

GCNL #151 7 AUG 85

KETTLE RIVER RESOURCES LTD. (KRR-V)

GOLD RECOVERY FROM OLD PHOENIX - Kettle River Resources Ltd. and Noranda Explorations Company Limited (49%/51%) have MIN TAILINGS IS BEING TESTED begun a program to evaluate grade and recovery methods on 4,570,000 tons of tailings from past production of the Phoenix open pit mine near Greenwood, B.C. The grade of the tailings will be tested by assaying material being recovered from a series of 2-inch diameter holes drilled on a closely spaced grid. Test pits will be excavated on the areas of highest gold content and the resulting material subjected to various recovery methods at Kettle River's test facilities at Greenwood.

The 4,570,000 tons of tailings being tested were produced during the period from 1959 to September 1962, when the highest grade of copper-gold ore was mined at the Phoenix pit. No system for separate recovery of the gold was in operation during this period. However, it is estimated that about 60% of the gold in the ore was recovered in the copper flotation concentrate. Thus, about 1,100,000 ounces of gold were produced as a by-product of copper mining from the total 32,000,000 tons of ore milled at the Phoenix mine.

A successful outcome of the program would result in production and cash flow for the company by 1986.

The diamond drill program at the Canbec property, Greenwood, B.C., (Kettle River 29.4%, Noranda 30.6%, Canbec 40%) is temporarily halted by forest closure due to fire danger. One hole has been completed and a second hole was stopped before completion due to the closing of the forest. Several more holes will be drilled to test for the down dip extension of the Marshall shaft gold bearing sulphide zone. Geological mapping and sampling of many hundreds of feet of trenching are partially complete and the operator, Noranda, is awaiting assay results.

000323