

# CORONADO RESOURCES INC.

August 9, 1990

Mr. Michel Drouin  
Cambior  
230 South Rock Boulevard, Ste. 23  
Reno, NV 89502

Dear Mr. Drouin:

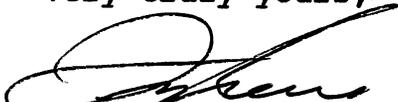
A few months back, we sent you our detailed geologic report on the Iron King property prepared by Richard Pape. You may recall this property, located near Prescott, Arizona, was historically a lead-zinc mine that produced over 690,000 ounces of gold. We thought you might be interested in an update.

In June we drilled one hole 300 feet southwest of the old workings and cut 15 feet of sulfides. I am enclosing the geologic report prepared by Mr. Pape on this hole. We think that the results significantly enhance the value of the Iron King prospect.

On August 7, Coronado Resources revised its agreement with Stan West Mining Corp. so that Coronado now has 100% interest in the property subject to a 1.75% net smelter royalty in favor of Stan West Mining.

If you are interested, we are now in a position to make a more attractive offer to you than we originally did a few months back.

Very truly yours,



Frank H. Crierie

Enclosures

M E M O R A N D U M

DATE: August 13, 1990  
TO: Frank H. Cerie  
FROM: Richard F. Pape  
RE: Iron King Drill Hole CRD No. 1

As a follow-up to a memorandum written on 22 June 1990 to George Warnock regarding the results of Drill Hole CRD No. 1, please note the following discussion.

Only gold and silver assays were available when the above-noted memo was written. Base metal assays confirm what was previously thought; i.e. that the southern extension of the Iron King ore horizon was intercepted in hole CRD No. 1 between 1265.0 and 1280.7 (see attached assay sheet). Weighted grades for this core width of 15.7 feet are: 0.027 oz/ton gold; <.10 oz/ton silver; 0.016% copper; 0.317% lead; and 1.40% zinc.

CRD No. 1 also penetrated the "footwall horizon" or what is known as the copper chlorite zone between 1134.0 and 1142.0. This zone, with a core width of 8 feet, has a weighted average 0.472% copper.

The interpretation of CRD No. 1 has to remain similar to that made in the 22 June memo. That is, that CRD No. 1 penetrated a low grade, weakly-moderately mineralized horizon strati-graphically and structurally in such a position to represent a southern extension of Basin #1 or what is better known as the historic Iron King mine area.

While the assays of CRD No. 1 are not economic, they are in the lower range of assays encountered in the low grade ore block between the 1200 and 2100 foot levels adjacent to the #7 shaft as defined in the 1960's by Shattuck-Denn Mining Company. The question still remains as to whether or not CRD No. 1 pierced a southwestward continuation of this low grade ore block, an outer low grade fringe, or actually intersected a second basin which is lower in metal content than the Iron King mine or Basin #1.

CRD No. 1 did not adequately test the existence or tenor of Basin #2 and further drilling is strongly recommended.

Enclosure

CORONADO RESOURCES, INC.

SAMPLE RECORDPROPERTY: Iron KingHole No. CRD No.1

Sam. No.	From	To	Len	Re	Au opt	Ag opt	Cu ppm	Pb ppm	Zn ppm
M1711	101.0	104.0	3.0	100%	0.001	<.10	86	26	112
M1712	160.0	162.0	2.0		0.001	<.10	428	149	155
M1713	162.0	164.0	2.0		0.001	<.10	198	168	142
M1714	172.0	174.0	2.0		0.001	<.10	83	20	163
M1715	174.0	176.0	2.0		0.001	<.10	124	39	62
M1716	213.0	215.0	2.0		0.001	<.10	24	21	22
M1717	215.0	217.0	2.0		0.001	<.10	18	18	21
M1718	217.0	219.0	2.0		0.001	<.10	109	16	102
M1719	219.0	221.0	2.0		0.001	<.10	88	16	108
M1720	226.0	229.0	3.0		<.001	<.10	180	8	54
M1721	977.0	979.1	2.1		0.001	<.10	13	5	77
M1722	979.1	981.0	1.9		0.001	0.11	10	6	260
M1723	981.0	982.3	1.3		0.010	<.10	14900	178	1540
M1724	982.3	984.0	1.7		0.001	<.10	94	5	150
M1725	1128.3	1131.0	2.7		0.002	<.10	2620	61	209
M1726	1131.0	1134.0	3.0		0.002	<.10	210	19	950
M1727	1134.0	1135.0	1.0		0.004	<.10	13200	2960	5200
M1728	1135.0	1140.2	5.2		0.002	<.10	51	18	141
M1729	1140.2	1142.0	1.8		0.004	<.10	13500	187	10400
M1730	1142.0	1147.0	5.0		0.002	<.10	347	32	181
M1731	1181.0	1185.3	4.3		0.002	<.10	178	63	850
M1732	1185.3	1188.3	3.0		0.008	<.10	1590	2400	12600
M1733	1188.3	1193.0	4.7		0.004	<.10	1640	1470	2040
M1734	1193.0	1197.9	4.9		0.001	0.11	57	40	143
M1735	1197.9	1201.5	3.6		0.004	0.23	88	447	220
M1736	1201.5	1206.0	4.5		0.006	<.10	41	484	91
M1737	1206.0	1211.1	5.1		0.008	0.12	3630	1700	5300
M1738	1211.1	1212.2	1.1		0.008	0.14	3300	189	1900
M1739	1212.2	1215.3	3.1		0.003	0.15	40	16	70
M1740	1215.3	1218.2	2.9		0.008	0.19	1910	219	1910
M1741	1218.2	1220.9	2.7		0.004	0.11	82	101	350

CORONADO RESOURCES, INC.

SAMPLE RECORDPROPERTY: Iron KingHole No. CRD No.1

Sam. No.	From	To	Len	Re	Au opt	Ag opt	Cu ppm	Pb ppm	Zn ppm
M1742	1220.9	1225.2	4.3		0.002	<.10	1390	95	2220
M1743	1225.2	1227.8	2.6		0.006	<.10	1560	2550	6600
M1744	1237.8	1244.0	6.5		0.010	<.10	80	290	1840
M1745	1244.0	1247.5	3.5		0.012	<.10	106	1670	6400
M1746	1253.7	1259.0	5.3		0.012	<.10	67	1480	7200
M1747	1265.0	1270.0	5.0		0.032	<.10	138	1370	9700
M1748	1270.0	1275.0	5.0		0.026	<.10	102	2940	15400
M1749	1275.0	1280.7	5.7		0.030	<.10	232	4950	16600

**CORONADO ANNOUNCES CHANGE OF CONTROL AND  
REVISED PROPERTY AGREEMENT**

Vancouver, B.C., August 7, 1990 -- Coronado Resources Inc. (CRD-V) announces a change of control and a revised agreement with Stan West Mining Corp. regarding Coronado's option to acquire the Iron King gold and base metal property in Arizona.

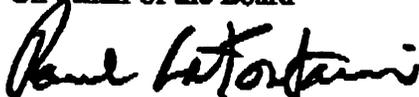
The following directors and officers have resigned their positions with Coronado: George F. Warnock, president and director; Geoffrey W. Hornby, director; and Thornton J. Donaldson, director.

New directors and officers include Frank H. Crier, who was appointed director, chairman of the board and chief executive officer, Allan St. James, director, as president, and Paul W. LaFontaine as director. In addition, Christine Reynolds has been appointed secretary of the company, and executive offices will move from Albuquerque, New Mexico to Vancouver, B.C., effective September 1, 1990.

Coronado also announces a revised agreement with Stan West Mining Corp. with respect to its option to acquire from Stan West the Iron King property in Yavapai County, Arizona. Under the terms of the revised agreement, Coronado may acquire a 100% interest in the property by issuing 1,500,000 units to Stan West, each unit consisting of one common share and one common share purchase warrant. A warrant will entitle the holder to purchase one common share of Coronado within six months for 25 cents, and within one year for 50 cents.

Coronado also agrees to pay the vendors of the property, pursuant to underlying agreements, a total of US\$789,000 over six years. The Iron King acquisition is subject to a 1.75% net smelter royalty in favour of Stan West, and the agreement is subject to regulatory approval.

On behalf of the Board



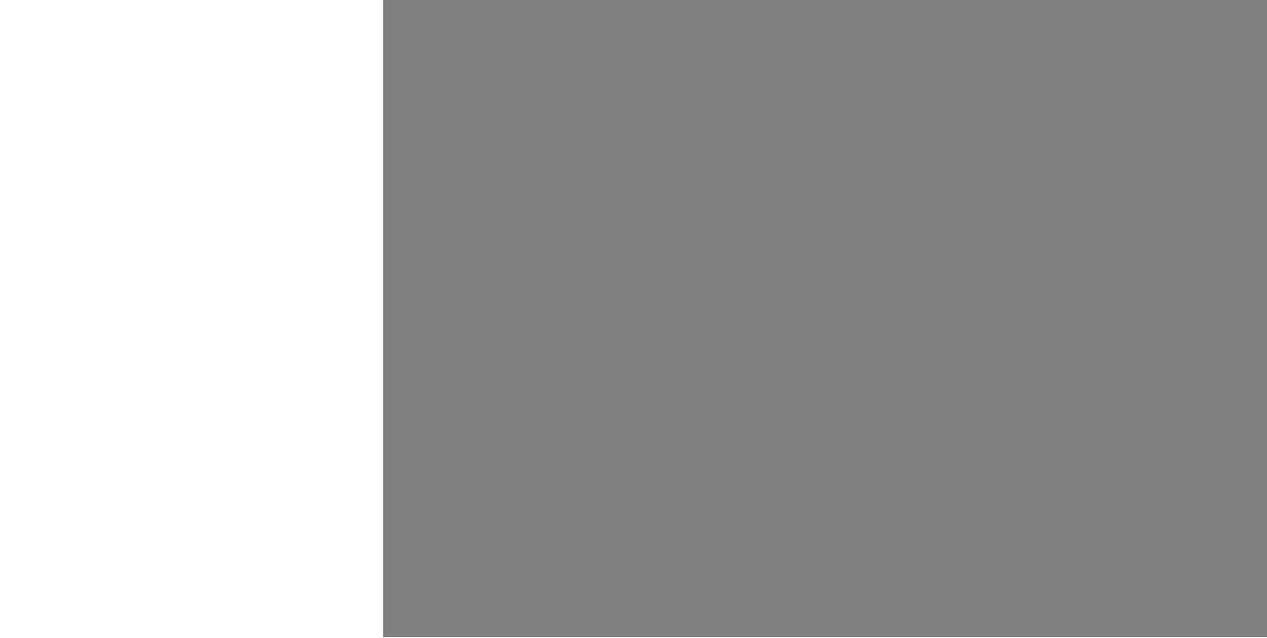
Paul W. LaFontaine  
Director

(604) 685-5254

*The Vancouver Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.*

10-25-89 Mining No

10-30-89 NO-MINEA 114-89 SKIP



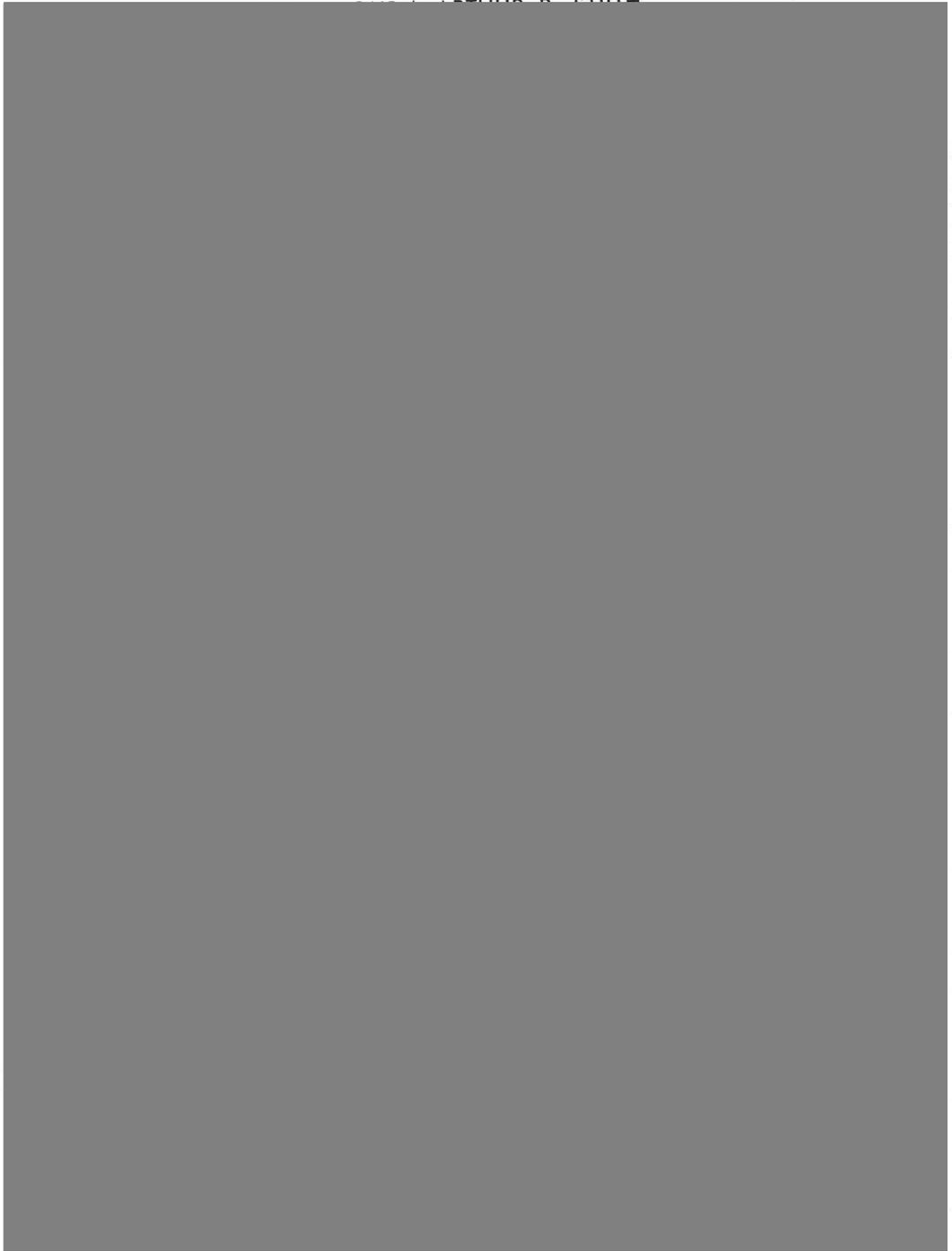


6-6-90 Mining Record.



59. The Geology of the Iron King Mine

BY STUART B. STULTZ



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