

# Kookaburra lands Ecuador property

VANCOUVER — Adding to a portfolio of copper-oxide properties, Kookaburra Gold (VSE) reached an agreement with AG Armeno Resources (VSE) to acquire up to a 65% interest in the Chaucha copper project in Ecuador.

Kookaburra can earn an initial 50% interest in the property by making cash payments to Armeno totalling \$375,000 plus 200,000 shares as well as spending \$3.5 million on exploration and development over a 4-year period.

The company can earn an additional 15% interest by paying Armeno \$2.5 million and spending a further \$2.5 million on the property.

The property contains a large porphyry system measuring about five miles by five miles covering at least eight copper targets, only one of which has been tested.

Two United Nations-sponsored teams drilled a total of about 25,000 ft. in 70 holes on the Naranjos area in the late 1960s and early 1980s.

The drilling outlined a large shallow and gently sloping supergene enrichment blanket measuring 4,000x1,800 ft. and varying in thickness from 100 ft. to 400 ft.

Reserves in the zone, which is overlain by an oxidized zone and underlain by an untested copper-sulphide system, are estimated at about 60 million tons grading 0.50% copper at a 0.20% copper cutoff grade. The preliminary reserve figure includes a potential starter pit measuring about 27 million tons grading 0.56% copper.

A further extension to the south of the reserve is estimated to contain about 14.5 million tons grading 0.34% copper.

Kookaburra stated that it is highly impressed with the business climate in Ecuador and believes the Chaucha project has an excellent chance of being developed into a heap leach solvent extraction and electro-winning operation.

Rennie Blair, president of Kookaburra, said the option agreement with Armeno should be finalized by the end of October.

Blair said the company will then work on a prefeasibility study, including preliminary pit designs, capital cost estimates and metallurgical testing.

Additional drilling will wait until road access to the property is completed. The government is in the process of constructing a major road into the area and it is expected to traverse the Chaucha property in 12-15 months' time.

# Dayton takes Andacollo partner

VANCOUVER — Although still subject to a due diligence review, the Canadian subsidiary of a Malaysian mining company has offered to buy a 25% interest in the Andacollo gold project in central Chile.

The project is owned 100% by Dayton Mining (TSE), which accepted the offer after considering a number of joint venture proposals over the past several months.

Malaysia Mining, 52% owned by trust and Crown corporations established by the Malaysian government, agreed to pay \$22.6 million for the 25% interest, payable as \$11.3 million in cash on closing and \$11.3 million from its share of cash flow with interest.

The company also agreed to supply Dayton with a US\$20-million line of credit for project financing. A bank project loan is being arranged for the balance of US\$15 million, and

Malaysia Mining will participate in financing 25% of the joint venture project.

"The joint venture gives Dayton shareholders the benefit of a strong cash position and 75% of the cash flow from Andacollo without further share dilution," stated Dayton President Wayne McClay. "It also gives the project the support of a strong corporate sponsor."

Andacollo is projected to produce 140,000 oz. gold annually at an average cost of US\$165 per oz. using open pit mining and heap leach processing methods. The property is road accessible and near infrastructure that supports a mining operation.

# Adrian wins right to appeal

VANCOUVER — A recent ruling by the British Columbia Court of Appeal is expected to result in a quicker resolution of a claim dispute over the IKS 1 claim covering the TOK claim gap and a portion of the Eskay Creek deposit north of Stewart, B.C.

In an earlier decision, the province's chief gold commissioner upheld Adrian Resources' (VSE) title to the IKS 1 claim, but this was appealed by the party disputing Adrian's title. The Supreme Court of British Columbia had directed that the appeal be heard as a new trial rather than an appeal on the record from the decision of the chief gold commissioner.

But this ruling was successfully appealed by Adrian, and the company expects the new procedural direction will provide for a faster resolution than had the appeal been heard as a new trial.

# Barrick hedges gold to 1999

Already one of the best-hedged gold miners in the business, American Barrick Resources (TSE) recently extended its safeguard against weak gold prices to the end of the century.

Under a deal with banker J.P. Morgan and Co. of New York, Barrick will sell forward up to one million ounces of gold under a new, 10-year hedging facility.

The facility ensures that Barrick will receive about US\$450 for each ounce of gold sold forward from production, mainly from mining during the 1996-99 period. Barrick is already fully hedged at US\$420 per oz. for gold produced until mid-1995.

Gold recently traded at US\$350.25 in New York.

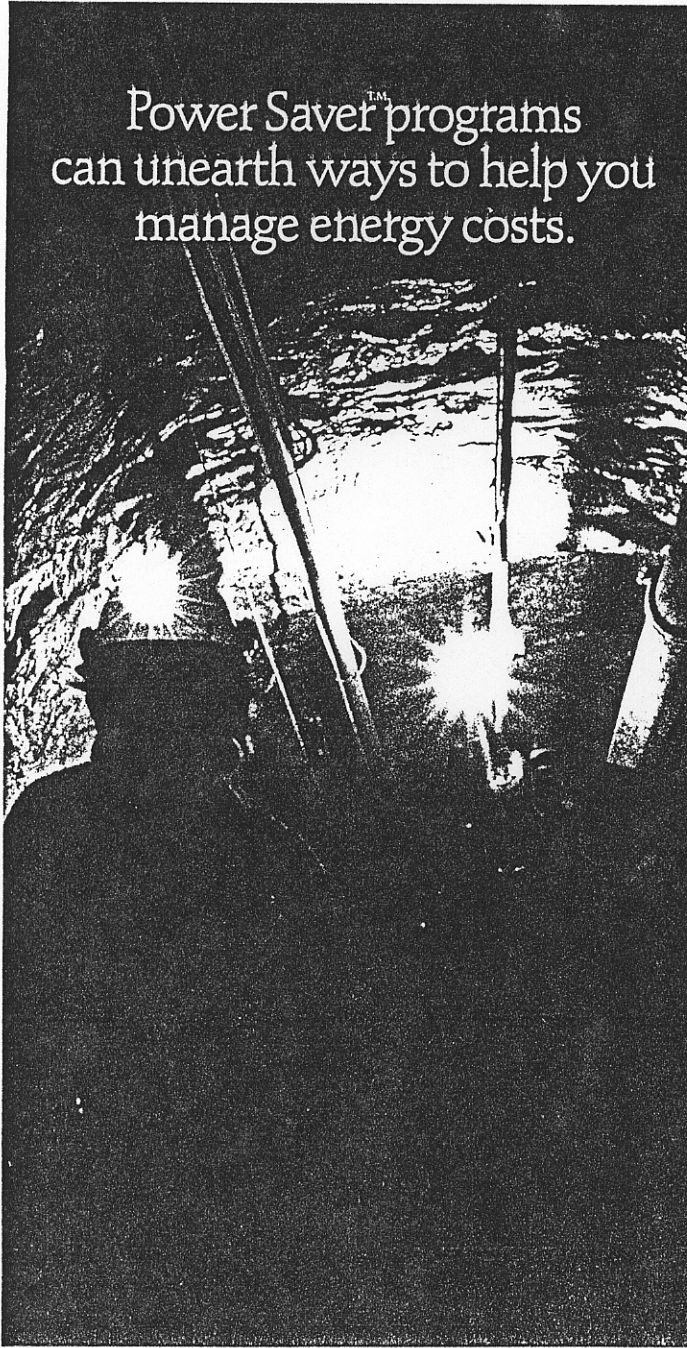
Barrick is expected to produce about 1.2 million oz. this year, up from 790,000 oz. in 1991. At the end of 1991, the company's reserves stood at about 25.3 million oz. gold.

# Dankoe abandons silver mine in B.C.

VANCOUVER — Low silver prices and the poor outlook for the metal have prompted Dankoe Mines (VSE) to abandon its mining and milling complex near Keremeos, B.C.

The mine's underground workings have been shut down since 1980, although the mill has operated intermittently since the mine closure on a custom-milling basis. But the low metal prices which rendered remaining reserves uneconomic now also affect the company's ability to acquire custom-milling contracts.

Reclamation work is in progress, and the company plans to sell assets located on the property.



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