



CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
416 W. Congress St., Suite 100
Tucson, Arizona 85701
520-770-3500
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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Can-Ex Reserves
BIG HORN

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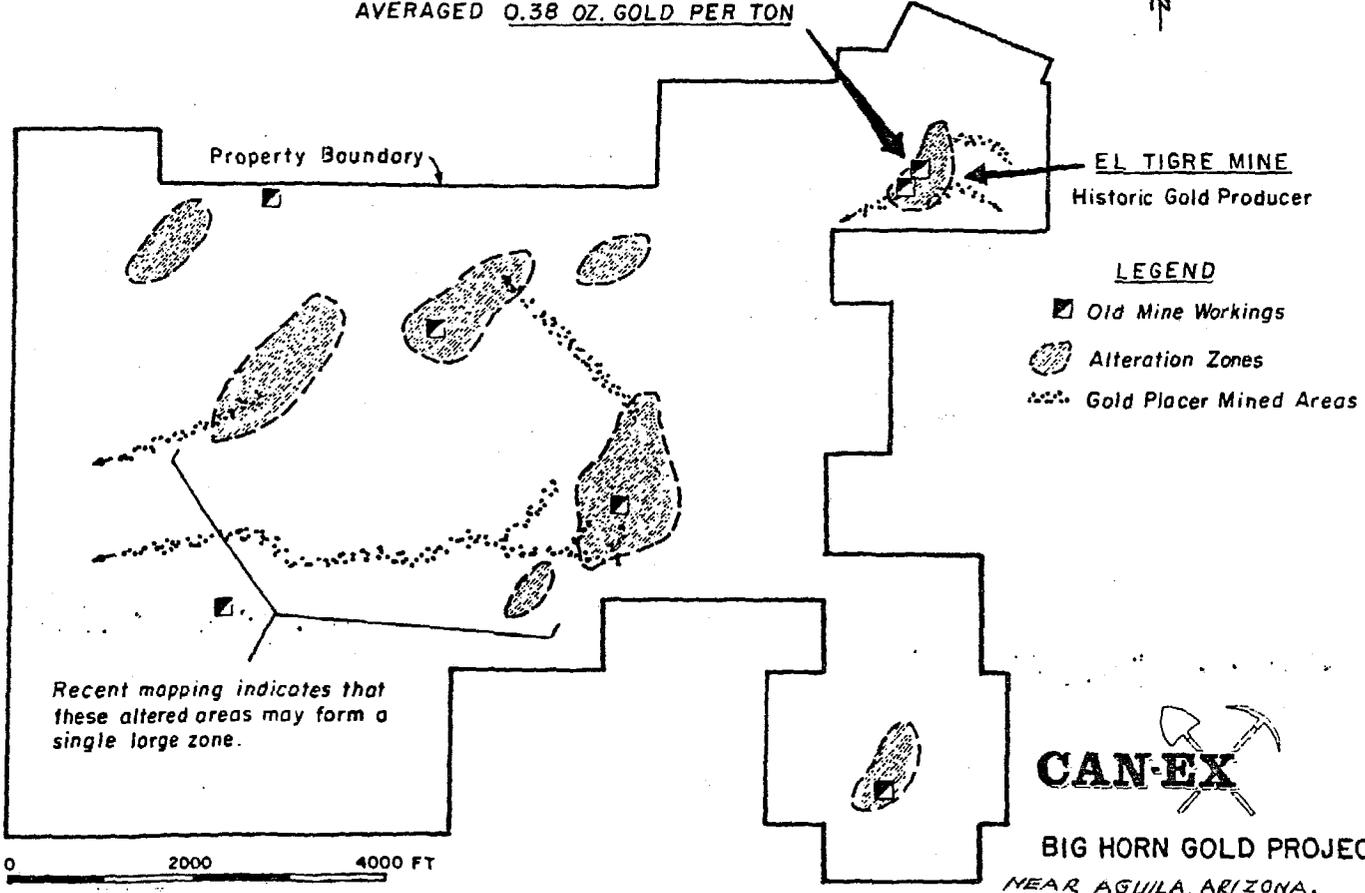
See AGS Guidebook

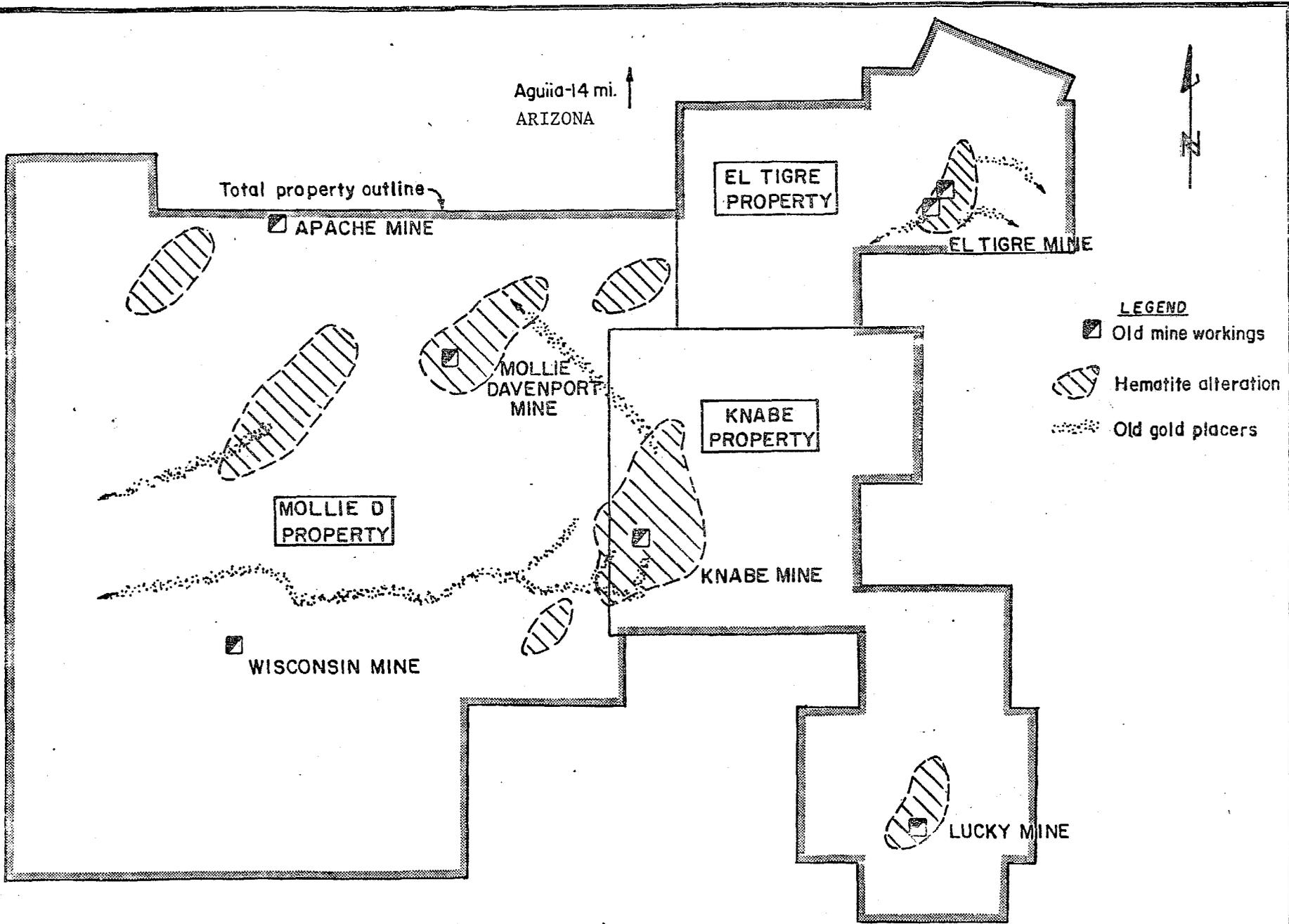
Spring 1988

J/13 Spring 1988

gcs

RECENT ASSAYS FROM 1000 x 300 FOOT
FLAT-LYING, NEAR SURFACE ZONE
AVERAGED 0.38 OZ. GOLD PER TON





LEGEND

-  Old mine workings
-  Hematite alteration
-  Old gold placers

CAN-EX RESOURCES LTD.
ARIZONA GOLD PROJECT

Sept 86

BLACKWELL-SUCHY, Inc.

RESEARCH REPORT

CAN-EX RESOURCES LTD.

Symbol: CXZ Market: Vancouver Stock Exchange
 Current Price: CS\$0.85
 US\$0.61

Price Ranges: Canadian Dollars (US\$0.7210)

	High	Low
1986	CS\$1.23	CS\$0.10
1985	0.35	0.12
1984	0.75	0.15
1983	1.35	0.65

Capitalization:
 Shares Authorized: 10,000,000
 Shares Outstanding: 3,351,000
 Fully Diluted: 4,001,000



Introduction

Can-Ex Resources Ltd. is a junior mining company with gold and silver properties located in the U.S. and Canada. Its most promising prospect is the Big Horn property in Arizona. This could be in production as an open-pit, heap-leach gold mine within a very short period of time should results of the current exploration program prove successful.

Based on our analysis, Can-Ex represents an excellent situation for investors who seek to participate on the ground floor of an opportunity that has the potential of becoming a producing gold mine in a short timeframe. There is the likelihood of continued growth over the long-term because the company holds other promising properties.

Background

Can-Ex, based in Vancouver, British Columbia, was incorporated in 1982. All operations are conducted by Tri-Con Mining Ltd., a private mining consulting firm that holds 46.9% of the issued shares of Can-Ex.

Holdings

The focus of Can-Ex's present activity is the optioned Big Horn property in Arizona that includes five old mines: the El Tigre, Mollie Davenport, Knabe, Lucky, and the Wisconsin. Can-Ex's gold properties were put on the shelf with the fall in gold prices. Now, with gold prices on the rise, the company has acquired the Big Horn property and is focusing its efforts to examining the property's potential as an open-pit, heap-leach gold mine.

Other prospects include the nearby Pump, Gold Crown, Gold Hill, and Overshot gold properties, and the American Boy and Mohawk silver properties in west-central British Columbia.

Big Horn Property

The Big Horn is located 15 miles south of Aguila, Arizona, and Highway 60. Accumulated over a period of two years under one owner for the first time, the Big Horn covers three square miles of land (1,800 acres) in southwest Arizona.

The property is easily accessible using a 15-mile gravel road from the highway at the town of Aguila. Water is proven to be abundant.

No problems in permitting are foreseen, and the climate will allow work to proceed year-round.

The area, known as the Big Horn Mining District, saw mining activity in the early 1900s. The El Tigre mine was discovered in 1914 and worked until 1924. It was about this same time that other mines in the region were worked at grades reportedly greater than one ounce of gold per ton, although no production records exist.

Five former mines on three separate parcels of land comprise the Big Horn. The El Tigre, the last of three separate parcels optioned by Can-Ex, adjoins the Knabe property to the south. To the west of the Knabe is the Mollie Davenport property and to the southeast is the Lucky. Each is named after their respective mines with the exception of the Mollie Davenport, which also contains the Apache and Wisconsin mines.

These former mines are located in the upper plate of a detachment fault. Many of the drainages, which are located near the old mines, were in the past dry placer mined for gold and have been cleaned to bedrock.

The El Tigre mine has a recorded gold production of 2,300 ounces, although management believes this figure was significantly higher based on observations of past mining activity.

Because of this history, the El Tigre was a much sought-after property by major mining companies. Subsequent to Can-Ex's acquisition, a few of these companies have expressed an interest in a joint venture arrangement and will be permitted to examine the property.

Geology

The Big Horn lies in an overthrust and detachment fault belt extending from Southern California northeast through Arizona. Along this belt are located numerous past-producing gold mines and some current heap-leach gold mines. The property was acquired by the previous owners because of its red coloration, due to the presence of hematite, an alteration mineral that in this region is often associated with gold.

A total of eight hematite-sericite-quartz alteration zones are known on the property. These flat-lying zones and associated stockworks have anomalous gold values. Due to the extent of the alterations zones as seen on surface, it is believed there could exist a large tonnage of heap-leachable gold-bearing ore if the grade proves economic.

Earlier production from the El Tigre was from a high-grade, flat-lying vein or ledge varying from a few inches to more than 10 feet in thickness. This vein deposit was associated with a larger zone of hematite alteration. Both the hanging wall and the footwall of the mined area carry lower grade gold values that are an attractive target for an open-pit, heap-leach operation.

The ore body is exposed for a length of 1,500 feet on the surface then dips underground and has a potential thickness of approximately 100 feet from the hematite footwall to the hanging wall of the high-grade vein. How far it extends down dip to the southwest is not known; drilling will fill in this information. As the El Tigre is exposed on surface in the northeast corner of the Big Horn property, approximately two miles of strike length is tied up. The rock found on the El Tigre appears to be readily amenable to heap leaching.

The Vulture mine, 20 miles east-northeast of the Big Horn, is found

in a similar geologic setting. Past production totals more than 300,000 ounces of gold; however, some old reports suggest 800,000 ounces were mined.

Exploration/Development

Preliminary exploration work has been conducted in the past by the vendor, Tri-Con Mining (Arizona) Inc. This consisted of geological mapping and geochemical silt surveys. Some large areas of coincident silt and rock gold anomalies were delineated by this program and present promising exploration targets.

Recent samples from the El Tigre returned values from remnants of the high-grade vein that ranged up to 0.73 ounces of gold per ton. In the immediate hanging wall of the vein values ranged from less than 0.001 to 0.116 ounces of gold per ton.

A sample taken from the tailings of the old Lucky gold mine on the property assayed 0.08 ounces of gold per ton. Samples from old pits on this old mine assayed up to 0.32 ounces of gold per ton.

The company's consulting geologist has recommended a program of sampling and 2,000 feet of drilling on the El Tigre to test the hematite-altered zones. On the Mollie Davenport and Knabe properties, mapping and sampling programs are planned, which will lead to further drilling.

Contingent upon results of the Phase I exploration work, Phase II plans include 5,000 feet of reverse circulation drilling, bulk sampling, and metallurgical testing. Cost of this program is estimated at \$155,000.

Should the results of the first two phases be positive, heap-leach production could begin within six to nine months. The advantage of the open-pit, heap-leach mine method is the low costs and quick turnaround time.

The objective is to block out a grade and tonnage sufficient to begin operations on a small scale and increase to a point where a joint venture partner can be brought in to further development and assume the operations.

Other Holdings

Can-Ex holds an option on four other properties in the vicinity of the Big Horn that cover 66 claims. All are old gold mines and prospects located on the favorable trend of gold mineralization. On the Pump mine, drilling has encountered ore-grade gold mineralization, test leaching has been completed with good recoveries, and gold bars poured. In the same general area are the Gold Crown, Gold Hill West, and the Overshot properties. Some work has been done on these properties each year, including underground sampling and drilling. Further exploration is recommended.

The 15-square-mile American Boy property in the Omineca Mining Division near Smithers, British Columbia, was held by Tri-Con for six years, and was brought into Can-Ex in 1982. Owned free and clear, it is near the Consolidated Silver Standard Mines Ltd. mine that has produced over \$40 million in silver at today's prices.

The American Boy has been slowly developed over the years. It contains very high-grade silver values, up to 420 ounces per ton, and values up to 0.5 ounces of gold per ton.

The surface has been examined by geological, geophysical, and geochemical methods. Many vein systems have been defined within overall trends up to 4,000 feet long. Sampling and drilling has

returned very high-grade material from various locations along these trends. Follow-up work will be in the form of a concentrated effort on the most promising targets. The present low silver price has put this prospect and the nearby Mohawk property low on the priority list.

Finances

A public financing is being conducted for Can-Ex on a guaranteed best-efforts basis by C.M. Oliver and Co. It will net the company a minimum of C\$481,000, of which C\$146,400 will go toward the first-phase exploration program on the Big Horn and C\$66,800 for working capital.

Management

Garry L. Anselmo, B.A., president and director, began working for Kennecott when he was 17 years old, and has been involved in the mining industry ever since, also being employed by Anaconda and Amax. He was instrumental in forming Tri-Con Mining Ltd. in 1968 and is president. Mr. Anselmo became involved in the public company sector through Silverado Mines Ltd., of which he is currently president and a director.

David E. Chowen, B.Comm., director, is in charge of marketing and administration for Can-Ex.

James F. Dixon, L.L.B., director, practices law in Vancouver, British Columbia.

James D. Mann, C.A., is secretary of the company.

Conclusion

Can-Ex holds an excellent mineral property in the Big Horn. Within its boundaries are five old mines, all of which have the potential of developing into the heap-leaching type of operation. This type of mining operation is among the lowest-cost in the world in terms of capital construction and operating costs. They are also quick to put into production, allowing revenue to be generated in a very short period of time.

It should not be overlooked that major mining companies have expressed an interest in participating with Can-Ex on the claims.

Should a favorable arrangement be made on the Big Horn, Can-Ex will be in an attractive position, as its partner will be required to fund further exploration and development to bring the property to the production stage. In this way, Can-Ex benefits by its partner's participation as well the equity.

In addition to flexibility and low exploration and development costs, through the connections of Tri-Con individuals (geologists, engineers, etc.), Can-Ex has excellent exposure to mineral prospects. Because of its relationship with Tri-Con, a company with more than 10 years of experience in the area, Can-Ex has the ability to participate in other ventures as well as enjoying developments on its present holdings and building an inventory of properties in various stages. If the economics point to a small operation, Tri-Con will run it for Can-Ex; if results indicate a sizable operation, the company would probably negotiate a venture arrangement with a major company to fund and operate it.

As a result of these positive factors, we recommend the purchase of Can-Ex shares for the patient investor looking to get in early on an exciting speculative company with excellent near-term and long-term growth potential.

September 19, 1986



Ronald J. Gilchrist
Blackwell-Suchy Inc.

This report has been compiled from information and data obtained from recognized statistical services, issuer reports, communications, or other sources believed to be reliable, but there is no guarantee of its accuracy or completeness. Blackwell-Suchy, its employees, and its clients may from time to time have positions in securities referred to herein. Neither the information nor any opinion expressed shall be considered to be or constitute an offer to sell or a solicitation of an offer to buy any securities mentioned herein. Past results cannot be indicative of future results.

World Investment News

Vol. 1, Issue 1, November 1986

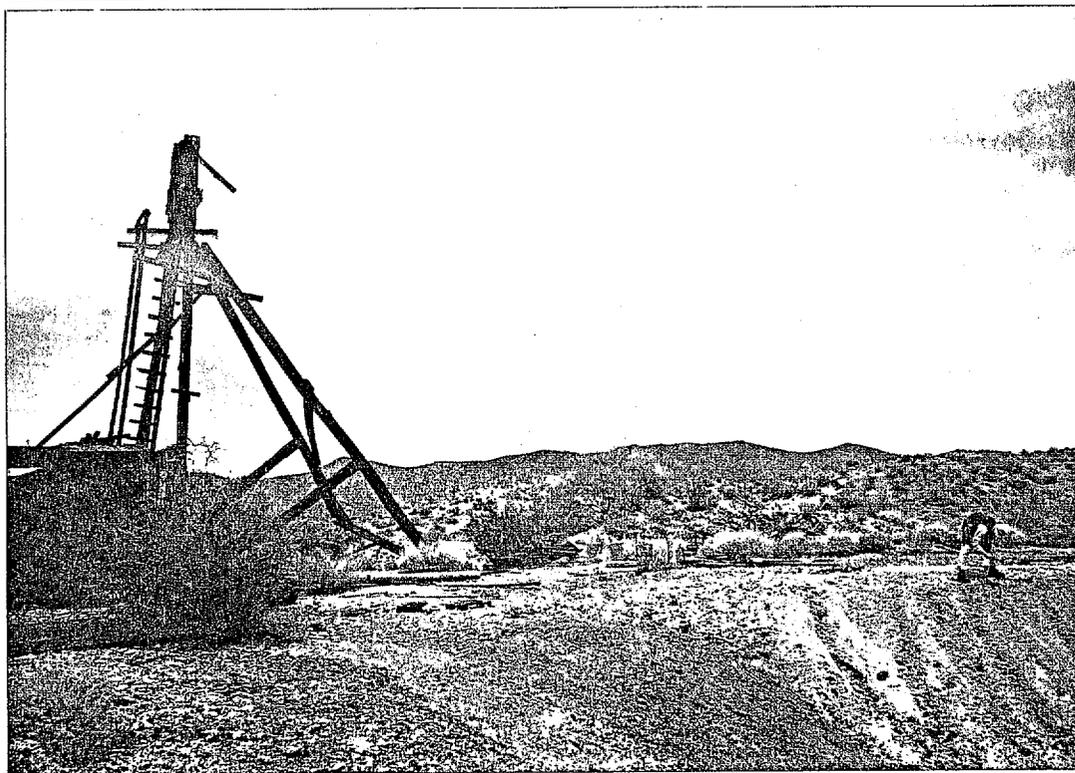
For further information, please circle Reader Service No. 30

Vol. 1, Issue 1, November 1986

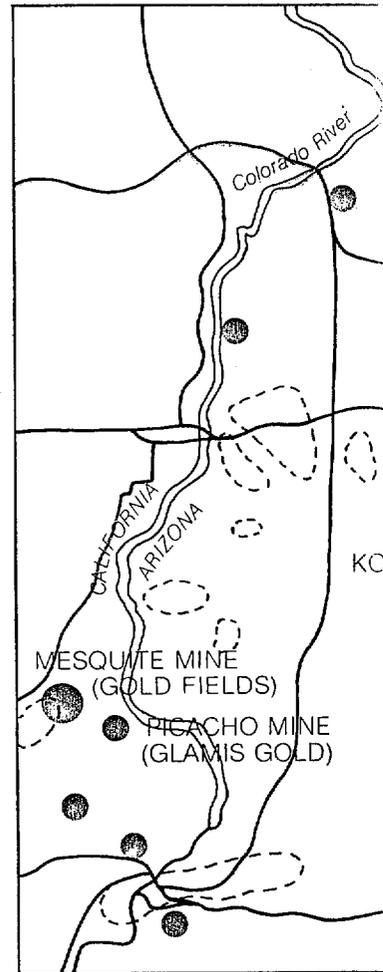
Big Horn Nov 11, 1986



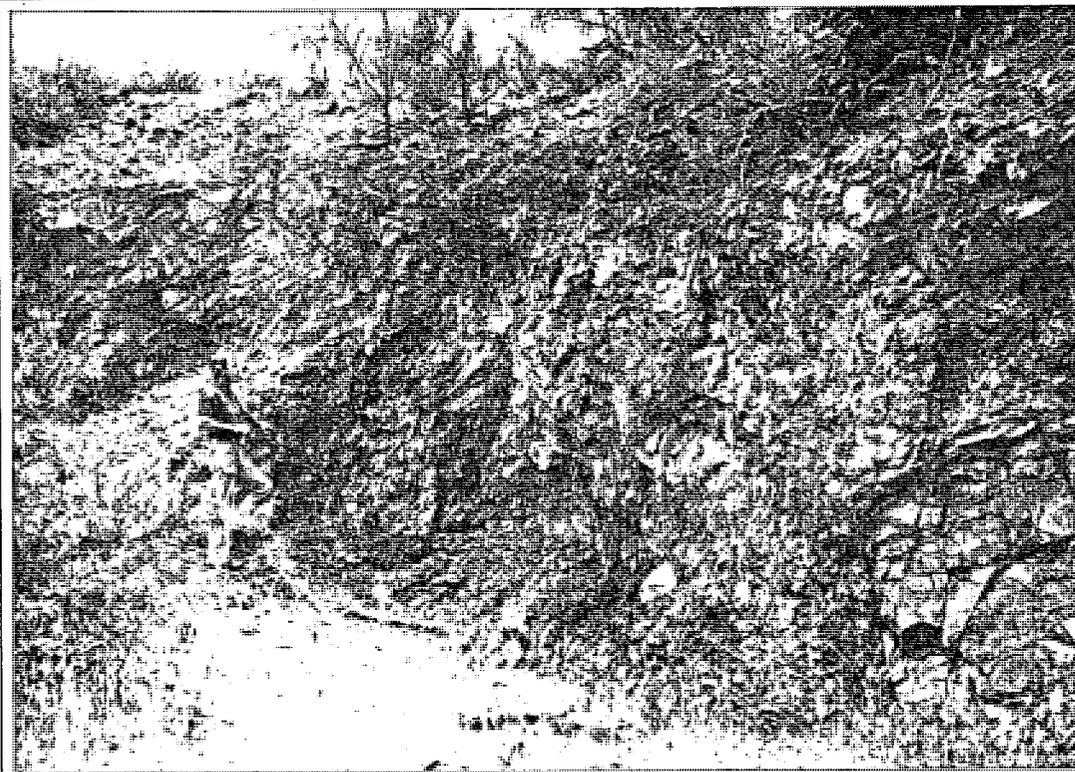
CANEX
RESOURCES LTD.



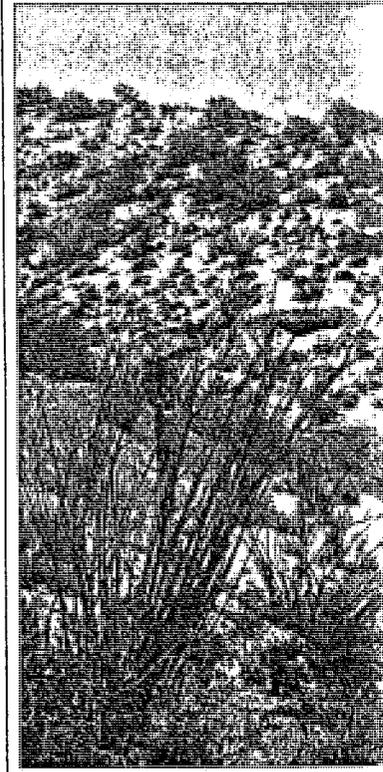
Can-Ex consultant, Gordon House, examining **altered dump rock** at old Mollie Davenport Mine.

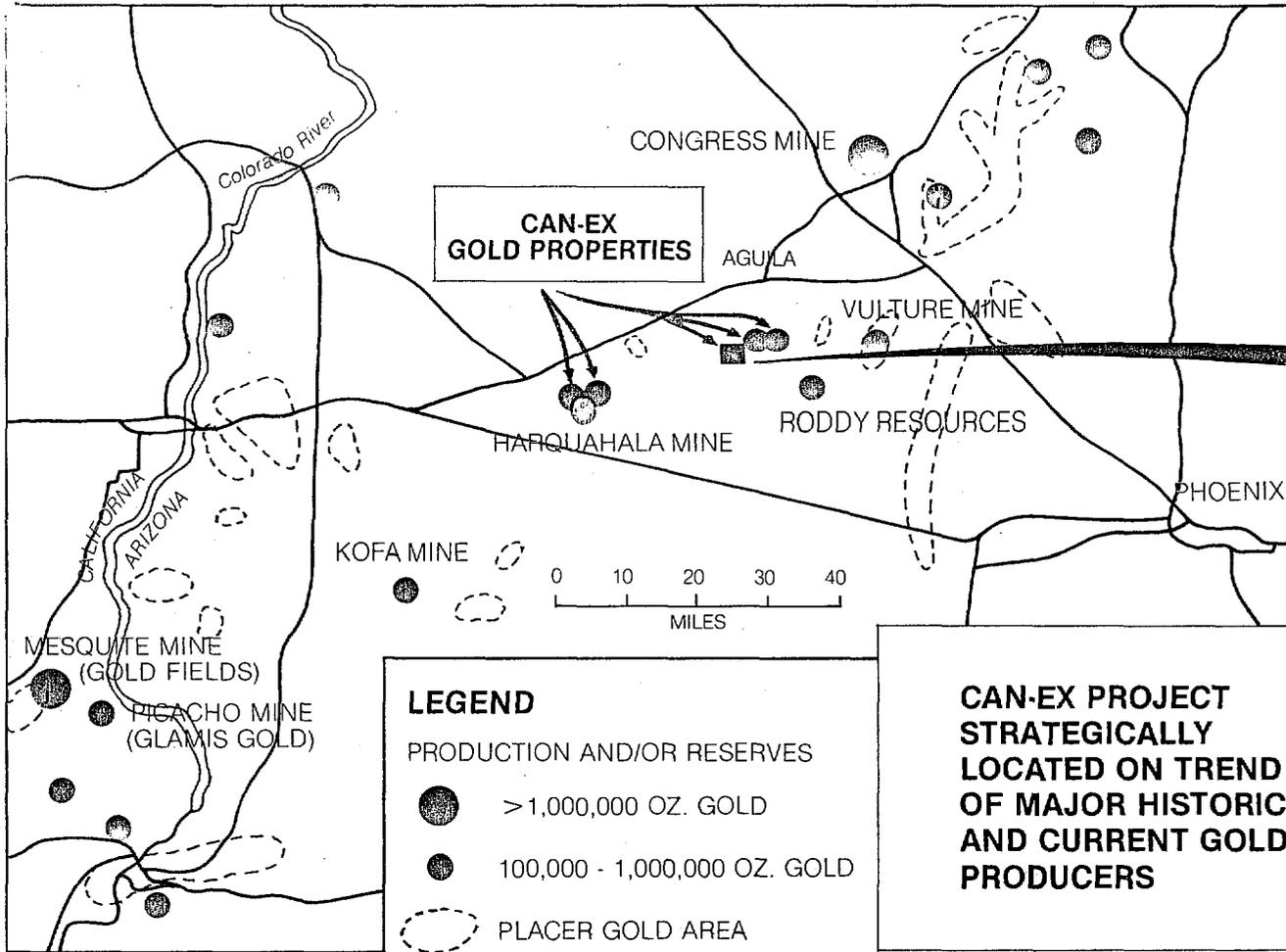


ALTERED RED ZONES ARE GUIDE TO GOLD ON CAN-EX BIG HORN GOLD PROJECT



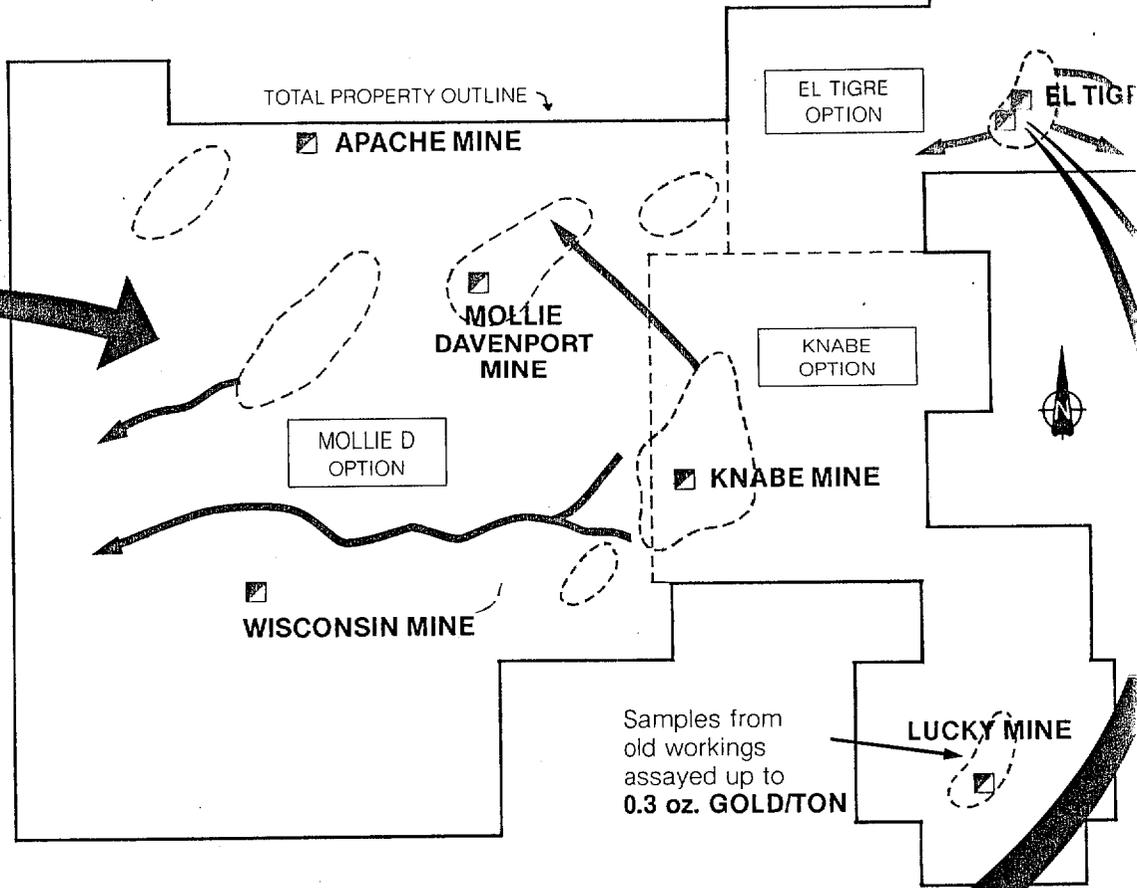
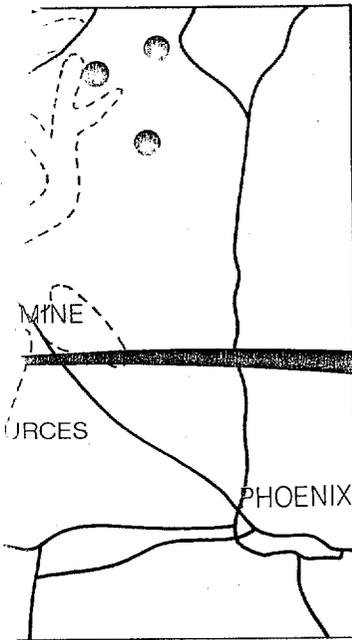
Altered Megabreccia Zone is future gold exploration target near old Knabe Mine.





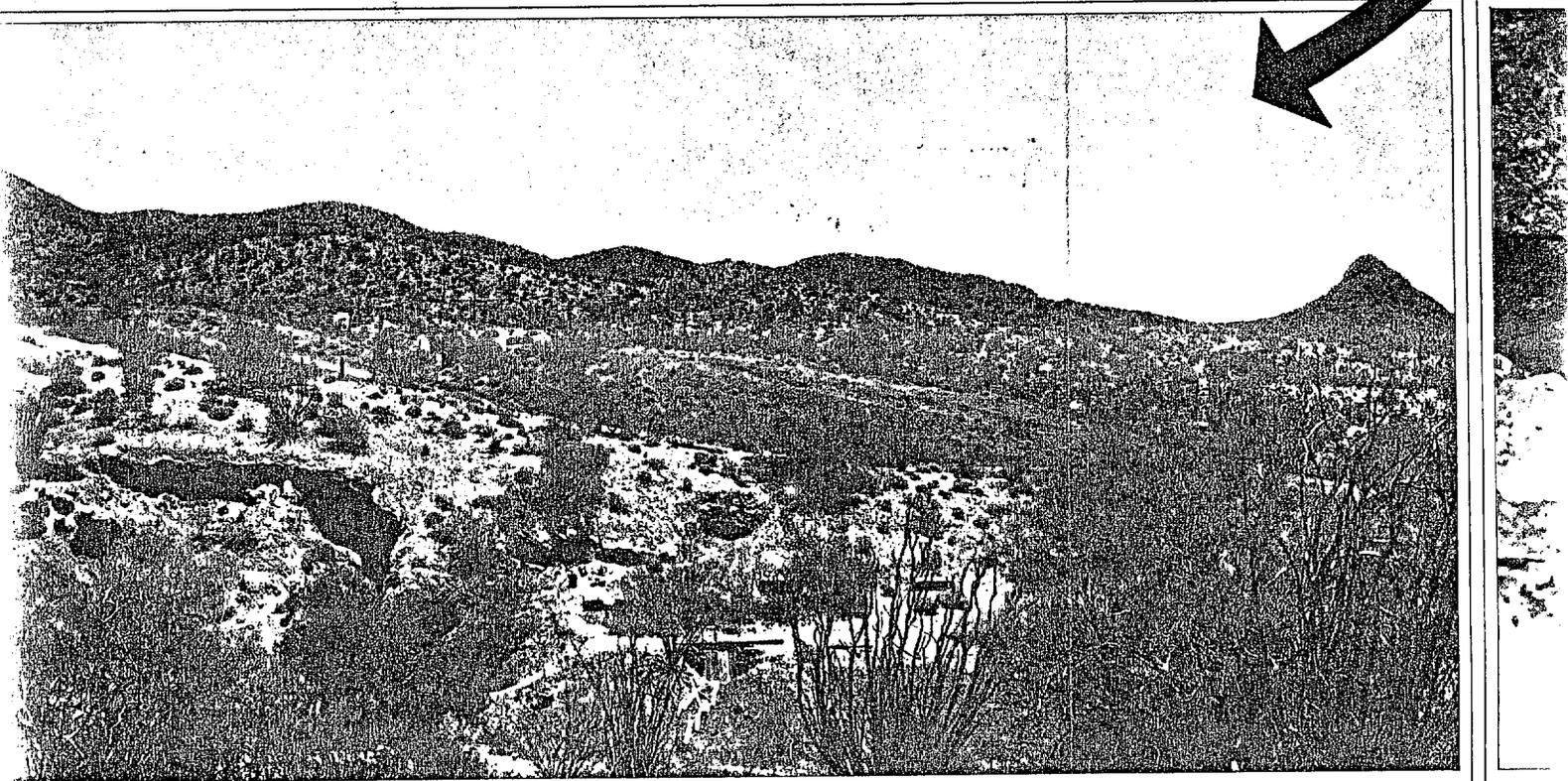
El Tigre Mine Can-Ex's first heap leach target. Note openings into old High Grade Mine within

CAN-EX BIG HORN



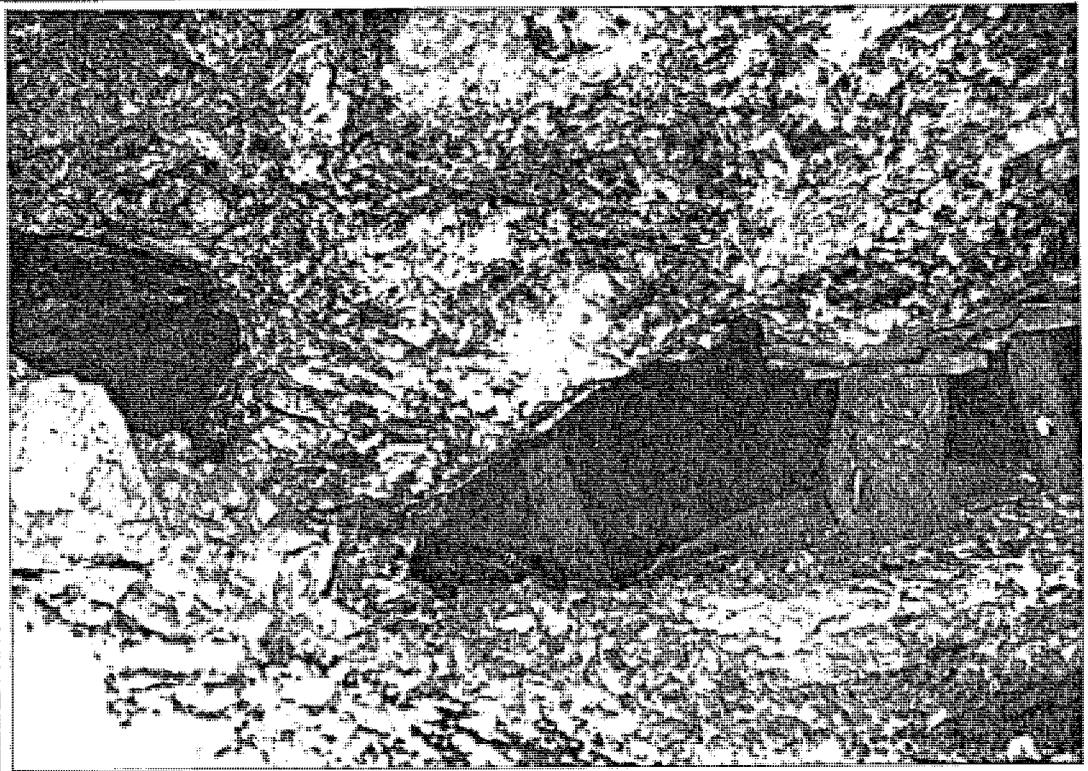
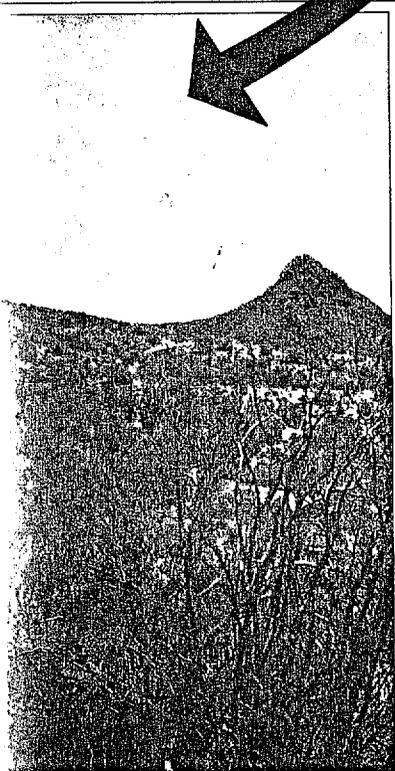
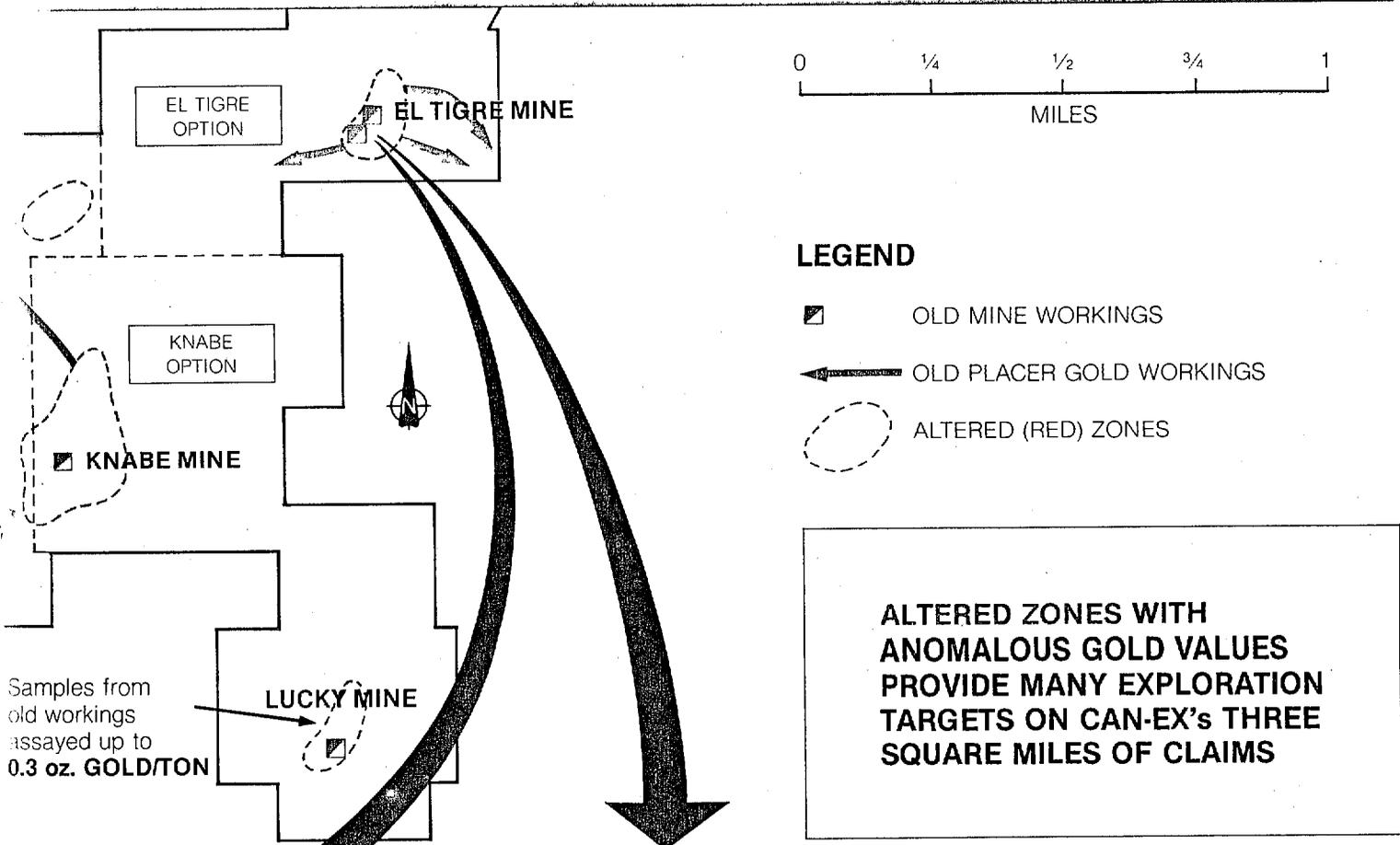
**CAN-EX PROJECT
STRATEGICALLY
LOCATED ON TREND
OF MAJOR HISTORIC
AND CURRENT GOLD
PRODUCERS**

Samples from
old workings
assayed up to
0.3 oz. GOLD/TON



teach target. Note openings into old High Grade Mine within area of extensive alteration.

G HORN GOLD PROJECT



Old underground stopes at El Tigre Mine. Can-Ex assays from this area ran up to 1.2 oz. gold/ton. Extensive alteration exists throughout this area.

CORPORATE DATA

DIRECTORS:

Garry L. Anselmo, B.A.
David E. Chowen, B.Comm.
James F. Dixon, L.L.B.

OFFICERS:

Garry L. Anselmo, B.A.
President
James D. Mann, C.A.
Secretary

AUDITORS:

THORNE RIDDELL
25th Floor,
1177 West Hastings Street,
Vancouver, B.C. V6E 2L9

REGISTRAR & TRANSFER AGENT:

GUARANTY TRUST COMPANY
OF CANADA
800 West Pender Street,
Vancouver, B.C. V6C 1J8
(604) 681-0151

SOLICITORS:

(Canada)
John R. Mackay
DAVIS & COMPANY
2800 Park Place,
666 Burrard Street
Vancouver, B.C. V6C 2Z7

ATTORNEYS:

(U.S.A.)
J. P. Tangen
Attorney at Law
Suite 303,
105 Municipal Way,
Juneau, Alaska 99801

CONSULTANTS:

(Canada)
TRI-CON MINING LTD.
Box 12542 - Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2

CONSULTANTS:

(U.S.A.)
TRI-CON MINING (ARIZONA) INC.
Box 12542 - Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2

BANKS:

BANK OF MONTREAL
Main Branch
First Bank Tower,
595 Burrard Street,
Vancouver, B.C. V7Z 1L7

ALASKA NATIONAL BANK
OF THE NORTH
Box 60730,
Fairbanks, Alaska 99706

HEAD OFFICE:

Box 12542, Suite 2580,
25th Floor, Oceanic Plaza,
Vancouver, B.C. V6E 3X2
(604) 682-2269

**REGISTERED OFFICE &
RECORD OFFICE:**

2800 Park Place,
666 Burrard Street,
Vancouver, B.C. V6C 2Z7

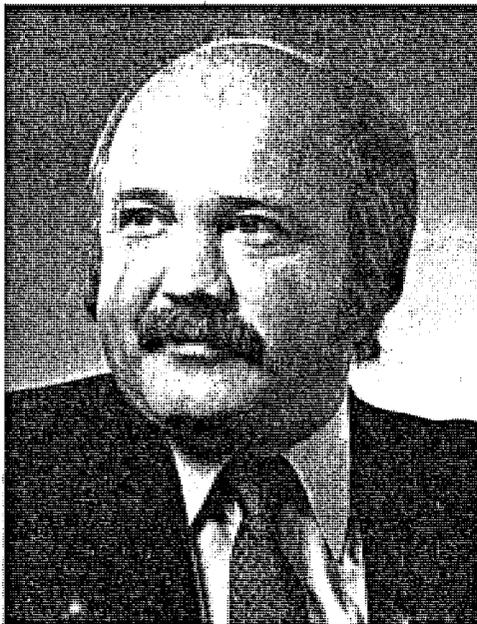
CAPITALIZATION:

Authorized: 10,000,000 shares,
no par value
Outstanding: 3,351,000 shares at
August 31, 1986

SHARES LISTED:

Vancouver Stock Exchange
— Symbol — CXZ

A MESSAGE FROM THE PRESIDENT



Can-Ex Resources Ltd., founded in 1982, and its wholly owned U.S. subsidiary, Can-Ex Resources (U.S.) Inc. are precious metal mining companies with property holdings in the U.S.A. and Canada.

The Company has the option to purchase a 100% interest in all its gold properties in S.W. Arizona, which it fully intends to exercise should field results continue to be positive, and owns 100% interest in its silver-gold property near Smithers, British Columbia.

The Company has begun work on the recently optioned Big Horn gold property located 14 road miles south of Aguila, Arizona. The three square mile property contains five old mines and preliminary work has disclosed significant gold mineralization. The property is amenable to a heap leaching type operation and work is being done towards achieving an operation of this nature. Various mining companies have expressed an interest in participating with Can-Ex on this highly interesting gold project.

Financial arrangements have been successfully concluded with Can-Ex's fiscal agent, C.M. Oliver & Company Ltd. of Vancouver, British Columbia. Funds allocated for exploration work from the \$481,000 guaranteed financing will be used to complete a

recommended drilling program on the Big Horn gold property.

Can-Ex shares trade on the Vancouver Stock Exchange under the symbols CXZ, and the Company, subject to certain jurisdictional restrictions, is qualified under "Blue Sky" regulations for secondary non-issuer trading in most of the United States.

Can-Ex looks forward to the challenge ahead and the potential reward of precious metal development and production. We welcome you, the prospective shareholder, to join us in our ventures.

On behalf of the Board
CAN-EX RESOURCES LTD.

A handwritten signature in dark ink, appearing to read "G.L. Anselmo". The signature is fluid and cursive, written over a horizontal line.

G.L. Anselmo, B.A.
President

BALACH WELLS BUCKLEY THORP

RESEARCH REPORT

Symbol: CXZ
Market: Vancouver Stock Exchange
Current Price: C\$0.64
US\$0.46

Price Ranges: C\$ (US\$0.72)

	High	Low
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Other prospects include the nearby Pump, Gold Crown, Gold Hill, and Overshot gold properties, and the American Boy and Mohawk silver properties in west-central British Columbia.

Big Horn Property

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The property is easily accessible using a 15-mile gravel road from the highway at the town of Aguila. Water is proven to be abundant. No problems in permitting are foreseen, and the climate will allow work to proceed year-round.

The area, known as the Big Horn Mining District, saw mining activity in the early 1900s. The El Tigre mine was discovered in 1914 and worked until 1924. It was about this same time that other mines in the region were worked at grades reportedly greater than one ounce of gold per ton, although no production records exist.

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These former mines are located in the upper plate of a detachment fault. Many of the drainages, which are located near the old mines, were in the past dry placer mined for gold and have been cleaned to bedrock.

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Samples from the El Tigre have returned values from remnants of the high-grade vein that ranged up to 0.73 ounces of gold per ton. In the immediate hanging wall of the vein values ranged from less than 0.001 to 0.116 ounces of gold per ton.

Recent sampling on the El Tigre area returned an average grade of 0.38 ounces of gold per ton. This program consisted of 14 samples taken from underground and surface on an area measuring 1,000 feet long by 300 feet wide. The zone is relatively flat-lying, exists at and near surface, is mineralized throughout, and is open on both ends.

The target grade on the El Tigre area is 0.1 ounces of gold per ton. With these initial results that averaged 0.38 ounces of gold per ton, there is an excellent chance of realizing this target grade on a large tonnage of open-pit, heap-leachable gold ore.

Two thousand feet drilling has commenced on this area to test the hematite-altered zones.

A sample taken from the tailings of the old Lucky gold mine on the property assayed 0.08 ounces of gold per ton. Samples from old pits on this old mine assayed up to 0.32 ounces of gold per ton.

On the Mollie Davenport and Knabe properties, mapping and sampling programs are planned, which will lead to further drilling.

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Management

Garry L. Anselmo, B.A., president and director, began working for Kennecott when he was 17 years old, and has been involved in the mining industry ever since, also being employed by Anaconda and Amax. He was instrumental in forming Tri-Con Mining Ltd. in 1968 and is president. Mr. Anselmo became involved in the public company sector through Silverado Mines Ltd., of which he is currently president and a director.

David E. Chowen, B.Comm., director, is in charge of marketing and administration for Can-Ex.

James F. Dixon, L.L.B., director, practices law in Vancouver, British Columbia.

James D. Mann, C.A., is secretary of the company.

Conclusion

Can-Ex holds an excellent mineral property in the Big Horn. Within its boundaries are five old mines, all of which have the potential of developing into the heap-leaching type of operation. This type of mining operation is among the lowest-cost in the world in terms of capital construction and operating costs. They are also quick to put into production, allowing revenue to be generated in a very short period of time.

It should not be overlooked that major mining companies have expressed an interest in participating with Can-Ex on the claims.

Should a favorable arrangement be made on the Big Horn, Can-Ex will be in an attractive position, as its partner will be required to fund further exploration and development to bring the property to the production stage. In this way, Can-Ex benefits by its partner's participation as well the equity.

In addition to flexibility and low exploration and development costs, through the connections of Tri-Con individuals (geologists, engineers, etc.), Can-Ex has excellent exposure to mineral prospects. Because of its relationship with Tri-Con, a company with more than 10 years of experience in the area, Can-Ex has the ability to participate in other ventures as well as enjoying developments on its present holdings and building an inventory of properties in various stages. If the economics point to a small operation, Tri-Con will run it for Can-Ex; if results indicate a sizable operation, the company would probably negotiate a venture arrangement with a major company to fund and operate it.

As a result of these positive factors, we recommend the purchase of Can-Ex shares for the patient investor looking to get in early on an exciting speculative company with excellent near-term and long-term growth potential.

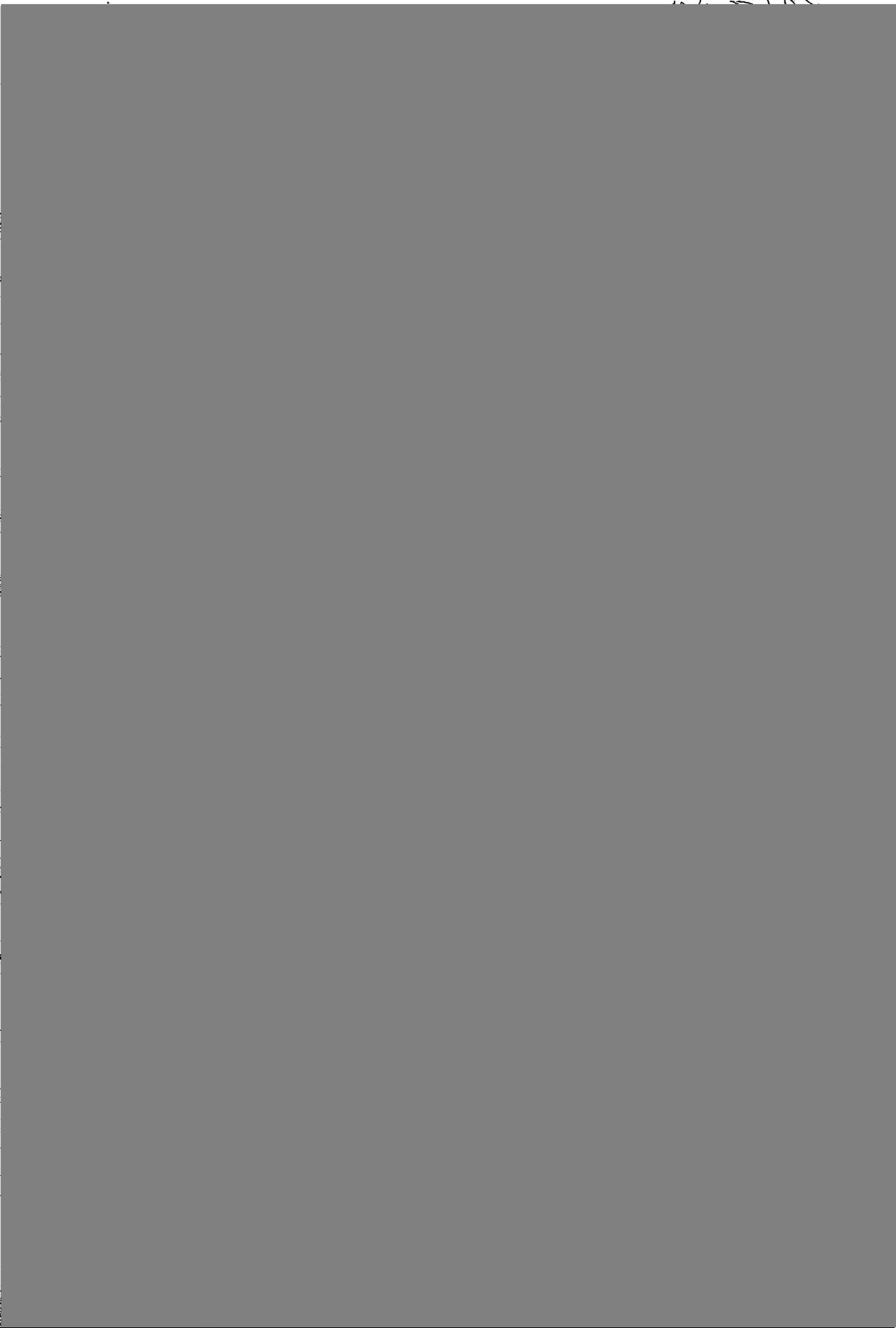
November 11, 1986



Ronald J. Gilchrist
Blackwell-Suchy Inc.

This report has been compiled from information and data obtained from recognized statistical services, issuer reports, communication, or other sources believed to be reliable but there is no guarantee of its accuracy or completeness. Blackwell-Suchy, its employees, and its clients may from time to time have positions in securities referred to herein. Neither the information nor any opinion expressed shall be considered to be or constitute an offer to sell or a solicitation of an offer to buy any securities mentioned herein. Past results cannot be indicative of future results.

W. T. S.





CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

PRESS RELEASE

GOOD DRILL RESULTS, UNDERGROUND ASSAYS, AND METALLURGICAL RESULTS
WARRANT PRODUCTION DECISION ON ARIZONA GOLD PROPERTY

Sufficient tonnage of ore has now been delineated to warrant a production decision on the El Tigre portion of the Big Horn Gold Property. Drilling continues to increase reserves. The ore is being defined within an area that covers only 10% of a known gold-bearing zone which is approximately 1000 feet long by 300 feet wide. Locations within this 1000 x 300-foot zone, accessible to sampling, exhibit heap leach ore grades and there is potential for 150,000 to 250,000 tons of ore in this near-surface zone. There is further potential around this area and at depth which would significantly increase the tonnages. Drilling and underground sampling are developing an ore body that appears to be higher grade than the originally targeted 0.1 ounces gold per ton. (See "North Shaft Area" map)

Preliminary metallurgical tests have shown that the gold in the El Tigre ore is extractable by cyanidation which is the process used in heap leaching.

Other areas of the property, yet to be drilled, contain several old hardrock and placer gold mines, are underlain by widespread brecciation and intense hematite alteration and are geochemically anomalous in gold. The total property is in its very early stage of exploration and provides an attractive target for a multimillion ton gold deposit.

A "Preliminary Economic Analysis For Heap Leach Production" is on the back leaf and shows a high profit potential. Note that this study only encompasses ore delineated in the first four weeks of drilling and sampling.

Can-Ex is a fully listed company on the Vancouver Stock Exchange (Symbol "CXZ").

On Behalf Of The Board

CAN-EX RESOURCES LTD.

G. L. Anselmo, B.A.
President

December 5, 1986

CAN-EX RESOURCES LTD.
BIG HORN PROJECT - EL TIGRE MINE AREA
PRELIMINARY ECONOMIC ANALYSIS FOR HEAP LEACH PRODUCTION

- PARAMETERS: - Initial heap sizes will be 10,000 tons
 - 0.08 ounces gold per ton will be recovered (conservative grade considering recent higher results)
 - All numbers are \$U.S.

The chart below is a preliminary schedule and budget to commence following the current exploration program.

	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE
TESTING & DESIGN	5,000	5,000	--				
PERMITS & CONTRACTS (LEGAL)	2,000	5,000					
PLANT CONSTRUCTION		15,000	15,000				
MANAGEMENT, ENGINEERING, ETC.	10,000	20,000	10,000	10,000			
1st PAD PREPARATION		15,000					
1st MINING (10,000 TONS)			40,000				
2nd PAD PREPARATION			15,000				
2nd MINING (10,000 TONS)				40,000			
1st HEAP LEACHING				10,000			
2nd HEAP LEACHING							
					1st Gold Sales		
					OPERATE FROM CASH FLOW FOR 3rd AND 4th HEAPS AND ONGOING		
TOTAL	17,000	60,000	80,000	60,000			
CUMULATIVE	17,000	77,000	157,000	217,000			

Processing of initial 50,000 tons @ .08 Recov. @ \$400 / oz. = \$1.6 million
 Less operating cost after 1st gold sales to completion = .3 million
 Projected Cash flow = 1.3 million

Given the 4,099,000 shares issued, 1987 projected cash flow equates to .32 per share



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BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

January 26, 1987

Dear Perspective Shareholder:

Thank you for your recent request for information on Can-Ex Resources Ltd., as forwarded to us by World Investment News.

Enclosed, for your perusal, is a copy of our current brochure; a Research Report; our December 5, 1986, News Release; and a reprint of a most recent World Investment News article.

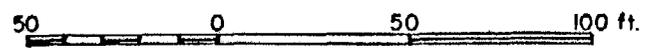
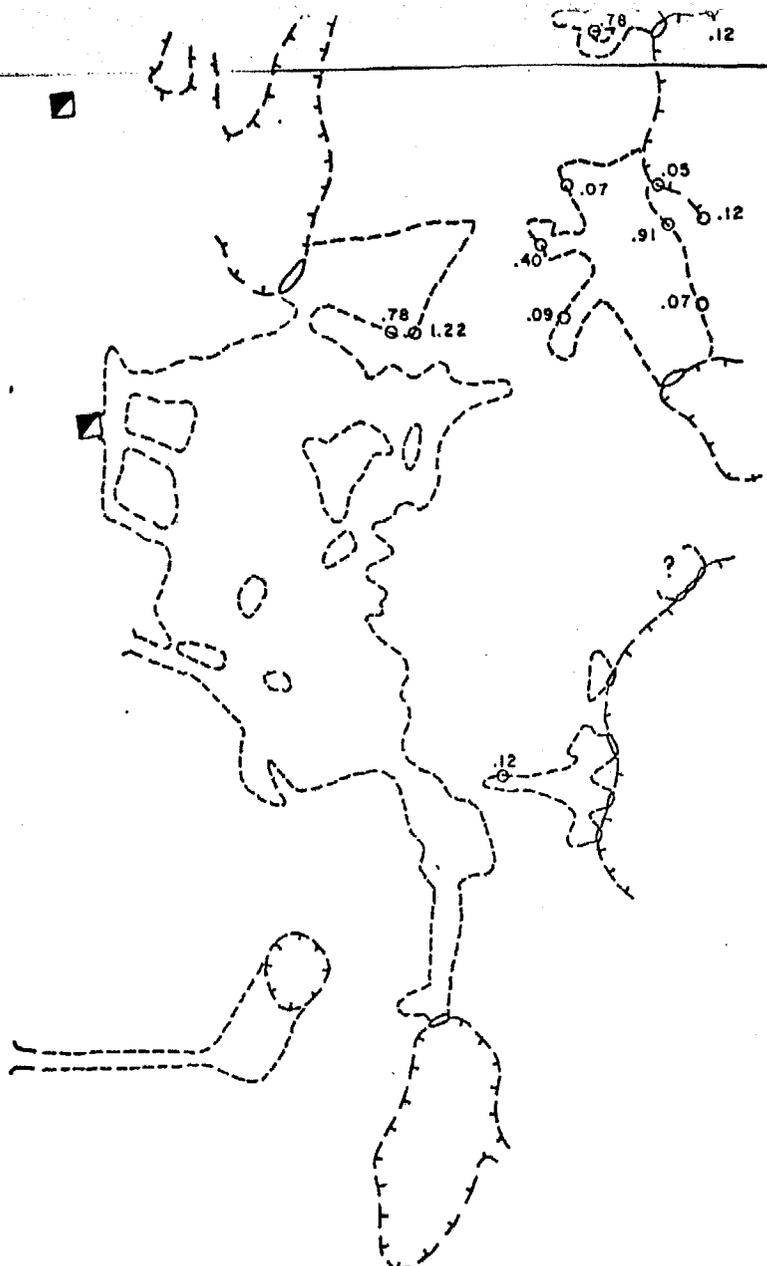
You will note from the enclosures, that the Company continues to move steadily ahead in exploration and development of the Big Horn Gold Property to production.

We look forward to updating you as we progress. Thank you for your kind interest.

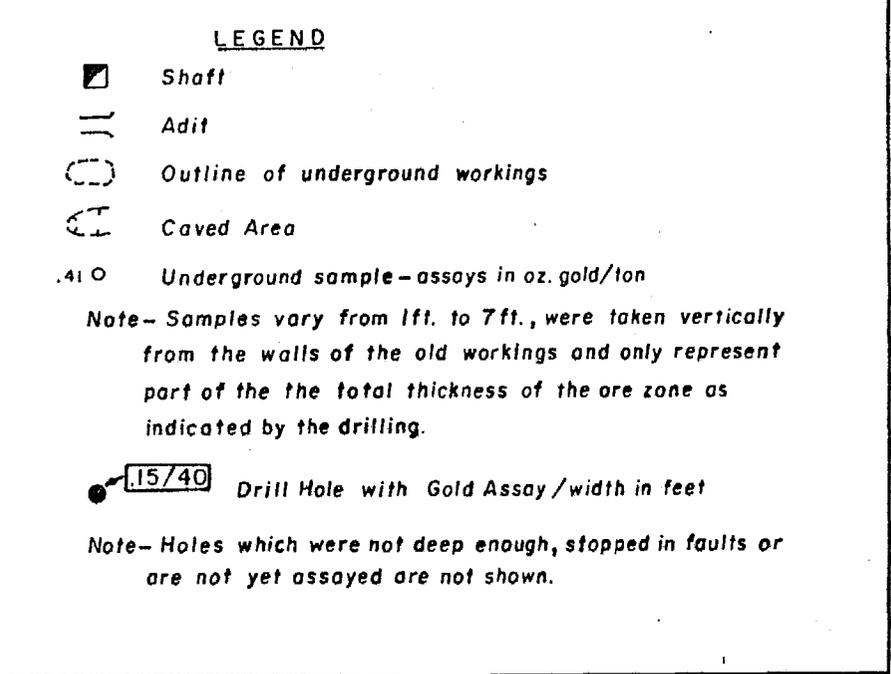
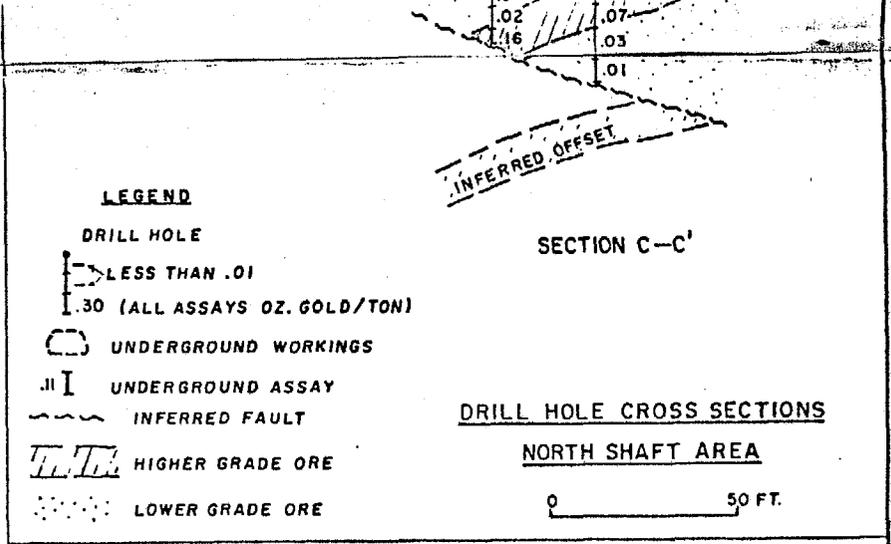
Yours truly,
CAN-EX RESOURCES LTD.

David E. Chowen, B. Comm.
Director
V.P. Administration

DEC:cz
Enclosure



PLAN OF UNDERGROUND WORKINGS



CAN-EX RESOURCES LTD.

BIG HORN GOLD PROJECT
AGUILA, ARIZONA

EL TIGRE MINE AREA

ASSAY PLAN and DRILL HOLE SECTIONS

DEC. 1, 1986

[Handwritten mark]

1 1/2 W 118274

The Mining Record - Wednesday Dec. 10, 1986, Denver, CO

C E R T I F I C A T E

REPRINT: Excerpt from World Investment News, January, 1987





JDS

~~908~~ WJK ^{Sept} 1986 → FILE

*Big Horn Project
Maricopa Co, AZ*

ASARCO Incorporated

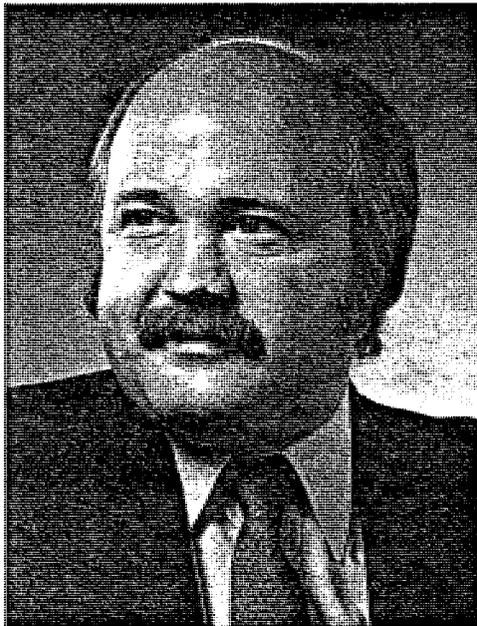
FEB 2 1987

SW Exploration

CAN-EX
RESOURCES LTD.



A MESSAGE FROM THE PRESIDENT



Can-Ex Resources Ltd., founded in 1982, and its wholly owned U.S. subsidiary, Can-Ex Resources (U.S.) Inc. are precious metal mining companies with property holdings in the U.S.A. and Canada.

The Company has the option to purchase a 100% interest in all its gold properties in S.W. Arizona, which it fully intends to exercise should field results continue to be positive, and owns 100% interest in its silver-gold property near Smithers, British Columbia.

The Company has begun work on the recently optioned Big Horn gold property located 14 road miles south of Aguila, Arizona. The three square mile property contains five old mines and preliminary work has disclosed significant gold mineralization. The property is amenable to a heap leaching type operation and work is being done towards achieving an operation of this nature. Various mining companies have expressed an interest in participating with Can-Ex on this highly interesting gold project.

Financial arrangements have been successfully concluded with Can-Ex's fiscal agent, C.M. Oliver & Company Ltd. of Vancouver, British Columbia. Funds allocated for exploration work from the \$481,000 guaranteed financing will be used to complete a

recommended drilling program on the Big Horn gold property.

Can-Ex shares trade on the Vancouver Stock Exchange under the symbols CXZ, and the Company, subject to certain jurisdictional restrictions, is qualified under "Blue Sky" regulations for secondary non-issuer trading in most of the United States.

Can-Ex looks forward to the challenge ahead and the potential reward of precious metal development and production. We welcome you, the prospective shareholder, to join us in our ventures.

On behalf of the Board
CAN-EX RESOURCES LTD.

A handwritten signature in dark ink, appearing to read "G.L. Anselmo". The signature is written in a cursive style with a horizontal line underneath.

G.L. Anselmo, B.A.
President

CORPORATE DATA

DIRECTORS:

Garry L. Anselmo, B.A.
David E. Chowen, B.Comm.
James F. Dixon, L.L.B.

OFFICERS:

Garry L. Anselmo, B.A.
President
James D. Mann, C.A.
Secretary

AUDITORS:

THORNE RIDDELL
25th Floor,
1177 West Hastings Street,
Vancouver, B.C. V6E 2L9

REGISTRAR & TRANSFER AGENT:

GUARANTY TRUST COMPANY
OF CANADA
800 West Pender Street,
Vancouver, B.C. V6C 1J8
(604) 681-0151

SOLICITORS:

(Canada)
John R. Mackay
DAVIS & COMPANY
2800 Park Place,
666 Burrard Street
Vancouver, B.C. V6C 2Z7

ATTORNEYS:

(U.S.A.)
J. P. Tangen
Attorney at Law
Suite 303,
105 Municipal Way,
Juneau, Alaska 99801

CONSULTANTS:

(Canada)
TRI-CON MINING LTD.
Box 12542 - Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2

CONSULTANTS:

(U.S.A.)
TRI-CON MINING (ARIZONA) INC.
Box 12542 - Suite 2580,
25th Floor, Oceanic Plaza,
1066 West Hastings Street,
Vancouver, B.C. V6E 3X2

BANKS:

BANK OF MONTREAL
Main Branch
First Bank Tower,
595 Burrard Street,
Vancouver, B.C. V7Z 1L7

ALASKA NATIONAL BANK
OF THE NORTH
Box 60730,
Fairbanks, Alaska 99706

HEAD OFFICE:

Box 12542, Suite 2580,
25th Floor, Oceanic Plaza,
Vancouver, B.C. V6E 3X2
(604) 682-2269

**REGISTERED OFFICE &
RECORD OFFICE:**

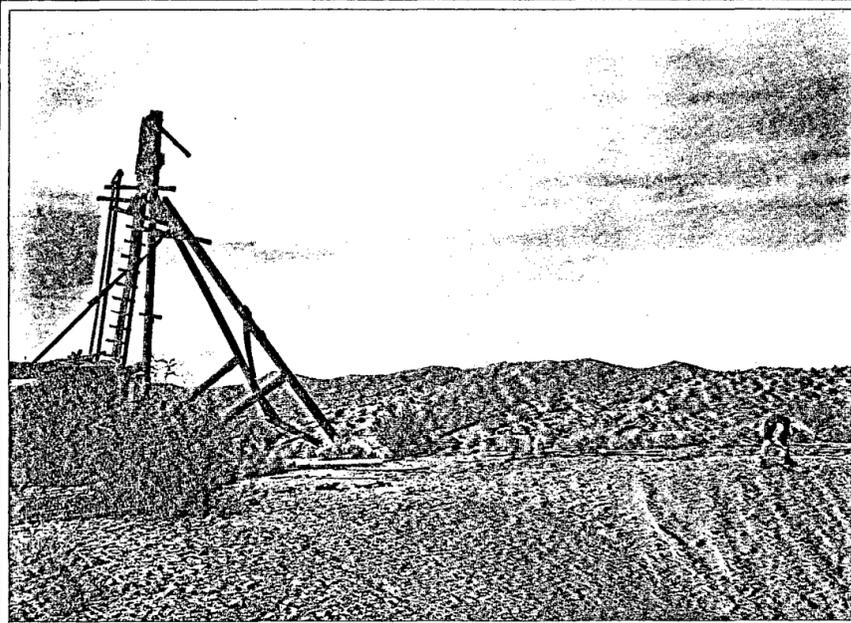
2800 Park Place,
666 Burrard Street,
Vancouver, B.C. V6C 2Z7

CAPITALIZATION:

Authorized: 10,000,000 shares,
no par value
Outstanding: 3,351,000 shares at
August 31, 1986

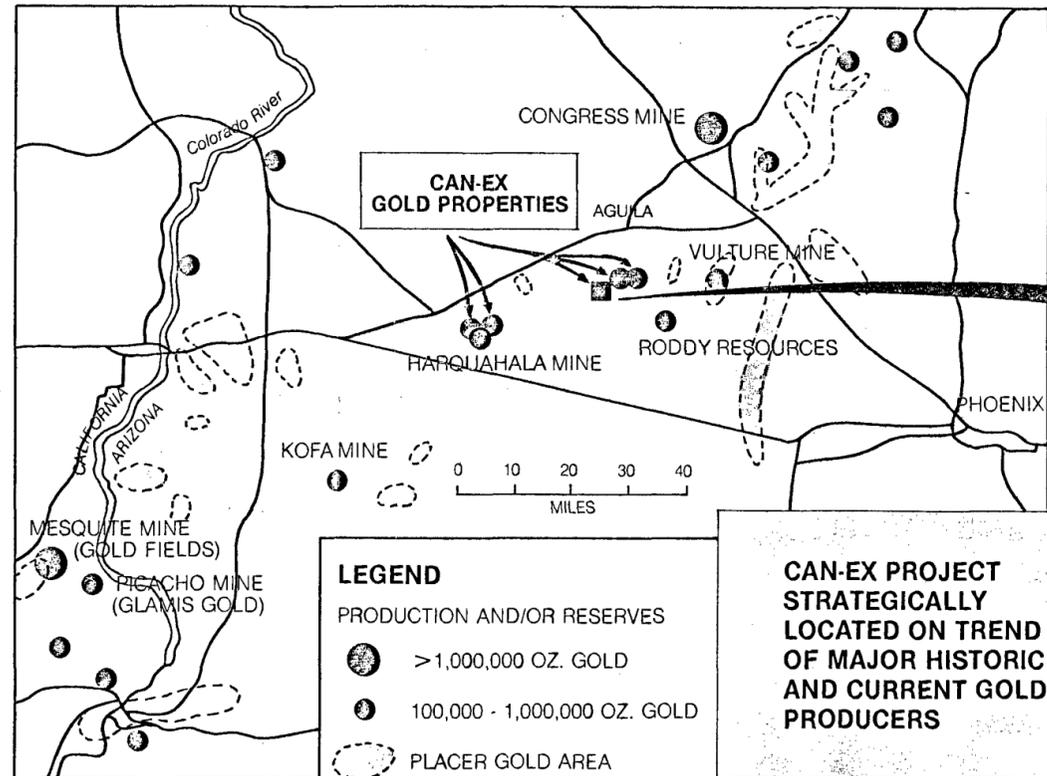
SHARES LISTED:

Vancouver Stock Exchange
— Symbol — CXZ

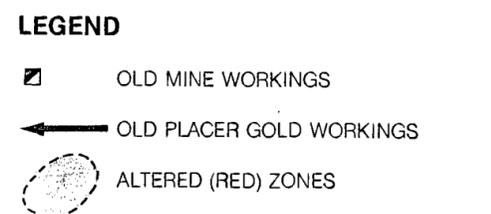
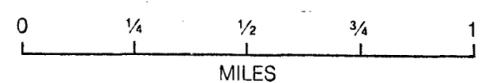
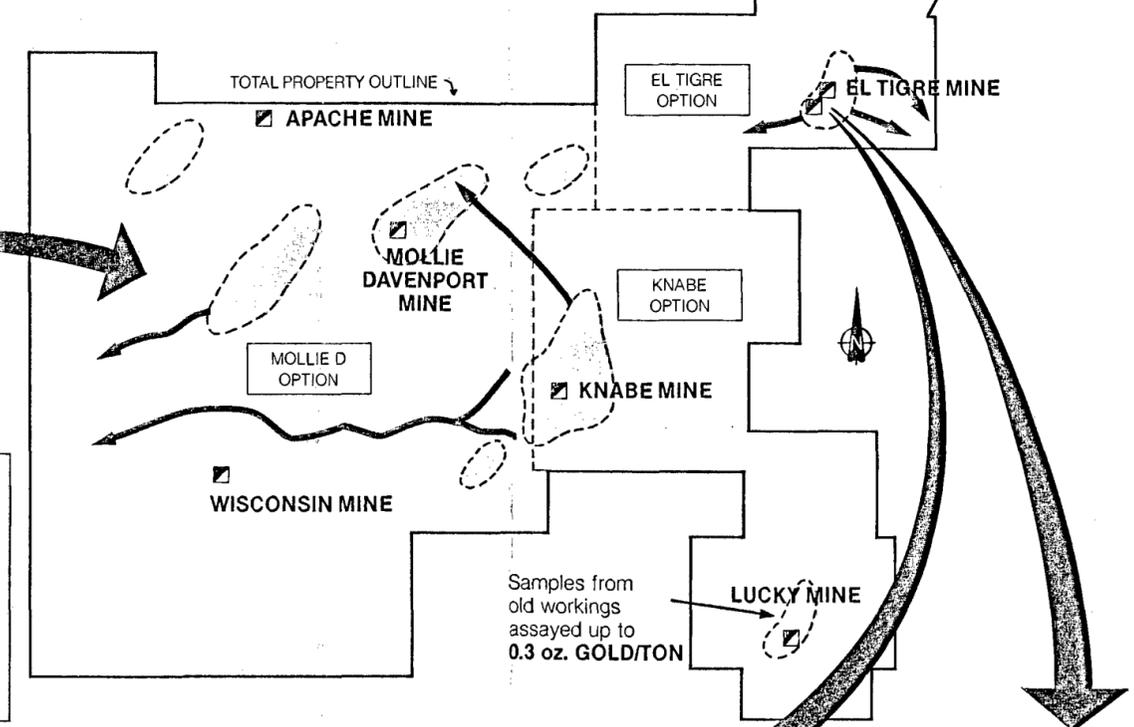


Can-Ex consultant, Gordon House, examining altered dump rock at old Mollie Davenport Mine.

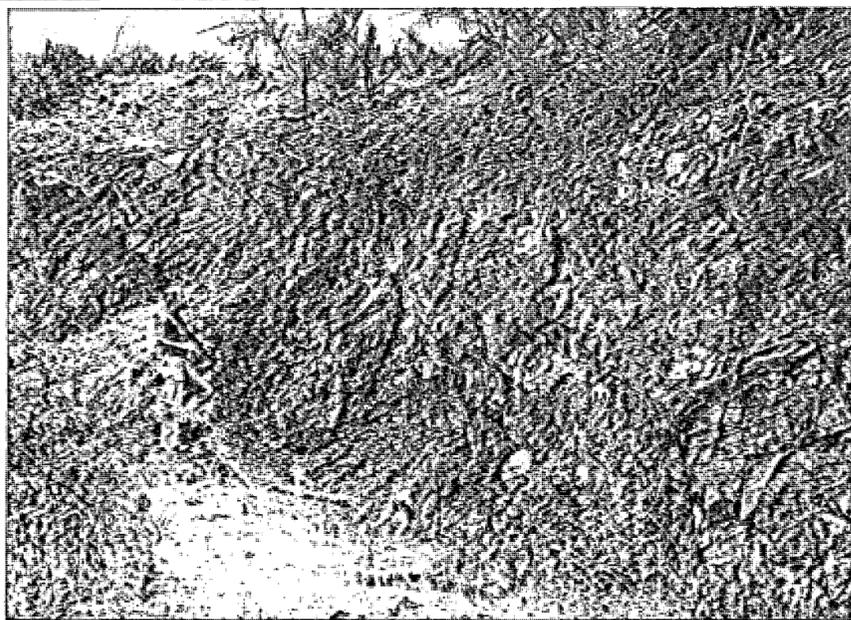
ALTERED RED ZONES ARE GUIDE TO GOLD ON CAN-EX BIG HORN GOLD PROJECT



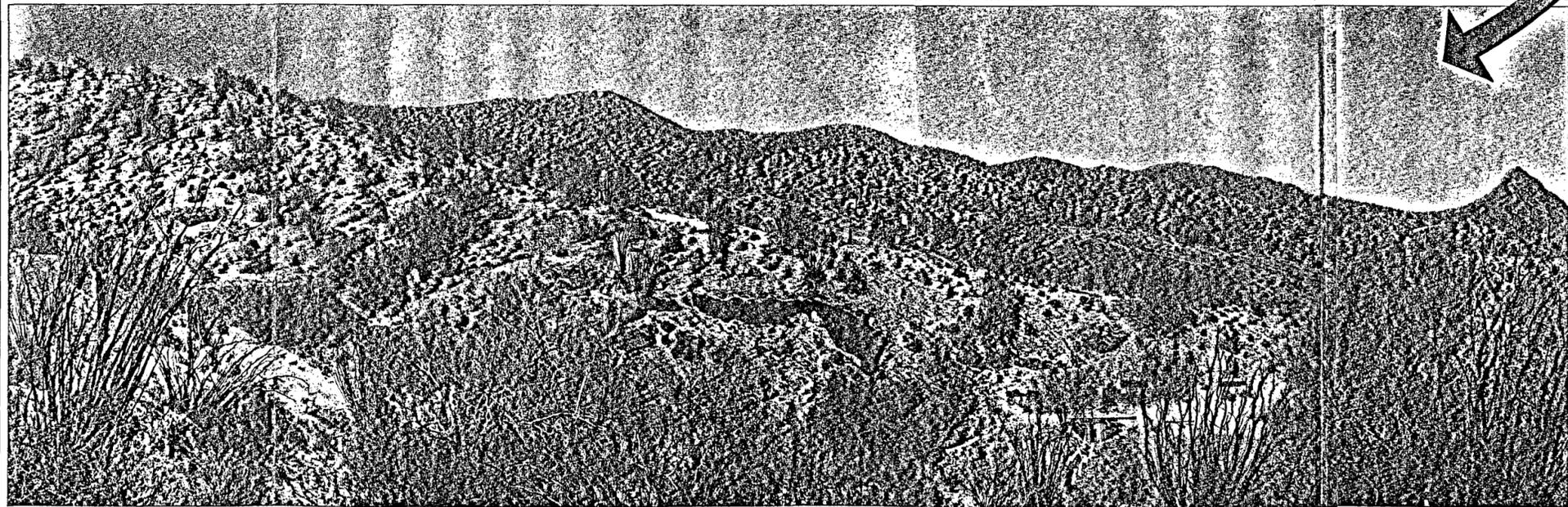
CAN-EX BIG HORN GOLD PROJECT



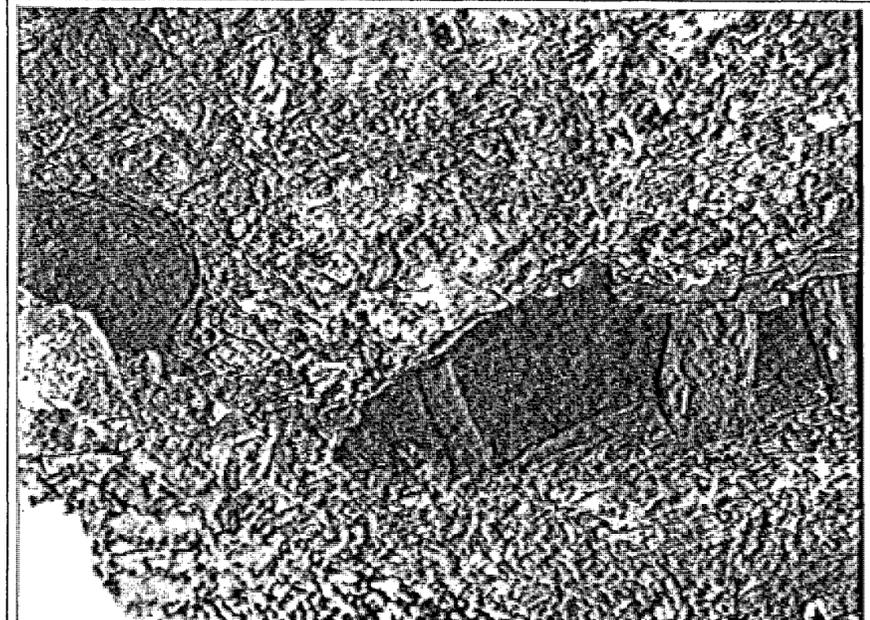
ALTERED ZONES WITH ANOMALOUS GOLD VALUES PROVIDE MANY EXPLORATION TARGETS ON CAN-EX'S THREE SQUARE MILES OF CLAIMS



Altered Megabreccia Zone is future gold exploration target near old Knabe Mine.



El Tigre Mine Can-Ex's first heap leach target. Note openings into old High Grade Mine within area of extensive alteration.

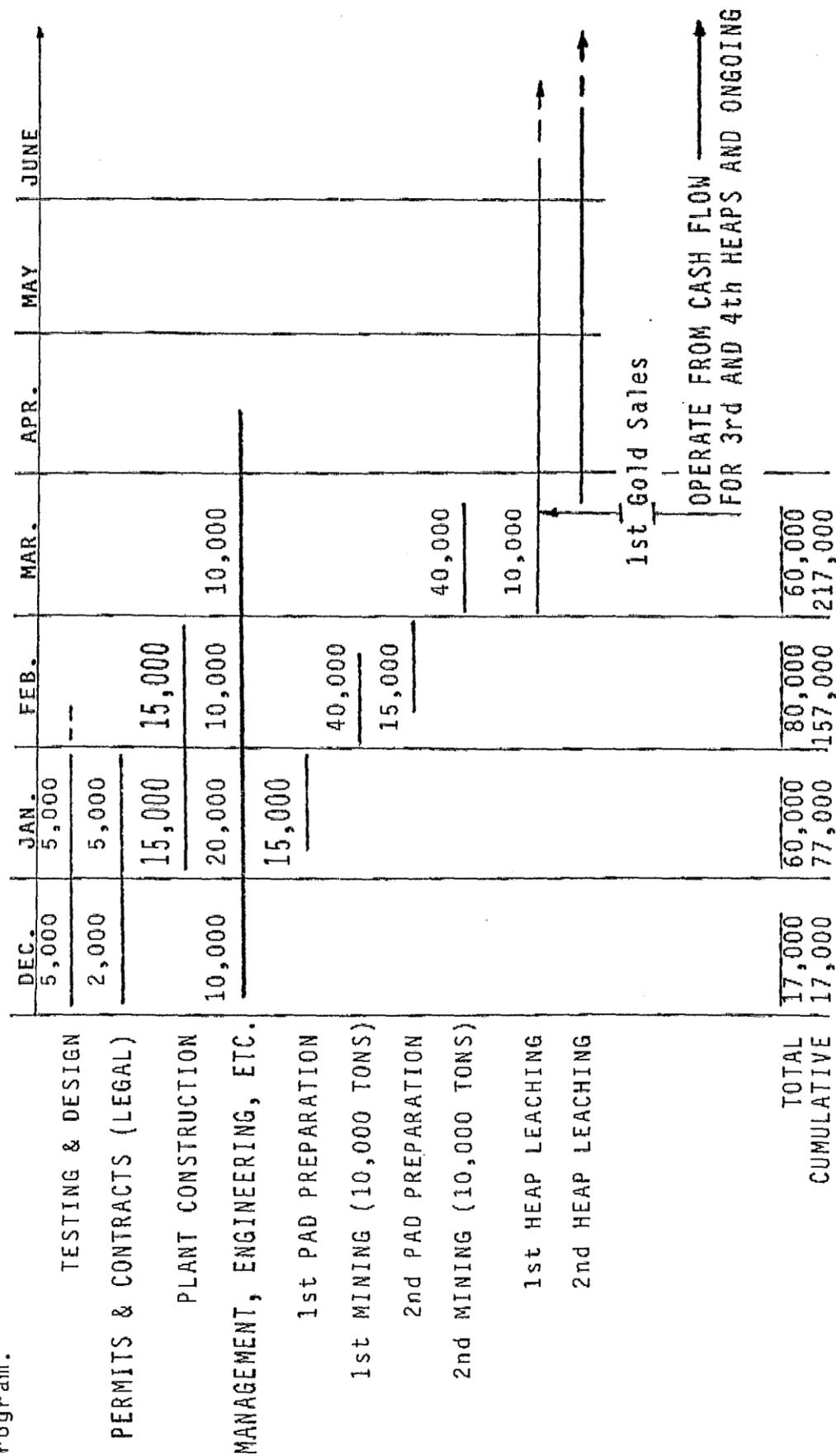


Old underground stopes at El Tigre Mine. Can-Ex assays from this area ran up to 1.2 oz. gold/ton. Extensive alteration exists throughout this area.

CAN-EX RESOURCES LTD.
 BIG HORN PROJECT - EL TIGRE MINE AREA
 PRELIMINARY ECONOMIC ANALYSIS FOR HEAP LEACH PRODUCTION

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 VANCOUVER, B.C. V6E 3X2
 TEL: (604) 682-2269

PRESS RELEASE

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On Behalf Of The Board

CAN-EX RESOURCES LTD.

G. L. Anselmo, B.A.
 President

December 5, 1986



CAN-EX

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BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

January 26, 1987

Dear Perspective Shareholder:

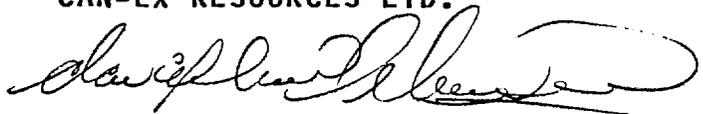
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We look forward to updating you as we progress. Thank you for your kind interest.

Yours truly,
CAN-EX RESOURCES LTD.



David E. Chowen, B. Comm.
Director
V.P. Administration

DEC:cz
Enclosure

BEACONWELL-SUCHBY, Inc.

RESEARCH REPORT

CAN-EX RESOURCES LTD.

Symbol: CXZ Market: Vancouver Stock Exchange
Current Price: C\$0.85
US\$0.61

Price Ranges: Canadian Dollars (US\$0.7210)

	High	Low
1986	C\$1.23	C\$0.10
1985	0.35	0.12
1984	0.75	0.15
1983	1.35	0.65

Capitalization:
Shares Authorized: 10,000,000
Shares Outstanding: 3,351,000
Fully Diluted: 4,001,000



Introduction

Can-Ex Resources Ltd. is a junior mining company with gold and silver properties located in the U.S. and Canada. Its most promising prospect is the Big Horn property in Arizona. This could be in production as an open-pit, heap-leach gold mine within a very short period of time should results of the current exploration program prove successful.

Based on our analysis, Can-Ex represents an excellent situation for investors who seek to participate on the ground floor of an opportunity that has the potential of becoming a producing gold mine in a short timeframe. There is the likelihood of continued growth over the long-term because the company holds other promising properties.

Background

Can-Ex, based in Vancouver, British Columbia, was incorporated in 1982. All operations are conducted by Tri-Con Mining Ltd., a private mining consulting firm that holds 46.9% of the issued shares of Can-Ex.

Holdings

The focus of Can-Ex's present activity is the optioned Big Horn property in Arizona that includes five old mines: the El Tigre, Mollie Davenport, Knabe, Lucky, and the Wisconsin. Can-Ex's gold properties were put on the shelf with the fall in gold prices. Now, with gold prices on the rise, the company has acquired the Big Horn property and is focusing its efforts to examining the property's potential as an open-pit, heap-leach gold mine.

Other prospects include the nearby Pump, Gold Crown, Gold Hill, and Overshot gold properties, and the American Boy and Mohawk silver properties in west-central British Columbia.

Big Horn Property

The Big Horn is located 15 miles south of Aguila, Arizona, and Highway 60. Accumulated over a period of two years under one owner for the first time, the Big Horn covers three square miles of land (1,800 acres) in southwest Arizona.

The property is easily accessible using a 15-mile gravel road from the highway at the town of Aguila. Water is proven to be abundant.

No problems in permitting are foreseen, and the climate will allow work to proceed year-round.

The area, known as the Big Horn Mining District, saw mining activity in the early 1900s. The El Tigre mine was discovered in 1914 and worked until 1924. It was about this same time that other mines in the region were worked at grades reportedly greater than one ounce of gold per ton, although no production records exist.

Five former mines on three separate parcels of land comprise the Big Horn. The El Tigre, the last of three separate parcels optioned by Can-Ex, adjoins the Knabe property to the south. To the west of the Knabe is the Mollie Davenport property and to the southeast is the Lucky. Each is named after their respective mines with the exception of the Mollie Davenport, which also contains the Apache and Wisconsin mines.

These former mines are located in the upper plate of a detachment fault. Many of the drainages, which are located near the old mines, were in the past dry placer mined for gold and have been cleaned to bedrock.

The El Tigre mine has a recorded gold production of 2,300 ounces, although management believes this figure was significantly higher based on observations of past mining activity.

Because of this history, the El Tigre was a much sought-after property by major mining companies. Subsequent to Can-Ex's acquisition, a few of these companies have expressed an interest in a joint venture arrangement and will be permitted to examine the property.

Geology

The Big Horn lies in an overthrust and detachment fault belt extending from Southern California northeast through Arizona. Along this belt are located numerous past-producing gold mines and some current heap-leach gold mines. The property was acquired by the previous owners because of its red coloration, due to the presence of hematite, an alteration mineral that in this region is often associated with gold.

A total of eight hematite-sericite-quartz alteration zones are known on the property. These flat-lying zones and associated stockworks have anomalous gold values. Due to the extent of the alterations zones as seen on surface, it is believed there could exist a large tonnage of heap-leachable gold-bearing ore if the grade proves economic.

Earlier production from the El Tigre was from a high-grade, flat-lying vein or ledge varying from a few inches to more than 10 feet in thickness. This vein deposit was associated with a larger zone of hematite alteration. Both the hanging wall and the footwall of the mined area carry lower grade gold values that are an attractive target for an open-pit, heap-leach operation.

The ore body is exposed for a length of 1,500 feet on the surface then dips underground and has a potential thickness of approximately 100 feet from the hematite footwall to the hanging wall of the high-grade vein. How far it extends down dip to the southwest is not known; drilling will fill in this information. As the El Tigre is exposed on surface in the northeast corner of the Big Horn property, approximately two miles of strike length is tied up. The rock found on the El Tigre appears to be readily amenable to heap leaching.

The Vulture mine, 20 miles east-northeast of the Big Horn, is found

in a similar geologic setting. Past production totals more than 300,000 ounces of gold; however, some old reports suggest 800,000 ounces were mined.

Exploration/Development

Preliminary exploration work has been conducted in the past by the vendor, Tri-Con Mining (Arizona) Inc. This consisted of geological mapping and geochemical silt surveys. Some large areas of coincident silt and rock gold anomalies were delineated by this program and present promising exploration targets.

Recent samples from the El Tigre returned values from remnants of the high-grade vein that ranged up to 0.73 ounces of gold per ton. In the immediate hanging wall of the vein values ranged from less than 0.001 to 0.116 ounces of gold per ton.

A sample taken from the tailings of the old Lucky gold mine on the property assayed 0.08 ounces of gold per ton. Samples from old pits on this old mine assayed up to 0.32 ounces of gold per ton.

The company's consulting geologist has recommended a program of sampling and 2,000 feet of drilling on the El Tigre to test the hematite-altered zones. On the Mollie Davenport and Knabe properties, mapping and sampling programs are planned, which will lead to further drilling.

Contingent upon results of the Phase I exploration work, Phase II plans include 5,000 feet of reverse circulation drilling, bulk sampling, and metallurgical testing. Cost of this program is estimated at \$155,000.

Should the results of the first two phases be positive, heap-leach production could begin within six to nine months. The advantage of the open-pit, heap-leach mine method is the low costs and quick turnaround time.

The objective is to block out a grade and tonnage sufficient to begin operations on a small scale and increase to a point where a joint venture partner can be brought in to further development and assume the operations.

Other Holdings

Can-Ex holds an option on four other properties in the vicinity of the Big Horn that cover 66 claims. All are old gold mines and prospects located on the favorable trend of gold mineralization. On the Pump mine, drilling has encountered ore-grade gold mineralization, test leaching has been completed with good recoveries, and gold bars poured. In the same general area are the Gold Crown, Gold Hill West, and the Overshot properties. Some work has been done on these properties each year, including underground sampling and drilling. Further exploration is recommended.

The 15-square-mile American Boy property in the Omineca Mining Division near Smithers, British Columbia, was held by Tri-Con for six years, and was brought into Can-Ex in 1982. Owned free and clear, it is near the Consolidated Silver Standard Mines Ltd. mine that has produced over \$40 million in silver at today's prices.

The American Boy has been slowly developed over the years. It contains very high-grade silver values, up to 420 ounces per ton, and values up to 0.5 ounces of gold per ton.

The surface has been examined by geological, geophysical, and geochemical methods. Many vein systems have been defined within overall trends up to 4,000 feet long. Sampling and drilling has

returned very high-grade material from various locations along these trends. Follow-up work will be in the form of a concentrated effort on the most promising targets. The present low silver price has put this prospect and the nearby Mohawk property low on the priority list.

Finances

A public financing is being conducted for Can-Ex on a guaranteed best-efforts basis by C.M. Oliver and Co. It will net the company a minimum of C\$481,000, of which C\$146,400 will go toward the first-phase exploration program on the Big Horn and C\$66,800 for working capital.

Management

Garry L. Anselmo, B.A., president and director, began working for Kennecott when he was 17 years old, and has been involved in the mining industry ever since, also being employed by Anaconda and Amax. He was instrumental in forming Tri-Con Mining Ltd. in 1968 and is president. Mr. Anselmo became involved in the public company sector through Silverado Mines Ltd., of which he is currently president and a director.

David E. Chowen, B.Comm., director, is in charge of marketing and administration for Can-Ex.

James F. Dixon, L.L.B., director, practices law in Vancouver, British Columbia.

James D. Mann, C.A., is secretary of the company.

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Can-Ex holds an excellent mineral property in the Big Horn. Within its boundaries are five old mines, all of which have the potential of developing into the heap-leaching type of operation. This type of mining operation is among the lowest-cost in the world in terms of capital construction and operating costs. They are also quick to put into production, allowing revenue to be generated in a very short period of time.

It should not be overlooked that major mining companies have expressed an interest in participating with Can-Ex on the claims.

Should a favorable arrangement be made on the Big Horn, Can-Ex will be in an attractive position, as its partner will be required to fund further exploration and development to bring the property to the production stage. In this way, Can-Ex benefits by its partner's participation as well the equity.

In addition to flexibility and low exploration and development costs, through the connections of Tri-Con individuals (geologists, engineers, etc.), Can-Ex has excellent exposure to mineral prospects. Because of its relationship with Tri-Con, a company with more than 10 years of experience in the area, Can-Ex has the ability to participate in other ventures as well as enjoying developments on its present holdings and building an inventory of properties in various stages. If the economics point to a small operation, Tri-Con will run it for Can-Ex; if results indicate a sizable operation, the company would probably negotiate a venture arrangement with a major company to fund and operate it.

As a result of these positive factors, we recommend the purchase of Can-Ex shares for the patient investor looking to get in early on an exciting speculative company with excellent near-term and long-term growth potential.

September 19, 1986



Ronald J. Gilchrist
Blackwell-Suchy Inc.

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RESOURCES LTD.

Box 12542 Oceanic Plaza
Suite 2580 - 1066 West Hastings Street.
Vancouver, B.C. V6E 3X2

Mr. James D. Sell
ASARCO INC.
P. O. Box 5747
TUCSON, AZ
85703



ASARCO Incorporated

FEB 8 1988

SW Exploration

CAN-EX RESOURCES LTD.
BOX 12542, OCEANIC PLAZA
2580 - 1066 W. HASTINGS ST.
VANCOUVER, B.C. V6E 3X2
TEL: (604) 682-2269

*Big Horn
Maricopa Co., AZ*

PRESS RELEASE

Can-Ex Resources Ltd. announced today that its wholly-owned subsidiary, Can-Ex Resources (U.S.), Inc. has entered into a three-year agreement with Billiton Minerals U.S.A., Inc. a wholly-owned subsidiary of Shell Mining Company, itself a subsidiary of Shell Oil Company which is controlled by the Royal Dutch/Shell Group. The purpose of the agreement is to permit Billiton to explore the Big Horn and Gold Hill properties under the control of Can-Ex in Arizona.

Under the terms of the agreement, Can-Ex will receive \$50,000.00 upon approval of the agreement by the Vancouver and British Columbia Securities Authorities. Thereafter, Billiton will have the opportunity to explore the properties and determine whether it chooses to purchase an 80% interest in the properties for one-half million dollars (U.S.).

Should Billiton exercise its option to purchase the properties, it will enter into a joint venture with Can-Ex to develop the properties. The joint venture interests would be split 80% to Billiton and 20% to Can-Ex, with Billiton as operator.

On Behalf of the Board
CAN-EX RESOURCES LTD.

G.L. Anselmo, B.A.
President

January 27, 1988

