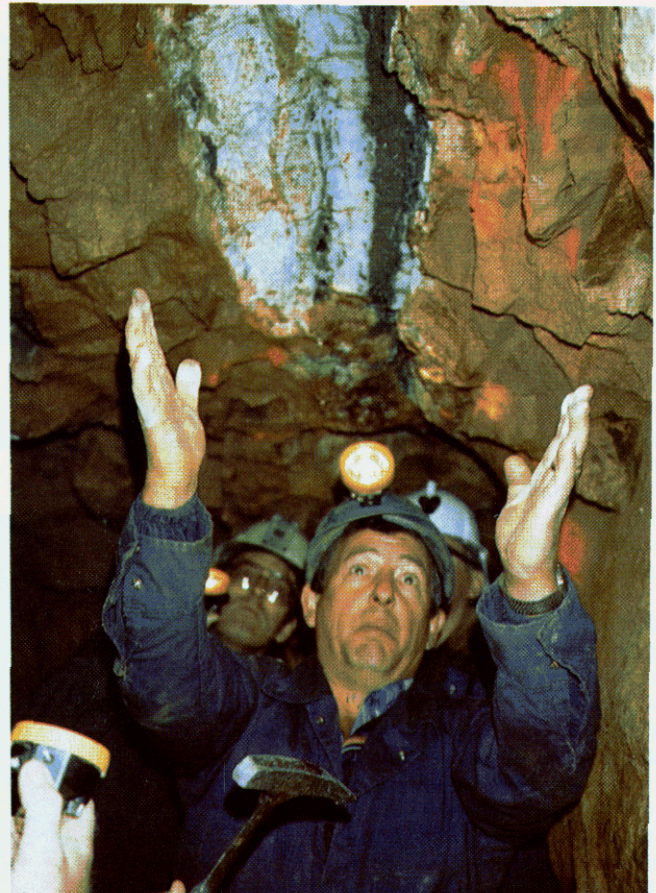


Goldrich Looks To Be Gold Rich With Early Production From Bayonne Mine

by David O'Keefe



Goldrich President Paul Frigstad



Now is that a vein, or is that a vein!

Once more the pattern of re-opening old producers continues. From Canada to the United States old mines are getting a new lease on life. New techniques, new geology and a still attractive gold price are the spur. There are many old gold camps in British Columbia, among them is the Sheep Creek Mining Camp in the southeast of the province, near the city of Nelson. It is here, in the very heart of this old Camp that Goldrich has returned the Bayonne Mine to production. Goldrich president Paul Frigstad plans to have production at 150 tons by early summer rising to 250 tons per day by early next year.

The Bayonne property first received attention as early as 1901 but actual production *didn't* begin until 1936, closing in 1942 due to war shortages. In its first production life the mine yielded 85,000 tons of material averaging 0.47 ounces of gold and 1.12 ounces of silver per ton. In his October 1982 report, Professional Engineer Roy Phendler noted that from the one to two ounce gold enriched zone of the mine the average production grade of 0.47 suggests that either excessive dilution took

place in the stopes or recovery was poor at the straight cyanidation circuit mill that had a 60 ton per day capacity. Metallurgical tests by Goldrich have determined that a 98.5 percent gold recovery can be expected from the Bayonne ore which will be processed at the David Minerals HB Mill at Salmo, British Columbia.

With our diverse readership we try to simplify the sometimes complex geological terminology that is part and parcel of reporting on mineral properties. The Bayonne Mine is an unusual property so I feel justified in quoting an excerpt from Engineer Phendler's 1982 report.

"The Bayonne Mine is unique in British Columbia in that the veins are heavily oxidized to a maximum depth of 135 metres. In this zone the sulphides have largely disappeared, their place being taken by limonite and minor amounts of secondary level and zinc minerals. The bottom of this zone is characterized by a rather abrupt transition zone to fresh sulphides. Conclusions are that the area has suffered from deep preglacial weathering that escaped removal

by continental glaciation, a rather surprising condition, considering the high elevation and exposed location but not unheard of. The oxidized zone consists of limonite and rusty, honey combed quartz that often assayed one to two ounces of gold across narrow widths. Dilution brought this grade down to the half ounce range. Below the oxidized zone is a 50 foot thick zone of apparently enriched material that assayed between 0.50 and 1.0 ounce of gold per ton and below this in primary material assays are closer to the 0.40 gold average. However, stopable lengths of vein material continue to average close to 1.0 ounce of gold per ton - see east end of 8A level."

The Bayonne property, which now covers some 11,000 acres, had been developed on eight levels, one hundred feet apart vertically. Levels 1,2,3,4,5,6 and 8 were driven from surface on the main vein with crosscuts to the mines "A" vein driven on the 4,5,6 and 8 levels. Access to level 7 is by internal raises. An additional level - No.9 - was developed for 420 feet from the No.1 shaft sunk vertically from level 8.

By the middle of the summer of '83

Calgary's Aurun Mines Strikes Big With Massive Perlite Discovery

by Desmond Bachelor

Perlite: An acid, igneous glassy rock of the composition of obsidian, usually occurring in masses of small globules.

Trading on the Alberta Stock Exchange for little more than four months, Calgary-based Aurun Mines has brought into production a perlite mine at Clinton, British Columbia and is operating a test plant at Aldergrove, B.C. processing perlite, a little known but highly in demand product, especially in agriculture. Perlite is one of the finest sterile growth mediums available.

To produce commercially usable perlite, the rock is crushed and sieved to the desired size, then run through a furnace. Each perlite granule contains moisture, the furnace turns this moisture to steam and the granules burst in the same way as popcorn, changing the heavy granules into a product so light it floats on water.

Perlite deposits are the product of recent volcanic action, the only known Canadian deposits occurring in British Columbia. Prior to Aurun's development all perlite came from New Mexico. According to Patrick Murray, president of Norwich, Ontario-based Shamrock Industries, Aurun's product is considerably higher in quality and consistency than previously available. Shamrock has signed a joint venture agreement with Aurun to construct a perlite expander plant in Ontario with a capacity of 3300 tons per year. This plant will be operated by a newly formed company, Atlantic Perlite Ltd. which will be owned equally by the two companies.

Aurun's president, Jed Dagenais, says that they have not yet established the total reserves on the property. There are two known deposits, both open along strike and at depth. Because of the size of the deposit the decision was made to proceed with mining at once rather than prove up the entire property. Even so, the relatively small area that is now being mined has a life of some 60 to 70 years.

Aurun is planning work programs on three other mineral properties; the 127 claim Huntington Gold Project, 80 kilometres southeast of Elko, Nevada, on which an option agreement has been signed with the owners, Golden Triangle Exploration Co. of Pioche, Nevada; a joint venture with Calgary-based Comaplex Resources on a rare earth property 22 kilometres south of Revelstoke, B.C. and a joint venture with Vancouver-based Ark Energy on the Groundhog Basin Project at Revelstoke, B.C.

The Groundhog is located 8.5 kilometres north of Noranda's Goldstream massive sulphide copper-zinc mine, hosting the same geological characteristics. Chip samples from three quartz veins assayed 0.104, 0.244 ounces of gold per ton and 10.82 ounces silver per ton.

Aurun Mines Ltd. trades on the Alberta Stock Exchange under the symbol AUZ.



Rear of Aurun's pilot plant showing converter furnace



Perlite "popcorn" under influence of propane torch



Official ribbon cutting, left to right, Jed Dagenais, Aurun President, the Hon. William Ritchie, B.C. Minister of Municipal Affairs

Corporate Financing Seminar To Be Held In Vancouver

Practical financing advice - how and where to find the financial support that medium-sized companies need in today's economy. That's the subject being addressed at an upcoming seminar at the Westin Bayshore on May 29, 1984. "Corporate Financing" is being presented by an impressive group of experts in the financial community including: Vancouver Stock Exchange, Toronto Stock Exchange, First City Capital, Mutual Life of Canada, Thorne Riddell, Davis & Company, The Collins Group, Walter E. Heller Financial Corp., Walwyn Stodgell Cochran Murray.

Among the topics to be discussed are: Going Public, Dealing with your bank, R & D financing, Financing acquisitions, and Raising equity from private sources.

The seminar will be of special interest to CEO's and financial executives of public and private companies whose financial requirements range between \$500,000 and \$10 million. It is intended to offer sound practical advice concerning the many aspects of corporate financing. The purpose of the seminar is to act as a "road map" on where to go and how to do it.

For further information you can contact Frances Petryshen or Gloria Roberts at The Collins Group, #1007 - 1030 West Georgia Street, Vancouver, V6E 3C2 or phone (604)669-7880

Mine Reclamation Award Announced

Island Copper Mine, located near Port Hardy on Vancouver Island, has been awarded the province's major mine reclamation award at the Eighth Annual British Columbia Mines Reclamation Symposium in Victoria.

In presenting the award, Energy, Mines and Petroleum Resources Minister Stephen Rogers noted that the mine has developed an excellent reclamation program since it began operations in the early 1970's, including - full reclamation of waste dumps, including recontouring, covering with glacial till overburden, seeding and fertilizing; establishment of alder trees, through direct transplanting as "nurse" trees and the planting of commercial tree species; recontouring marine dumps at tidewater to establish a maximum intertidal zone and selective handling and stockpiling of soil materials to ensure a good growth medium for final mine reclamation.

Other awards presented during the ceremony were a Citation for exploration to Crows Nest Resources, a Citation for Metal Mining to Equity Silver, a Citation for Coal Mining to Crows Nest Resources on its Line Creek Project and a Citation for Placer Mining to N. Olausen and G. Lewans of Quesnel, who reclaimed more than eight hectares of disturbed land in their reclamation program.

Editor's Comment

At long last I think we can take down the plague flag that has been pinned to our door for the last several weeks. I'm not sure what kind of bugs we are importing these days but they are, without doubt, virulent and all encompassing. This tale of woe, is of course, to apologize to our readers for the lateness of this issue. Now that spring is here in Vancouver and the sun is shining, the daffodils, tulips and blossom cheering our battered minds and bodies perhaps we can fight off the next wave of plague that attacks our shores. Good reading, good investing and keep those cards and letters coming.


Dynamic Duo

Howe Street's self-styled flamboyant "Dynamic Duo", Yorkton Securities' Bob Donas and Bill Wright have decided that threesomes are more fun and have elected Paul Larkin to be the third musketeer. Paul has eleven years of varied background with the Bank of B.C. dealing extensively in the resource field and will bring a good deal of expertise to his new vocation. I.P. & D. wishes you all the best Paul, you are working with two very knowledgeable guys.

New Addresses

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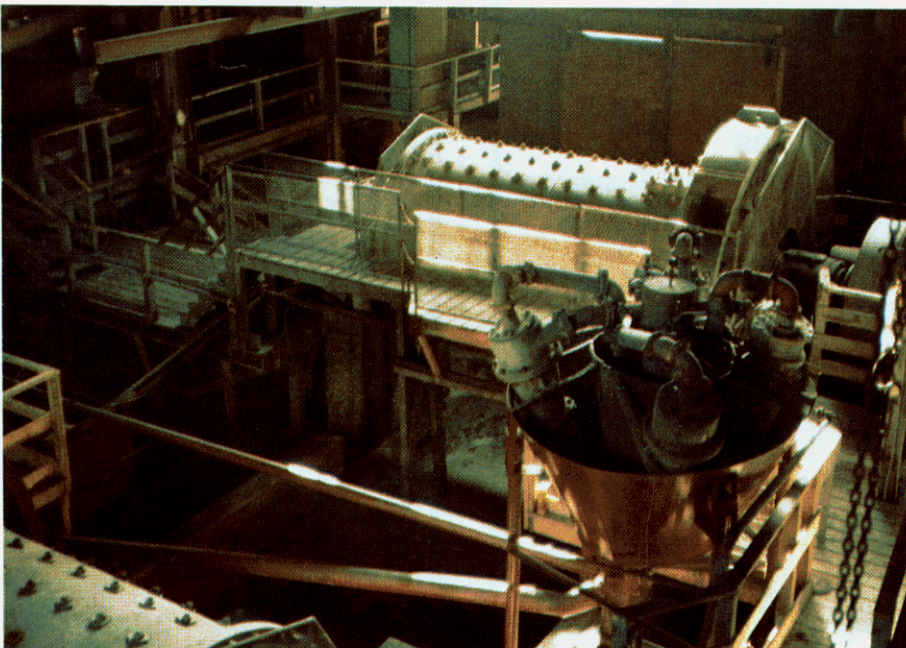
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Helicoptering onto the property



Darryl Frigstad operating tram on the #4 level



The HB Mill

reserves had been calculated at 31,000 metric tons. Even, 31,000 possible and 50-70,000 inferred, with grades averaging to 0.422 ounces of gold and 0.75 ounces of silver per metric ton. By the fall of '83 these figures became subject to sharp revision with two significant finds that will extend the mines potential. Firstly a new vein, the "North" had been located 100 metres from the main Bayonne vein system. The vein was located by extending trenches north from the eight portals on the main zone. The vein has been exposed on the surface for 2,800 feet, 22 channel samples have been assayed and returned values ranging from 0.01 to 2.10 ounces of gold per ton plus silver, lead and zinc values. Average grade of the channel samples is 0.395 ounces of gold per ton across the vein width, up to 2.5 metres. The new zone will be tested to depth by underground diamond drilling from the established workings. In addition to the North vein, a further structure, the "Echo", south of the "A" vein has been trenched and sampled.

Secondly, a diamond drilling program on the present structure has increased the length from 3,600 feet to 4,300 feet and successfully tested the structures continuity at depth with the vein being intersected at the 10 and 11 level. The intersection at the 10th level assayed 0.685 ounces of gold over the vein width.

Opening of the 10 level would result in additional proven and possible reserves of 120-130,000 tons. The potential of this 10 level and the potential for at least 10 more levels being driven into this mountain - without a shaft - was a crucial point in Goldrich's decision to proceed with Roy Phendler's recommendation to proceed with production.

Progress to date by Paul Frigstad's Goldrich has not been achieved without an intense corporate effort and from the original financing by Walwyn Stodgell and Canarim which raised the funds for the initial work program consisting of 1,142 feet of diamond drilling in three holes, all intersecting the "A" vein at the 10 level, adits 1 to 7 opened, number 4 portal opened and re-timbered for 285 feet, partial establishment of the 10 level portal and 10 kilometres of access road completely upgraded. Subsequent financing has left Goldrich in a debt free position with \$700,000 in the treasury with another \$900,000 to come.

In late news I.P. & D. has learned that Goldrich has made a further move to consolidate its position in the Sheep Creek Camp by signing a letter of intent with Goldbelt Mines to acquire the former producing Goldbelt Mine two miles from David Minerals HB Mill at Salmo. Available reports on the mines potential show 50,000 tons of 0.43 ounce gold and 3.0 ounces of silver per ton, with two million tons of probable reserves.

Subject to Regulatory Authorities approval, the letter of intent calls for the issuance to Goldbelt of 300,000 Goldrich shares, a payment of \$85,000 on approval and a further payment of \$75,000 on the anniversary of the acquisition or commencement of production, additionally Goldbelt will retain a five percent net smelter return.

Goldrich trades on the Vancouver Stock Exchange under the symbol GRD. 