

*George Cross**Reliable*NO.42(1990)
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WESTERN CANADA

AMERICAN RESERVE MINING CORP. (AMI-V)HOMESTAKE MINING (CANADA) LTD.

KUTCHO CREEK INTEREST PURCHASED - Robert T. Boyd, vice president, exploration, reports Homestake Mining (Canada) Ltd., will sell a 60% interest in the Kutcho Creek property 100 km east of Dease Lake, B.C. to American Reserve Mining Corp. for \$7,650,000 payable with 870,000 shares at \$1.15 each and \$6,500,000 payable in seven year, redeemable retractible, and convertible preferred shares. American Reserve will also make cash payments of \$100,000 on closing and \$50,000 by 31Dec90. In addition, American Reserve will spend \$3,000,000 on exploration over three years for a further 20% interest.

The property hosts a copper/zinc deposit with open pit mineable reserves of 13,900,000 tons grading 1.75% copper, 2.47% zinc, 28 grams silver/tonne and 0.34 grams gold/tonne. Homestake will operate an exploration program this season to include geological, geophysical and geochemical programs and diamond drilling on the 13,964-hectare property. Additional engineering, metallurgical and environmental impact studies are also proposed. (SEE GCNL No. 2, 3Jan90, P.3 FOR OTHER HOMESTAKE NEWS)

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