

GCNL*233 GOLDBELT MINES INC. 7 DEC 81

DAVID MINERALS LTD. 82F/3E

CUSTOM MILLING AGREEMENT SIGNED - Don Carmichael, president of Goldbelt Mines Inc., has reported that a custom milling contract has been signed for the processing of ores from the Goldbelt Mine at the David Minerals concentrator each of which is located within six miles of Salmo in south eastern B.C. 082F5W056

David Minerals recently purchased the H.B. concentrator plant from Cominco and has put it back into operation at about 500 tons per day. David is adding a cyanide gold recovery circuit and expects to bring the plant up to its full designed operating capacity of 1,500 tons per day as ores become available in the area.

Under the agreement, Goldbelt has begun trucking some of the 7,000 tons of ore, containing an average of 0.25 oz. gold per ton, which is now stockpiled at the property. Milling is scheduled to start in early January with David Minerals committed to process the Goldbelt ore in 10,000 ton lots. The gold concentrate is to be shipped to Asarco in East Helena, Montana.

Reserves at the Goldbelt property are estimated at 40,000 tons grading 0.50 oz. gold per ton. A contract has been let to start mining these reserves.

In a separate agreement Goldbelt has purchased from David Minerals 20 acres adjoining the David plant which is suitable for a plant site of its own. Goldbelt hopes to built its own 200 ton per day capacity plant in the long range.

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David reports Novelty assays

VANCOUVER - David Minerals reported encouraging assays from five drill holes on its Novelty claim, gold-molybdenum prospect in the Rossland area of B.C. Particularly good values were returned from hole 81-2 averaging 0.52 oz. gold, 0.78% molybdenum and 0.11% copper with a narrow intersection returning 1.83 oz. gold, 3.12 molybdenum and 0.28% copper from 30-31 m. In hole 81-1, a 12.5 m intersection returned 0.196 oz. gold, 0.15% molybdenum and 0.19% copper. In hole 81-5, an intersection from 7.45-13.3 m returned 0.11 oz. gold, 0.19% molybdenum and 0.11% copper. Results are pending from drill holes on the Golden Queen and St. Elmo claims. 82F/4W

Separately, Goldbelt Mines has signed an agreement with David Minerals to ship ore from its gold mine near Salmo, B.C., for custom milling. The David mill, located six miles west of Goldbelt's property will process 500 tons of Goldbelt's ore per day. 82F/3E
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The company has begun trucking some of the 7,000 tons of ore averaging 0.25 oz. gold per ton to the mill site. Milling is scheduled for early January with David committed to handling Goldbelt's ore in 10,000-ton lots. The gold concentrate is then to be shipped to Asarco in East Helena, Mont.

Don Carmichael, president, says Goldbelt also intends to let a mining contract immediately to work the property's reserves. Set in the historic Sheep Creek district, the Goldbelt property has 40,000 proven tons in excess of 0.5 oz. gold per ton.

In a separate agreement with David, Goldbelt has secured 20 acres adjoining the David mill tailings pond that would be a suitable site should Goldbelt decide to build its own mill capable of processing 200 tons a day.