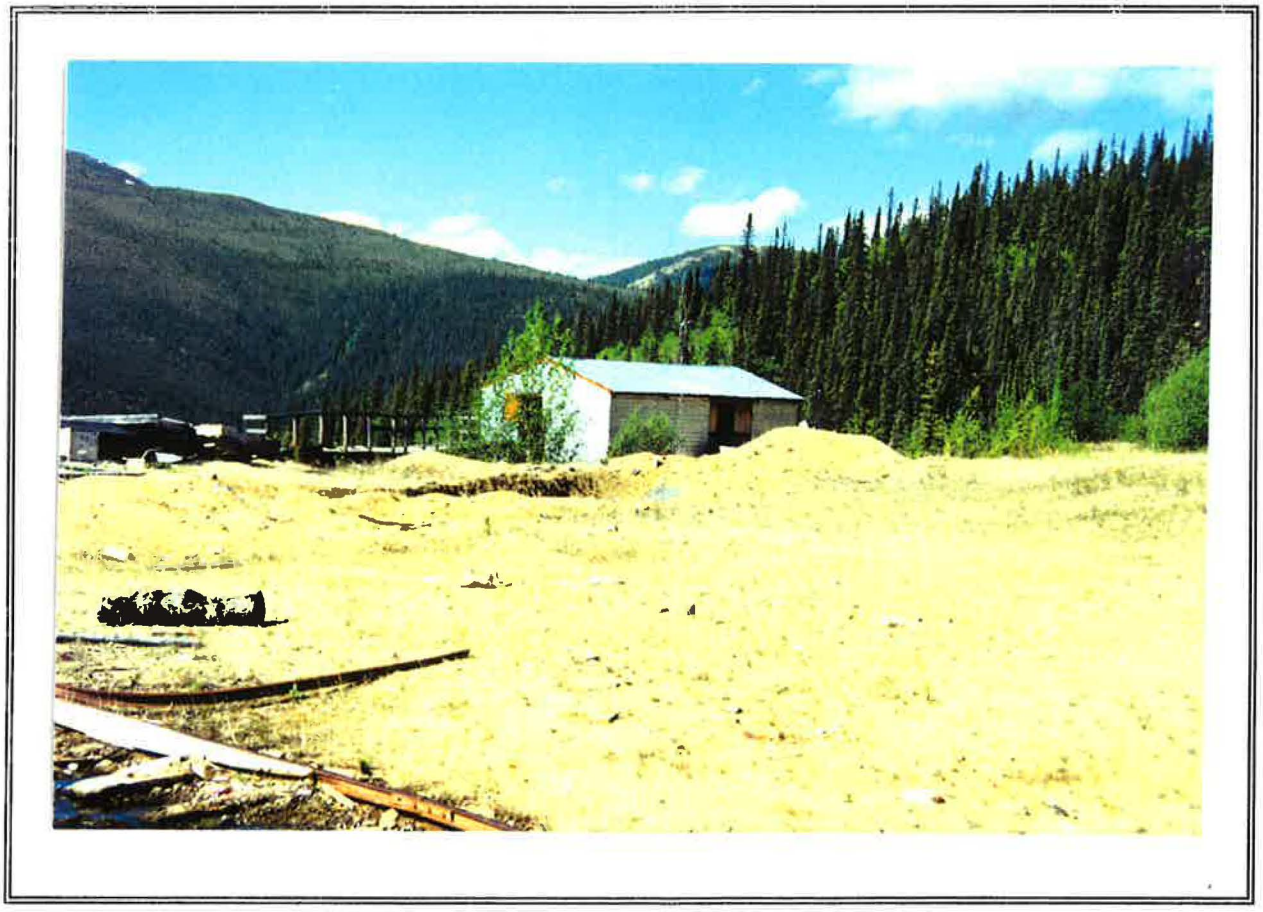


Photo 2: One Hundred Ton Mill at No.4 Level

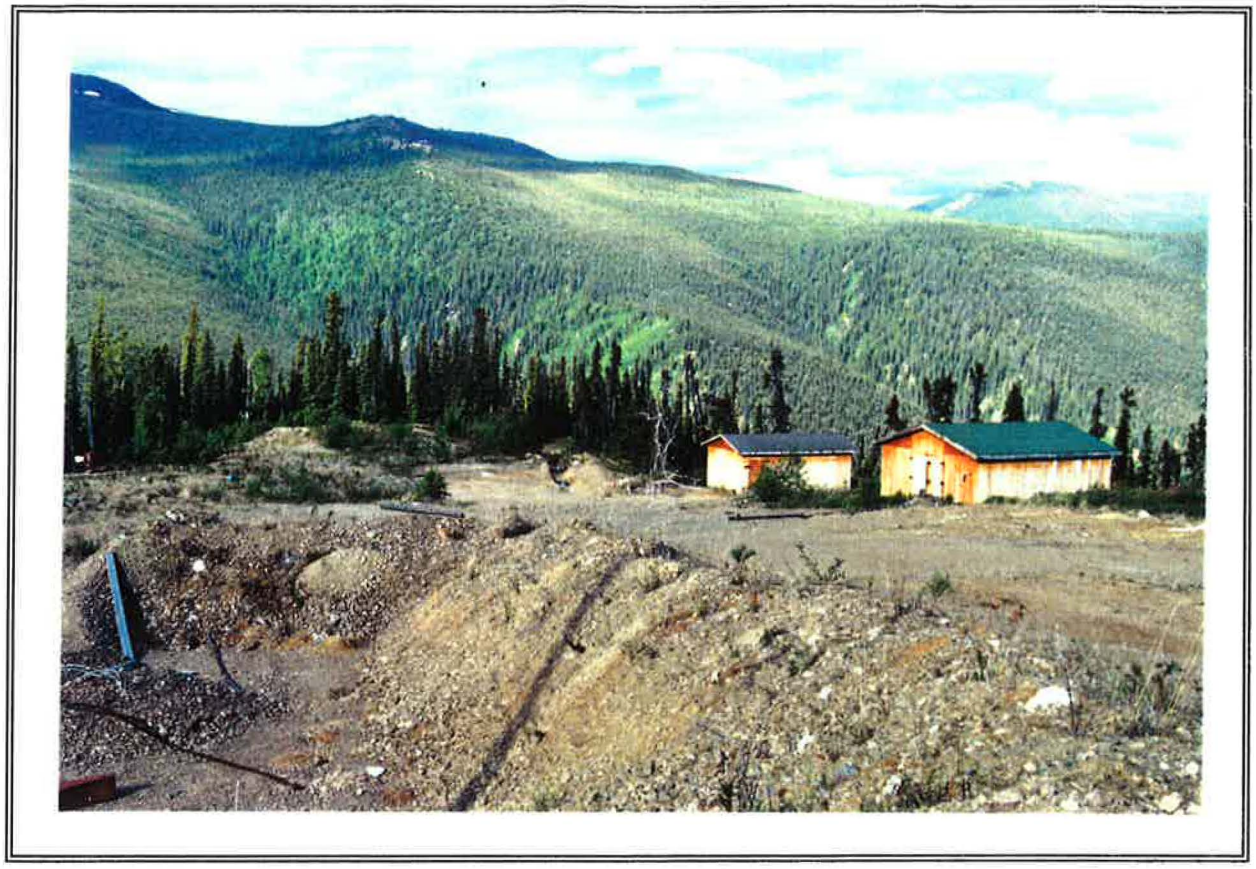


Photo 3: Test Pad Location at Tally-Ho Camp Site

Photo 4: looking North to the G-3 Zone (above No.2 Level) from Test Pad Location

FIGURE 3.

Figure 3 is a longtitudinal section (looking west through the G3 system) from south to north between sections 104 and 114, showing all the underground workings (levels 2, 3 and 4), 1982/3 and 1994 diamond drill mineralized intersections, and the ore shoots (in red) for both the South and North ore zones. The longtitudinal section also shows that the G3 system has been explored and tested by both underground workings and diamond drilling (surface and underground) for a strike length of 1200 feet north from the Pal Fault to a depth of 900 to 1200 feet. The location of the starter open pit is indicated in brown.

FIGURE 2.

1994 DIAMOND DRILL HOLE RESULTS
NORTH AND SOUTH ZONES

HOLE	WIDTH/ FT	OZ/TON GOLD
94.1	10	0.200
INCL.	2.5	0.624
94-2	60.5	0.028
94-3	17.0	0.030
94-4	21.5	0.079
INCL.	5.0	0.287
94-6	45.5	0.227
INCL.	15.0	0.300
INCL.	10.5	0.611
94-7	47.5	0.017
94-7	15.0	0.026
94-8	23	0.052
94-9	23	0.238
INCL.	2.5	1.783
94-10	32.0	0.228
INCL.	2.5	2.694
94-11	14.0	0.090
INCL.	5.0	0.0206
94-12	3.0	0.088
94-13	24.0	0.028
94-14	4.0	0.057
94-15	7.5	0.030
94-16	27.5	0.043
INCL.	2.5	0.120
94-17	34.5	1.391
INCL.	3.5	11.348
INCL.	5.0	1.241
94-18	41.5	0.056
INCL.	15.5	0.098
INCL.	4.5	0.184

continued

HOLE	WIDTH/ FT	OZ/TON GOLD
94-19	3.0	0.025
94-19	13.0	0.012
94-20	10.0	0.008
94-20	10.0	0.009
94-21	7.0	0.013
94-21	6.5	0.057
94-22	6.5	0.115
94-22	14.5	0.018

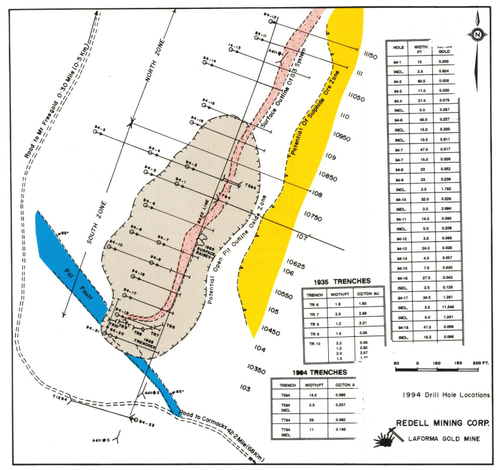
1994 TRENCHES

TRENCH	WIDTH/ FT	OZ/TON GOLD
T594	14.5	0.096
T594 INCL.	5.5	0.207
T794	29	0.082
T794 INCL.	11	0.196

1935 TRENCHES

TRENCH	WIDTH/ FT	OZ/TON GOLD
TR6	1.6	1.80
TR7	2.8	2.89
TR8	1.2	2.21
TR9	1.8	0.05
TR10	3.3 1.2 2.0 1.3	0.48 0.82 3.57 1.38

Figure 2 shows the surface expression of the G3 (in red) and Pal Fault (in blue), the two main mineralized shear systems of the La Forma Gold Mine. Included are the 1994 diamond drill hole locations, assay results of the significant intersections and results from 1935 and 1994 surface trenching. Also shown are the South and North zones and the potential of the starter open pit from the oxide zone (in brown) and possible sulphide ore zone (in yellow).



LEGEND

- TU-12 — 1983 DRILLING
- MAIN VEIN INTERCEPT
- FOOTWALL VEIN INTERCEPT
- ·60 / 11' — Oz/Ton Au / Width (Feet)
- 94-2 — 1994 Drilling
- Main zone
- Footwall zone

0 50 100 150 FEET

REDELL MINING CORP.

LAFORMA GOLD MINE
YUKON

LONGITUDINAL SECTION
SHOWING 1982 & 1983
DRILL INTERCEPTS

DRAWN BY: D.G. | DATE: DEC. 1994 | FIGURE:

FIGURE 1.

Figure 1 shows the La Forma Gold Mine (G3 System) in the centre of the Redell Mining Corporation's Land Holdings (7,500 acres in red) at Mount Freegold, Yukon Territory, Canada. Proven reserves of the G3 system are 170,000 ozs. gold (before taking into account the results of the 1994 drilling program).

To the east of the La Forma Gold Mine is the Antoniuk deposit with proven reserves of 3.9 million tons grading 0.038 ozs./ton gold.

To the northwest of the La Forma Gold Mine is the Goldstar deposit with geological reserves of 128,000 tons grading 0.12 ozs./ton and over 1.0 oz./ton silver

HAPPY
DAZE
STODDART
CREEK
REDELL MINING CORP.
LA ROCK MINING CORP.
ELEPHANT
BOW CREEK
PLACER OPERATION
RAG
MAY
BOO
EXCELSIOR
BYNORD AC
CABAGE
Goldstar Deposit
(128,000 TONS) (0.12 oz/t GOLD)
GOLDSTAR
MARGARET
AUGUSTA
LIBERTY
PARCHER
GREEN STONE
RICK
SEYMOUR
CREEK
Laforma Gold Mine
LAFORMA
G-3 SYSTEM PROVEN
170,000 OUNCES GOLD
POTENTIAL + 1 X 10⁶ OUNCES GOLD
ANT
DART
DARB
TINTA
BEST
CARA
HOPE
Antoniuk Deposit, Proven Reserves
(3,900,000 TONS)
(0·038 oz/t GOLD)
GOLDY
BRAD
DUR
CONSOLIDATED SILVER TUSK MINES LTD.
N
MAGNETIC NORTH 43°± 22°E

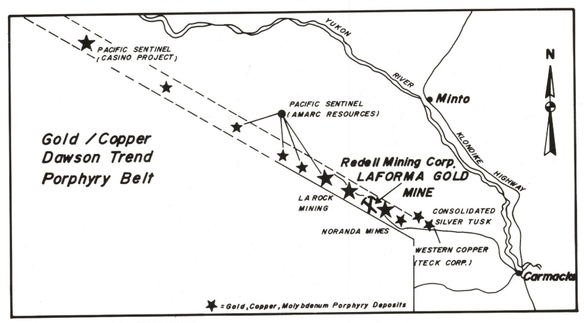
LEGEND

Geologically Permissible For Open Pit Potential - Oxide Zone With 15 Mineralized Systems.

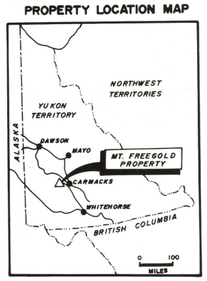
/// Mineral Systems With in Large Oxide Zone.

Underground Adit

DAWSON RANGE/PORPHYRY BELT



PROPERTY LOCATION MAP



N.T.S. INDEX MAP

115I-5	115I-6	115I-7
115I-4	115I-3	115I-2
115H-13	115H-14	115H-15

SCALE: 1:30,000

Metres 1000 0 1000 2000 Metres

Feet 1500 0 1500 3000 4500 6000 7500 9000 10500 Feet

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LAFORMA GOLD MINE