

GCAL #149 6 AUG 81

HECATE GOLD CORP.

? 82F/bw #176.

SILVER-COPPER PRODUCTION - Hans Guhr, president of Hecate Gold Corp., reports negotiations SCHEDULED FOR THIS FALL are underway for the custom milling of silver-copper ore from Hecate's 75%-owned Silver King property near Nelson, B.C. Hecate will start mining the main high-grade silver vein in fall 1981 and have agreed in principle to supply ore to David Minerals' mill, 35 miles away. F, R

The Silver King has about 80,000 tons of proven reserves grading 8.5 oz. silver per ton and 2.1% copper having a net cash value of some \$11,000,000.

Exploration has also indicated the possible presence of large tonnages of disseminated lower grade silver/copper mineralization on the Silver King. Several major mining firms have expressed interest in investigating its long-term potential, including Riocanex, Kerr Addison Mines and E & B Explorations. Cominco Ltd., a 25% owner of the Silver King, are also considering, with Hecate, exploration of the property's high-tonnage, low-grade potential.

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HOST VENTURES LTD.

ENCOURAGING DRILL HOLE AND DUMP ASSAYS RAISE RESERVES - Host Ventures Ltd. are currently exploring their 90%-owned Silver King mine property near Nelson, B.C., by sampling the surface dumps and diamond drilling on three different areas of the property. Host president Jeremy L. Wise says the project is being managed by MineQuest Exploration Associates Ltd. Preliminary assays from detailed sampling of eight of the surface dumps indicate the existence of 8,500 tons of dump and related material averaging 4.56 oz. silver per ton and 1.72% copper with every chance of a further 3,000 tons of comparable grade. This is in addition to previously reported underground reserves of 76,000 tons grading 8.6 oz. silver/t, 2.1% copper and 0.9% lead. 80t

Diamond drilling has indicated a 300-foot extension of the Iroquois vein structure where previous surface samples assayed a high of 10 oz. silver/t. Recent surface samples graded a high of 6 oz. silver/t. DDH-SKD-1 intersected the Iroquois vein about 100 feet below surface over a width of 8½ feet, grading 1.0 oz. silver and 0.02 oz. gold/t. DDH-SKD-7, a step-cut 130 feet along strike, intersected 8 feet of vein material. Drilling 120 feet further along strike intersected a similar width of vein. Assays are pending for these two holes.

Robert Longe, P. Eng., of MineQuest stated that while the grades are low the widths and alteration justify further drilling. Host is now drilling near the old Dandy tunnel where recent trenching revealed significant mineralization over five feet.