

The "Silvery" Slokan Back In The News With Mikado's Joint Venture

by Sam Stone

004097

PROPERTY FILE

Never far from the action the, "Silvery" Slokan area of British Columbia is back in the news. Mikado Resources, in joint venture with Turner Energy, has started mining operations at its Wagner Mine project on Mt. Templeman, 80 miles northeast of Cominco's giant Sullivan Mine and 60 miles southeast of Revelstoke.

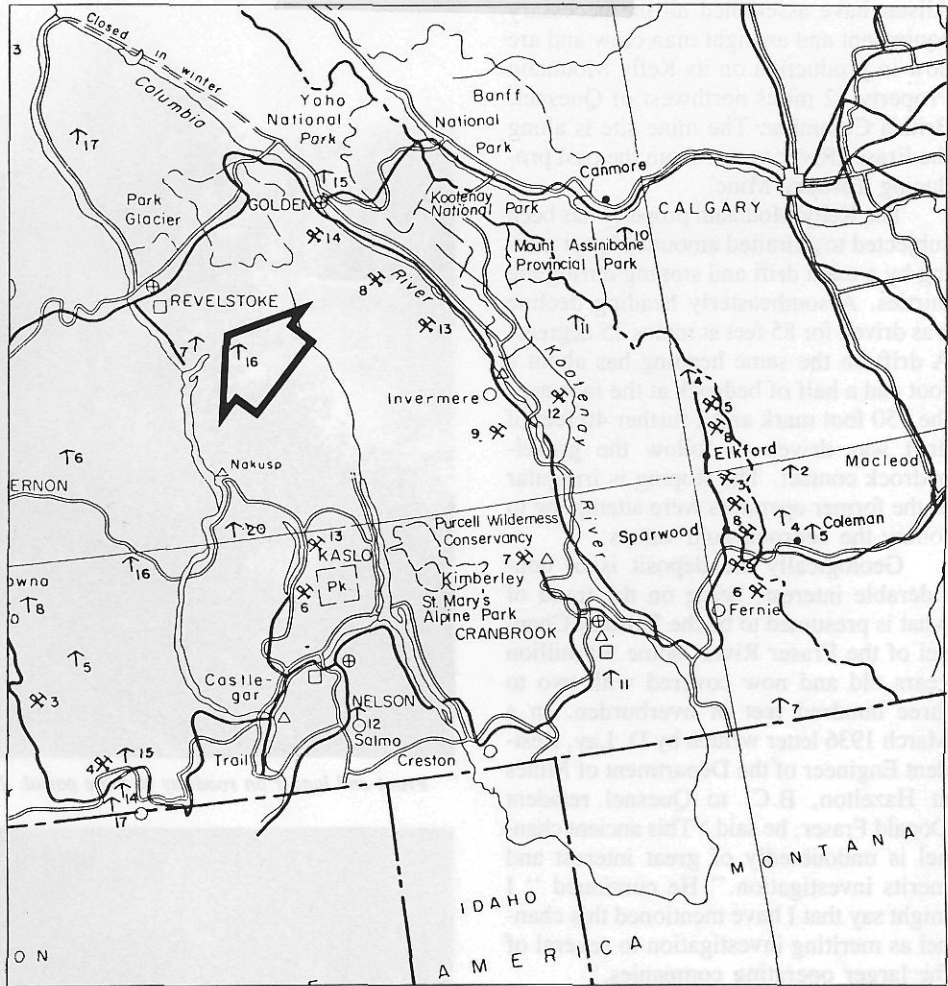
The Wagner property was discovered in 1893 and in 1896-98 a 100 foot long adit was driven from which a short crosscut and an 80 long winze were driven. The property has been highly regarded since discovery and has been the subject of numerous reports. In 1909, D.C. Corbin, a Spokane, Washington railroad developer, was quoted as saying that the Wagner has been known for a long time as one of the largest and richest silver-lead properties in B.C. The deposit values are said to be immense and the value of the ore high. Only the well nigh impossible location of the property precluded its full development. Now that Mikado and Turner have completed an access road, development can proceed apace.

Underground development consists of the Upper Adit, driven in 1897, 250 feet below the peak of the ridge, the 150 foot lower drift driven in 1981, 125 feet below the Upper Adit and the Lower Adit driven for 605 feet in 1951 by Sheep Creek Mines, 700 feet lower and 1,700 feet to the northeast of the Lower Drift.

Mining at present is in the Lower Adit and drifting is advancing at about 20 feet a day extending the high grade silver-lead-zinc zone. Assays taken from the face of the drift returned 31.33 ounces of silver plus 32.2% combined lead-zinc. Mikado's field geologist has reported that visual inspection appears to show that the new mining is in similar or better looking mineralization.

Development plans call for this level to be advanced 400 feet to the other side of the mountain. A surface sample taken at the break-out point assayed 22.4 ounces of silver and 20.5% combined lead-zinc across 7.5 feet.

Consulting Geologist P.J. Santos reports that four new mineral showings have been found. One is 60 feet north of the Sheep Creek Adit which appears to be an extension of a gold vein which was earlier reported to assay 0.42 ounces of



gold, 3.79 ounces of silver per ton across 12 inches. Southwest of this adit a 1 - 2 foot wide galena vein assayed between 11 and 51.3 ounces of silver and 12.7% to 64.7% combined lead-zinc. Six hundred feet directly east of the Sheep Creek Adit, a new set of galena veins, five feet wide or better, assayed between 1.6 and 27 ounces of silver and 2.5% to 47% combined lead-zinc per ton. Trenching has also exposed a galena vein in line with the Wagner and Sheep Creek vein. One sample from this partially exposed mineralization assayed 26 ounces of silver and 31.4% combined lead-zinc per ton. One previously discovered zone, the "Jewel", southeast of the Sheep Creek Adit is reported to show a vein length of 700 feet and between 12 and 15 feet wide grading 34.8 ounces silver and 48% combined lead-zinc per ton. This zone will be exposed by

trenching. Up in the Yukon, Mikado is also in joint venture with Turner Energy on the Sue 1 and Sue 2 claims in the very busy Midway-Rancheria area of the Yukon, 60 miles west of Watson, near to the major silver-lead-zinc discovery of Regional Resources. Trenching, sampling and geological mapping is now underway to establish drill targets. Surface sampling from one showing assayed 18 ounces of silver per ton. Soil sampling and VLF survey located strong anomalous targets in this area. Mikado holds an option to earn a 60% working interest in these claims by spending \$1,050,000 in exploration and development by December 31, 1987. For further information contact: James M. Simpson, Managing Director, 8930 Oak Street, Vancouver, B.C. V6P 4B7. Telephone (604)266-9910

Allstar Projecting 10,000 Ounces A Year From Quesnel Mine

by Sam Stone

Allstar have assembled all the necessary equipment and an eight man crew and are now in production on its Kelly Mountain Property 12 miles northwest of Quesnel, British Columbia. The mine site is along the Fraser River across from the past producing Tertiary Mine.

The Kelly Mountain property has been subjected to a limited amount of past mining by a main drift and stoping during the thirties. A southeasterly heading decline was driven for 85 feet at minus 25 degrees. A drift on the same heading has about a foot and a half of bedrock at the face near the 450 foot mark and a further 40 feet of drift was driven to follow the gravel-bedrock contact. The stoping is irregular as the former operators were attempting to follow the bedrock gold values.

Geologically the deposit is of considerable interest, being on the trend of what is presumed to be the Tertiary Channel of the Fraser River, some 30 million years old and now covered with two to three hundred feet of overburden. In a March 1936 letter written by D. Lay, Resident Engineer of the Department of Mines at Hazelton, B.C. to Quesnel resident Donald Fraser, he said "This ancient channel is undoubtedly of great interest and merits investigation." He continued "I might say that I have mentioned this channel as meriting investigation to several of the larger operating companies."

During the 1982 season the operators cleaned and advanced on five faces in the drift an average of two feet, gaining some 80 cubic feet of gravels which had an average reading of 0.125 ounces of gold per cubic yard. In 1983 a further four yard composite sample averaged 0.129 ounces of gold per cubic yard. In February of 1983 Professional Engineer Dan Tidsbury check sampled by panning. All samples were taken at the gravel bedrock interface with six to eight inches of fractured bedrock and ten to twelve inches of gravels above the contact. The mathematical average of the five samples was 0.442 ounces of gold per cubic yard.

Even though the mine is officially designated as an underground operation, gold recovery will be by a basic placer system. The deposit will be worked by driving an exploration drift with crosscuts to block out and assess mineable grades



Front end loader on roadway to mine portal. The Fraser River can be seen through the trees.



Dumpster operator takes a break from advancing the new decline



"Wicked Wanda" at mine site



Operations Manager Dennis Venn and Jacques Thibeault confer.



Scoop tram busy at work

and tonnages. Mining will be achieved by a now completed new access ramp. Initial production will come from the processing of material removed from this exploratory phase of development. Work on both exploration drifts and mining will be by a scoop tram which will haul the material to a loading bay and then by truck to the recovery plant. The recovery plant is a vibratory screen and a "Wicked Wanda" wash plant on the side of an old hydraulic wash 130 feet above the Fraser River capable of processing 50 yards per hour. Feed water for the plant will be drawn from the river.

The "Wicked Wanda" was developed by Don Jader and Don Smith at Genelle, B.C. for the purpose of recovering the fine "flour" gold of the Columbia River and were able to successfully work \$3.00 a yard gravels during the time of \$400-450 gold.

The unit, which is capable of processing 400 yards during an eight hour day, has a hydraulically controlled plate feeder and belt which deposits the gravels on to a vibrating screen, the resulting fines are washed through the screen under the pressure of 400 gallons of water a minute on to a pulsating sluice box, a unique feature of the system. The pulsation prevents the fines compacting, entrapping the gold in the riffles below.

From projections prepared by Price Waterhouse, Allstar anticipates that annual production to be in the region of 10,000 ounces a year using a two shift operation year round processing 300 yards of material a day. Gold recovery is estimated to be approximately 937.5 ounces for each 25 day work period for a gross revenue of \$400,000, less processing costs of \$140,000 netting \$260,000 a month. Funding for the mining start up comes from the Royal Bank of Canada.

Acting as Manager is Company Secretary Jacques Thibault. Thibault has been active in mining for the past 20 years and has been involved in numerous major projects through his partnership in White Mine Developments.

Allstar Director Dennis Venn has assumed the position of Operations Manager. Venn has better than thirty years experience in the industry, starting as a youngster in the Welsh coal mines. He has international experience, superintending projects in New Guinea and Indonesia.

Actual mining of the Kelly Mountain property under the direction of Thibault and Venn will be undertaken by Jaclen Enterprises.

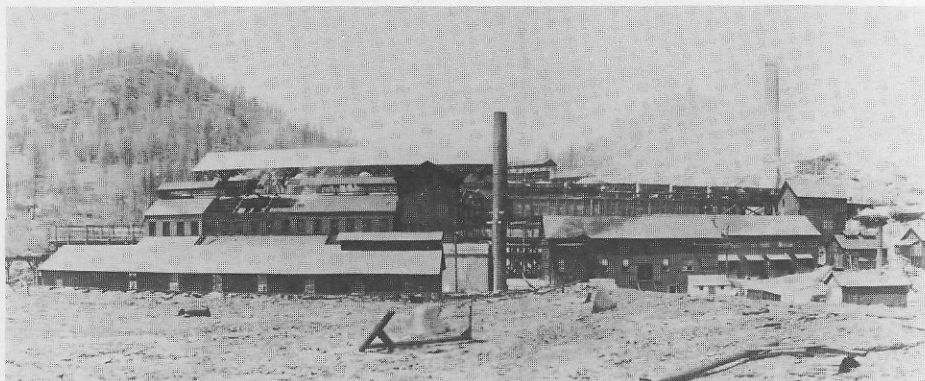
For more information please contact L.R. Fanning, President. P.O. Box 47, 615-200 Granville Street, Vancouver, B.C. V6C 1S4. Telephone (604)683-6648.

Rebuilding The Old Greenwood Smoke Stack

by James T. Fyles

Smelter stacks and strawberry socials may seem an unlikely combination but in Greenwood, British Columbia on July 27 the two had much in common. On that day repairs were completed to the top of the old B.C. Copper Company smelter stack. An hour later a strawberry social at the new waterfall on downtown Copper Street was the opening event of a project to raise the remaining \$3,000 of the cost of repairs. The shortcake was free to those who invested in a \$10.00 brick certificate. The old smelter site, now known as Lotzkar Memorial Park, has been recognized as an official heritage site and the B.C. Heritage Trust has recently given \$6,000 to the City of Greenwood for work on the brick chimney which dominates the park and is a landmark for all who travel the south transprovincial highway.

The exploration community recognizes Greenwood and the surrounding Boundary Camp as one of the important target areas in the current search for gold and silver by such companies as Dentonia Resources, Consolidated Boundary Exploration, Skylark Resources, Roberts Mines, Canadian Pawnee and the Kettle River-Noranda joint venture. The smelter is a relic of the days when gold was incidental to copper production and the product was blister not concentrate. It was blown-in originally in 1901 and remodeled in 1907-10 to a capacity of 2,400 tons of ore per day, becoming one of the most modern and efficient copper smelters in North America. Because of this, it could treat very low grade ores derived mainly from the Motherlode Mine, five miles to the west, as well as custom ore from several mines including the Rawhide, near Phoenix and the Lone Star in northern Washington. The smelter operated until November 26, 1918 when, to quote the newspaper of the day, "the Motherlode ore being of insufficient grade, the quality of the coke so inferior, freight, wages and supplies so costly that all operations will cease." The smelter never re-opened. During its lifetime it had treated over four million tons of ore.



British Columbia Copper Company smelter 1911. The steel stacks in the foreground exhausted gases from the converters, the brick stack for the blast furnaces is standing today. (British Columbia Archives photo)

Technical descriptions of the smelter make interesting reading. All materials both into and out of the plant were handled by rail. Grade control and careful adjustment of the charge to the furnaces was done in the sampling plant and by means of 36 wooden bunkers for coke and ore. Three blast furnaces produced matte, slag and flue dust. The matte was moved in five ton ladles to the converters, in which, with an additional blast of air and reaction with a siliceous refractory lining, blister copper was produced for shipment "east" to a refinery. The flue dust, mainly carbon rich in copper, was briquetted and recycled. The slag, poured into cone shaped pots mounted on rail trucks, was dumped in a molten state along the side of the valley of Boundary Creek.

It took 130 men (including the office boy, chauffeur, janitor and nipper) to run the plant at capacity and there was much manual labour, especially in charging the furnaces and breaking up converter slag. Wages per shift ranged from \$2.75 for binmen to \$5.25 for the shift boss.

Soon after closing, the smelter site was purchase by Leon Lotzkar of Pacific Metals, Vancouver and the machinery and scrap were sold over a period of years. The wooden structures gradually deteriorated and, by accident, on Hallow'een night 1964, were consumed by a spectacular fire. A heap of coke kept the site warm for the next two winters. In 1970 the property was given to the City of Greenwood with the understanding that it be used as a park bearing the Lotzkar name.

Anyone travelling today from the west on Highway 3 is attracted first by the well

proportioned brick smoke stack and then by the horizontal line of the black slag pile extending half a mile to the south and topped by bell shaped hollow lumps of slag. These are the frozen linings of the cone shaped slag pots. On closer inspection one sees the manager's residence in the shadow of the stack, attractively preserved in vintage style with modern additions. With a five minute detour from the highway one can drive onto the gently sloping surface of the slag pile and inspect the remains of the smelter. A little exploring with the aid of an old plan available from the Greenwood Museum reveals the furnace foundations, one of the original two converters, the flue chamber and the field stone walls and brick work all grown up with aspens. It does not take too much imagination to recreate the shrieking and clanging of rail cars, the smoke, fumes and showers of sparks from furnaces and converters, the throb of the big compressors and the deep, throaty whistle marking the shift changes.

Picnic tables under cottonwood trees, a bridge and signs constructed by a Canada Winter Works program in 1984 began the development of an attractive park at the site. This year's work on the stack assures that the top will no longer crumble away. Continued interest by the Greenwood community and mining fraternity will establish this site as an outstanding and unique relic from the original days of mining in southern British Columbia.

Here is an opportunity to help preserve our mining heritage by sending a cheque or money order to the Greenwood Board of Trade Smoke Stack Fund, Greenwood, B.C. V0H 1J0.

Geak

MIKADO RESOURCES LTD. (MKO-V) *9/18/87*

HOLE	INTERVAL, FT.	FOOTAGE	PER TON	%	ZINC %	PER TON
87-61	489-500	11	5.63	8.44	2.61	0.049
	493-500	7	8.02	12.3	3.73	0.057
87-62	587-596	9	1.14	1.22	2.2	0.013
87-64	587-591	3.5	4.1	5.56	1.75	0.024
87-66	498-506	8	2.22	4.95	3.48	0.026

DRILL HOLE ASSAY AND START OF - Richard J. Watson, secretary of Mikado Resources Ltd., reports *82KNW212* assay results from diamond drilling the Greenlaw quartz vein system on the Wagner Abbott project 75 miles SE of Revelstoke, B.C., joint ventured with **TURNER ENERGY & RESOURCES LTD. (TUN-V)**, 70% Mikado, 30% Turner.

Hole 87-61 intersected the ore about 24 feet below 87-60 (See GCNL 155(87)P.2 for details). Hole 87-62 cut the vein a further 125 feet down from 87-61.

For a next series of holes the drill was moved 100 feet to the southeast of 86-52, 87-59, 60, 61 and 62. From this new location, holes 87-63, 64, 65, 66, and 67 were then drilled. Hole 87-63 intersected the vein but the mineralization was below economic grade. Holes 87-64 and 66 cut the vein about 270 and 160 feet below 87-63, respectively. Hole 87-65 cut material below economic grade. *ISSUE #180*

Hole 87-67 appears to have cut the vein about 110 feet below 87-63; assays are awaited. The drill has now been stepped out another 100 feet southeast and hole 87-68 is being drilled.

A portal has been collared on the Abbott replacement zone and 500 feet of underground drifting and cross-cutting is starting. This work is designed to explore the high grade replacement ore zones blocked out during the 1986 program.

High grade ore is being removed from the Abbott outcrop during drill site preparation and is stockpiled at the highway. Some 2,000 tons are now in the stockpile ready for milling.

Mikado Resources Ltd. MKO
 Shares issued: 4,146,994 Oct 1 close: \$1.70
 News Release

WAGNER
 Mr Richard Watson reports: *S.W.*

The company presents the following update of the 1986/87 surface sampling and diamond drilling to enable shareholders to assess the net effect of the 1986/87 exploration efforts on the Abbott project. *OCT 5/87*

In 1986 a total of 19 surface samples were taken on the Abbott replacement zone outcrop over a combined total sample length of 77 feet. The area of outcrop tested was 30 feet wide and 68 feet long. *82KNW212*
 A weighted average of the outcrop samples was as follows:

Combined total Sample length	GOLD oz/ton	SILVER oz/ton	LEAD %	ZINC %
77 Feet	0.038	21.95	27.69	12.13

Diamond drilling in the immediate area of the replacement ore zone outcrop in 1986 consisted of 10 holes which intersected two distinct zones with the following tonnages and grades:

TONNAGE	MEASURED ORE			
	GOLD	SILVER	LEAD	ZINC
Zone 1 24,535	0.0456	6.495	9.306	14.099
Zone 2 8,442	0.036	14.70	16.24	14.96
TOTAL 32,977	0.043	8.596	11.08	14.22

To date approximately 3,500 tons of visually excellent grade material have been removed from the outcrop and stockpiled at the highway ready for milling. Work is continuing and as the ore zones beneath the outcrop are longer and wider than anticipated from the diamond drill hole data.

At current metal prices the gross value of the stockpiled material is estimated to exceed \$400 per ton.

The 1987 emphasis has been on expanding and delineating the Greenlaw vein and 10 holes have been drilled to date in this effort. Nine of the holes intersected the vein and seven indicated ore grade intersections. Assays are awaited on two of the most recent holes.

A summary of the results of the diamond drilling is as follow:

HOLE	FROM/TO	AU	AG	PB	ZN
(1986)					
86-52	431-448	.017	10.75	4.67	3.76
	431-436	.038	32.6	9.19	8.51
(1987)					
87-59	442-452	.033	21.27	5.19	1.44
	443-447	.07	51.2	9.59	3.15
87-60	477-486	.024	8.16	10.0	3.37
87-61	489-500	.049	5.63	8.44	2.61
87-62	507-526	.013	1.14	1.22	2.2
87-64	587-591	.024	4.1	5.56	1.75
87-66	498-506	.026	2.22	4.95	3.48

Holes 87-59 to 87-62 inclusive, were drilled from the same station. Hole 87-63, below economic grade. Hole 87-65, short hole drilled vertically to test a new near surface zone. Hole 87-67, awaiting assays. The above 5 holes (87-63 to 87-67 inclusive), were drilled from station 100 feet southeast of the first station. Hole 87-68, awaiting assays.

Hole 87-68, hole was drilled 100 feet southeast of 87-67.

The company is currently drilling Hole 87-69, 100 feet northwest of the first station.

Progress on the new Abbott adit is underway and it is expected to intersect the Abbott replacement zone this season.

DEVELOPING A "WORLD CLASS" OREBODY

WIN, Vol 1, #7

June 87

82K NW 212

The Wagner Project of Mikado Resources Ltd. is the result of some 5 years of effort in accumulating over 70 square miles of mineral claims in the Laardeau Mining District of southeastern British Columbia. This project has the potential to become a major metal producer of world class dimensions. Part of the famous Kootenay Arc, the 26-mile long property hosts at least 14 known massive sulphide occurrences in the northern five miles of strike length. A successful exploration program in 1986 has already measured and indicated approximately 300,000 tons of sulphide ore (silver/lead/zinc/gold) with an in-ground value of C\$50 million resulting in a net pre-tax value of C\$17 million which is equivalent to over C\$4 per share. These calculations were based on metal prices as of November 1986 with silver at US\$5.605 per troy ounce. The recent dramatic rise in the price of silver will significantly increase these figures. Inferred reserves are over 500,000 tons.

Funded by flow-through share offerings, Mikado plans a three-year program of exploration, development and production to cost an estimated C\$7.5 million. As the numerous known metal deposits are placed in the "proven" category, the company anticipates at least two million tons of ore reserves. Large numbers indeed. However, the 200-mile long Kootenay Arc has hosted numerous rich deposits, a number of which have approached 10 million tons of ore-grade material.

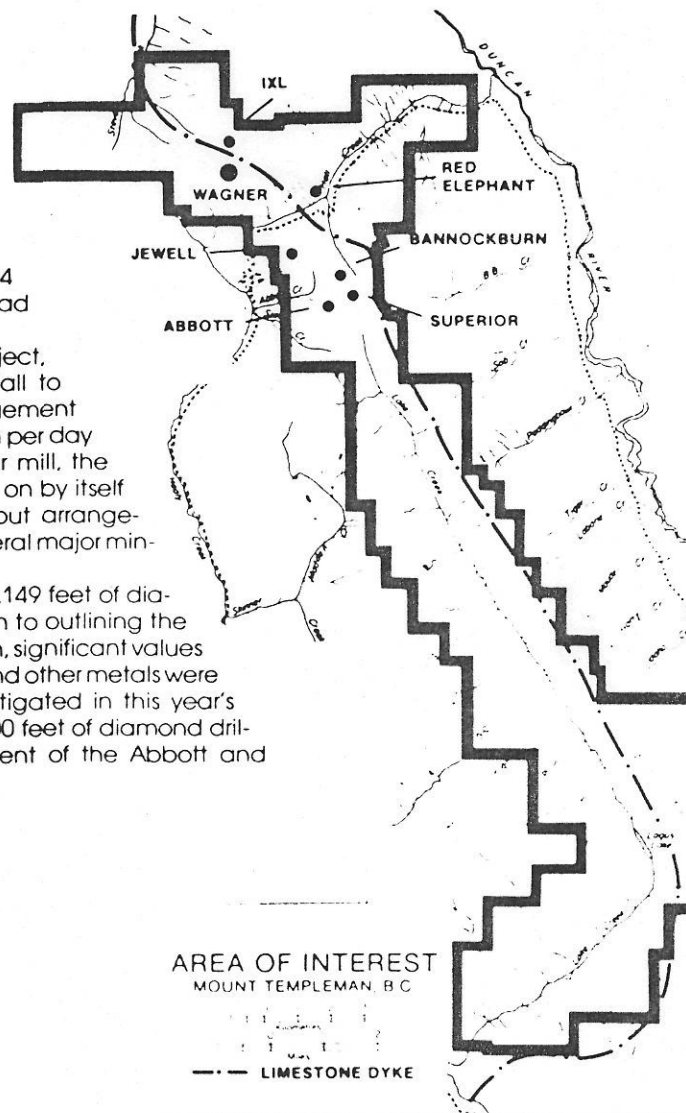
Located 60 miles southeast of Revelstoke, the claim group ranges in elevation from 4,000 to 8,400 feet. In the past, difficult access hampered the development of the area even though it was known to contain high-grade silver/lead/zinc deposits. This problem has been solved with the construction of a road last year suitable for transportation of personnel and heavy duty ore trucks.

This year's plans include limited production for metallurgical testing of ore from the Abbott Zone with the

material being trucked 60 miles to the newly-acquired mill in which Mikado holds a 50% interest. At a production rate of 100 tons per day, the high-grade Abbott ore would net the company over C\$13,700 per day (November 1986 metal prices). The Abbott deposit contains mineralization grading 21.94 ounces of silver per ton, 569 pounds of lead per ton and 332 pounds of zinc per ton.

With the huge scope of the Wagner Project, the Ainsworth mill would be far too small to handle the ore being mined and management expects to build a mill in the 500-1,000 ton per day range in a few years. Even with a larger mill, the project is still too vast for Mikado to carry on by itself and the company is considering farm-out arrangements and joint venture agreements. Several major mining companies have expressed interest.

Last year at a cost of C\$1.35 million, 14,149 feet of diamond drilling was completed. In addition to outlining the high-grade silver/lead/zinc mineralization, significant values of gold, cadmium, gallium, germanium and other metals were encountered. These will be further investigated in this year's exploration programs which will see 15,000 feet of diamond drilling as well as underground development of the Abbott and Wagner deposits.



***GCNL 108 MIKADO RESOURCES LTD. (MKO-V) JUNE 5, '87**

PROCEEDS OF \$430,000 RECEIVED - Richard J. Watson,
FROM SUCCESSFUL RIGHTS OFFERING secretary of Mikado

82KNW212

Resources has reported that work has started on the Wagner silver-lead-zinc property on Mt. Templeman, 60 miles southeast of Revelstoke, B.C. All of the rights issued to shareholders on April 14, 1987 were exercised before expiry June 1, 1987. As a result of the exercise of these rights, Mikado will issue 107,417 non-flow-through shares and 969,581 warrants to purchase flow-through shares. Proceeds from the sale of the shares and warrants were \$430,359.25. Following issue of the additional shares there will be 4,204,411 shares of Mikado issued. The warrants will trade on Vancouver Stock Exchange effective Aug. 5, 1987.

James Simpson, president of Mikado, pointed out that the amount received is equivalent to getting \$4.00 for each non-flow-through share issued. Each warrant is exercisable to purchase one flow-through share at various prices between June 2, 1987 and May 31, 1990. The warrant exercise prices are:

- \$3.00 per share between June 2, 1987 and June 30, 1987;
- \$4.50 per share between July 1, 1987 and Aug. 31, 1987;
- \$6.50 per share between Sept. 1, 1987 and May 31, 1988;
- \$8.50 per share between June 1, 1988 and May 31, 1989 and
- \$10.50 per share between June 1, 1989 and May 31, 1990.

It is impossible to estimate the amount that will be received upon the exercise of the warrants but, assuming that 20% of them are exercised in each of the five exercise periods, the company will receive a further \$6,398,000.

The first year's program on the property has been proposed at \$1,504,000 made up of:

- \$400,000 to upgrade the 16-mile road to six mineralized zones between 5,000 and 7,000 feet elevation;
- \$5,000 for geological mapping & sampling the six zones;
- \$510,000 for diamond drilling 1,000 feet to 4,000 feet in each of nine zones to a total of 17,000 feet at about \$30.00 per foot;
- \$150,000 for 500 feet of underground development at \$300 per foot, for 100 feet on the Wagner zone, for 200 feet on the Abbott zone, and for 200 feet on the Sheep Creek zone; and
- \$78,000 for mining, hauling and milling 3,000 tons of high grade ore from the Wagner zone, plus \$260,000 for management and contingency.

The mine development plan calls for mining increasing amounts of ore each year as follows: 5,000 tons in 1988, 6,000 tons in 1989, 10,000 tons in 1990 and 14,000 tons in 1991. To April 1987, Mikado had spent \$849,000 on exploration of the property.

Mikado is seeking a Securities and Exchange Commission registration in the U.S.A. The registration is expected to be completed in June, 1987. Mikado has earned a 60% interest in the property from Turner Energy & Resources Ltd. by spending a minimum of \$1,050,000 in exploration by Dec. 31, 1987. In Nov. 1986, Mikado, in a 50-50 joint venture with Dragoon Resources, purchased the Ainsworth concentrating plant with a 100-ton per day capacity from the receiver for David Minerals Ltd. for a total purchase price of \$600,000. Each of Mikado and Dragoon paid \$143,875 on closing and undertook to each pay \$50,000, for a total of \$100,000 annually, for 3 years to complete the purchase. It is proposed to mine the silver-lead-zinc ores from the zones on Mt. Templeman then truck that ore about 80 km. to the Ainsworth plant and produce concentrates which would then be sold.

A Dec. 29, 1986 report by consultant P.J. Santos, P.Eng., shows 298,000 tons indicated with a gross value of \$50,613,000 and a net value of \$17,160,000 plus an inferred ore reserve of 206,000 tons for a total reserve of 504,000 tons in six high grade massive sulphide ore bodies that are open to extension along strike and down dip. In the Abbott zone, measured and indicated reserves are 49,900 tons grading 0.037 oz. gold per ton, 12.84 oz. silver per ton, 10.25% lead, 11.39% zinc; in the Wagner zone, measured reserves are 82,518 tons grading 12.15 oz. silver/t, 8.74% lead, 3.7% zinc. Based on the measured ore reserves, there is 6 years' supply of ore for the mill. Based on the combined measured and indicated ore reserves there is 12.5 years' supply of ore for this mill. There are a minimum of eight other mineralized zones on the property where continued exploration has been recommended.

MIKADO RESOURCES LTD. (MKO-V) GCNL

HOLE NO.	INTERVAL	LENGTH	OZ. SILVER/T	LEAD	ZINC	OZ. GOLD/T
87-59	442 - 452	10 ft.	21.27	5.13%	1.44%	
	including	4	51.0	9.59	3.15%	
86-52	431 - 448	17	10.75	4.67	3.76	0.017
	including	5	32.60	9.19	8.51	.038

The hole No. 87-59 was planned to intersect the high grade Abbott zone 50 feet below the intersection in the 1986 hole No. 86-52. The next 1987 hole No. 60 has intersected the mineralization a further 50 feet down dip or about 300 feet below surface. Drilling is continuing and additional assays are awaited. The Wagner Abbott project is located on Mt. Templeton, 70 miles southeast of Revelstoke, B.C. **82KNW212**

Mikado has a 70% working interest in the property.

MIKADO RESOURCES LTD. (MKO-V) GCNL

HIGH GRADE DRILL HOLE REPORTED - Mikado Resources Ltd.

82KNW212

has reported assay results from hole 87-56 which intersected 13.4 ft of ore.

INTERVAL	SILVER	LEAD	ZINC
55.4-62.0 ft.	6.6 Ft. 9.48 oz.	8.84%	16.2%
62.0-68.8	6.8	14.0%	21.6%
Total Average 13.4ft.	11.8	11.6%	18.9%

At current metal prices the gross metal values would exceed \$500Cdn/ton. Hole 87-59 has intersected 24 feet of well mineralized material. Assays are awaited. The hole was drilled in the Abbot zone of the Wagner project 75 miles southeast of Revelstoke B.C.

82KNW212

NO.85(1986)
MAY 2, 1986

GCNL #85 2MAY 1986

MIKADO RESOURCES LTD. (MKO-V) TURNER ENERGY & RESOURCES LTD. (TUN-V) 82K/11E

FLOW THROUGH SHARE OFFERING BY WAY OF RIGHTS TO SHAREHOLDERS - Mikado Resources Ltd., shareholders of record May 9, 1986 MARKS A FIRST TIME FOR USE OF THIS UNIQUE FINANCING METHOD will receive one right for each share held. Eight rights and \$4.00 will entitle the holder to earn one flow through share. The rights may be exercisable between May 9, 1986 and July 31, 1986. The shares will trade ex-rights on May 5, 1986. The rights will be called for trading on May 5, 1986. On April 30, 1986 Mikado had 3,050,001 shares issued with a further 200,000 expected to be issued prior to the record date. If all of the rights are exercised there will be 3,656,251 shares issued with \$1,625,000 new capital provided to the treasury. The new funds are to be spent on the further exploration of the Wagner project, located on Mount Templeman, 60 miles southeast of Revelstoke, B.C. Mikado Resources holds options from Turner Energy & Resources to earn a 70% interest in the Wagner properties by spending \$550,000 on exploration in 1985 and a further \$200,000 in 1986. 82KNW050

The program in 1985 explored the Wagner underground workings on the Duncan Knob and included surface work on the Sheep Creek tunnel showing as well as the Jewell, Abbott (of special interest since it is a replacement type zone and carries some 20 oz. silver/t.), Bannockburn-Superior and Red-Elephant showings.

Leslie G. Taylor has resigned as a director of Mikado and Jessie C. Carlile, P.E., vice president of research and development and account executive with Rocky Mountain Securities & Investments Inc. of Denver, Colorado, has been appointed a director.

Turner Energy & Resources Ltd. has agreed to settle \$100,000 of debts by the issue of 300,000 shares at 33¢ each.

2 COPIES

16 JAN 87 MIKADO RESOURCES LTD. (MKO-V) GCNL 11
RESERVE ESTIMATES CALCULATED - Mikado Resources Ltd.'s consulting geologist,
82KNW056, 212 P.J. Santos, P.Eng. has reported the Abbott-Wagner property 60 miles southeast of Revelstoke, B.C. has measured and indicated ore reserves of 298,000 tons with a gross value of \$50,613,000 and a net value of \$17,160,000. Additional inferred ore reserves of 206,000 tons increased total reserves to 504,000 tons from the six high grade, massive sulfide ore bodies that are still open along strike and down dip, a significant increase from the 1985 exploration program, which showed no measured reserves, 40,000 tons indicated ore and 20,200 tons inferred ore.
A total of 14,149 feet of diamond drilling and 86 feet of development work were completed in 1986.
Eight additional massive sulfide occurrences on the property have the potential of developing into high grade ore bodies.
A five year multi-phase exploration, development and mining program is being proposed at a cost of \$1,500,000 annually.
Mikado Resources Ltd. recently acquired 50% working interest in a 100 tons per day flotation mill which is suitable for treating the ore from the property. There is six years supply of ore for this mill. TURNER ENERGY & RESOURCES LTD. (TUN-V) is a partner in this project.

Mineralization improves as Turner miners penetrate Wagner zone

MT. TEMPLEMAN, British Columbia—Mining is underway in the lower adit on Turner Energy & Resources Ltd.'s Wagner project on Mt. Templeman, 60 miles southeast of Revelstoke, British Columbia. The workings are being advanced at about 20 feet per day, extending the zone of high-grade silver/lead/zinc. When this phase of drifting started the face of the level assayed 31.33 ounces of silver per ton plus 32.2 percent combined lead/zinc across 8.25 feet. The field geologist has reported that on visual inspection the new mining has been in similar or better looking mineralization. Assay results from the current work are expected shortly.

The immediate objective of the current mining program is to advance this level some 400 feet to the other side of the mountain. A surface sample near where the level will break through assayed 22.4 ounces of silver per ton and 20.5 percent combined lead/zinc across 7.5 feet. When it has been holed through it is intended to complete a

St. Andrew shows dip in earnings, drilling continues

TORONTO, Ontario—The unaudited statements of earnings and changes in financial position of St. Andrew Goldfields Ltd., 66-percent-owned by Quebec Sturgeon River Mines Ltd., for the six months ended June 30, 1985, show earnings of C\$182,870, equal to C\$0.016 per share. These earnings were obtained solely from interest earned (C\$471,237), net of administrative expenses, capital taxes, and a provision for deferred income taxes.

This compares with C\$210,872 or C\$0.021 per share for the corresponding 1984 period, represented by interest income of C\$528,306,

raise through to the upper adit in preparation for expanding the direct ore shipping operation.

A recent progress report from the consulting geologist, P.J. Santos, P.Eng., notes that four new mineral showings have recently been opened up and sampled with the following results:

Located 600 feet north of the Sheep Creek adit the showing appears to be an extension of the gold vein that earlier was reported to assay 0.42 ounces of gold and 3.79 ounces of silver per ton across one foot. Five new channel samples across three to eight feet carried about 0.01 ounces gold

per ton and three to 7.6 ounces of silver per ton, and three to 10 percent combined lead/zinc.

Located southwest of the Sheep Creek adit a galena vein one to two feet wide assayed between 11 and 51.3 ounces of silver per ton, plus 12.7 to 64.7 percent combined lead/zinc.

Located 600 feet directly east of the Sheep Creek adit a new set of galena veins a minimum of five feet wide showed between 1.6 and 27 ounces of silver per ton and 2.5 to 47 percent combined lead/zinc.

A galena vein located below the snow field and in line with the Wagner vein and the Sheep Creek adit has been exposed by trenching. One sample from this partially exposed mineralization assayed 26 ounces of silver per ton and 31.4 percent combined lead/zinc.

The consultant concludes it appears the three principal mineralized zones that occur on the Duncan Knob-Wagner continue to the southeast to the Sheep Creek adit, a minimum of 3,000 feet through a vertical range of 1,000 feet. The recommendation to rehabilitate the Sheep Creek adit has started. At the same time the company will be opening by trenching the Jewel to the southeast of the Sheep Creek adit where the old records show a 700-foot length of vein to vary from 12 to 15 feet wide and grade 34.8 ounces of silver per ton and 48 percent combined lead/zinc.

Turner recently acquired the Bannockburn claims, which are located approximately two miles to the southeast of the

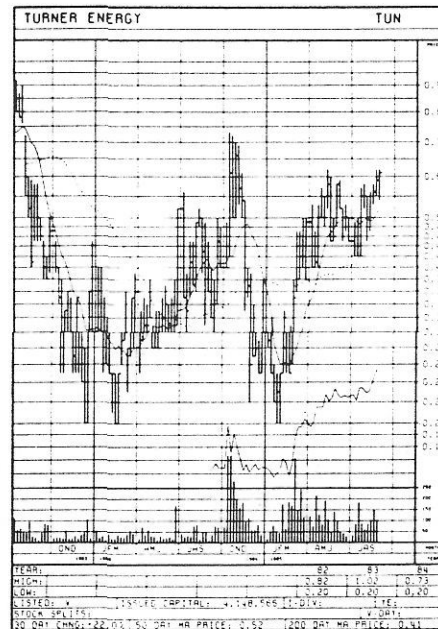
Sheep Creek adit. The old records show the replacement veins on these claims to be about five feet wide and carry between 22 and 35 ounces of silver per ton and 36 to 78 percent combined lead/zinc. It is intended to continue the road that is currently being built to the Jewel and start trenching as soon as possible.

Mikado Resources Ltd., which can earn a 70 percent interest in the Wagner property, recently completed a successful financing through Yorkton Securities that provided C\$690,000 with which to advance the property development.

Exploration in the form of bulldozer trenching, sampling, geological mapping is now underway on Turner's Sue 1 and Sue 2 claim groups in the Midway-Rancheria River area 60 miles west of Watson Lake, Yukon. Mikado holds an option to earn a 60 percent working interest in these claims by spending C\$1.05 million on exploration by December 31, 1987.

Diamond drill testing of these targets will start as soon as the best of the various possible locations can be determined. Previous surface sampling in one of the showings assayed 18 ounces of silver per ton. Soil sampling and VLF-EM surveys located strong anomalous targets in the area of this showing.

Regional Resources holds ground to the south of the Sue 1 and Sue 2 and has reported that testing of a strong anomalous target located between the existing orebody and the Turner property is yet to be drill tested. ☒



The Gold Mine

GCNL #4 7 JAN 1986

TURNER ENERGY & RESOURCES LTD. (TUN-V)

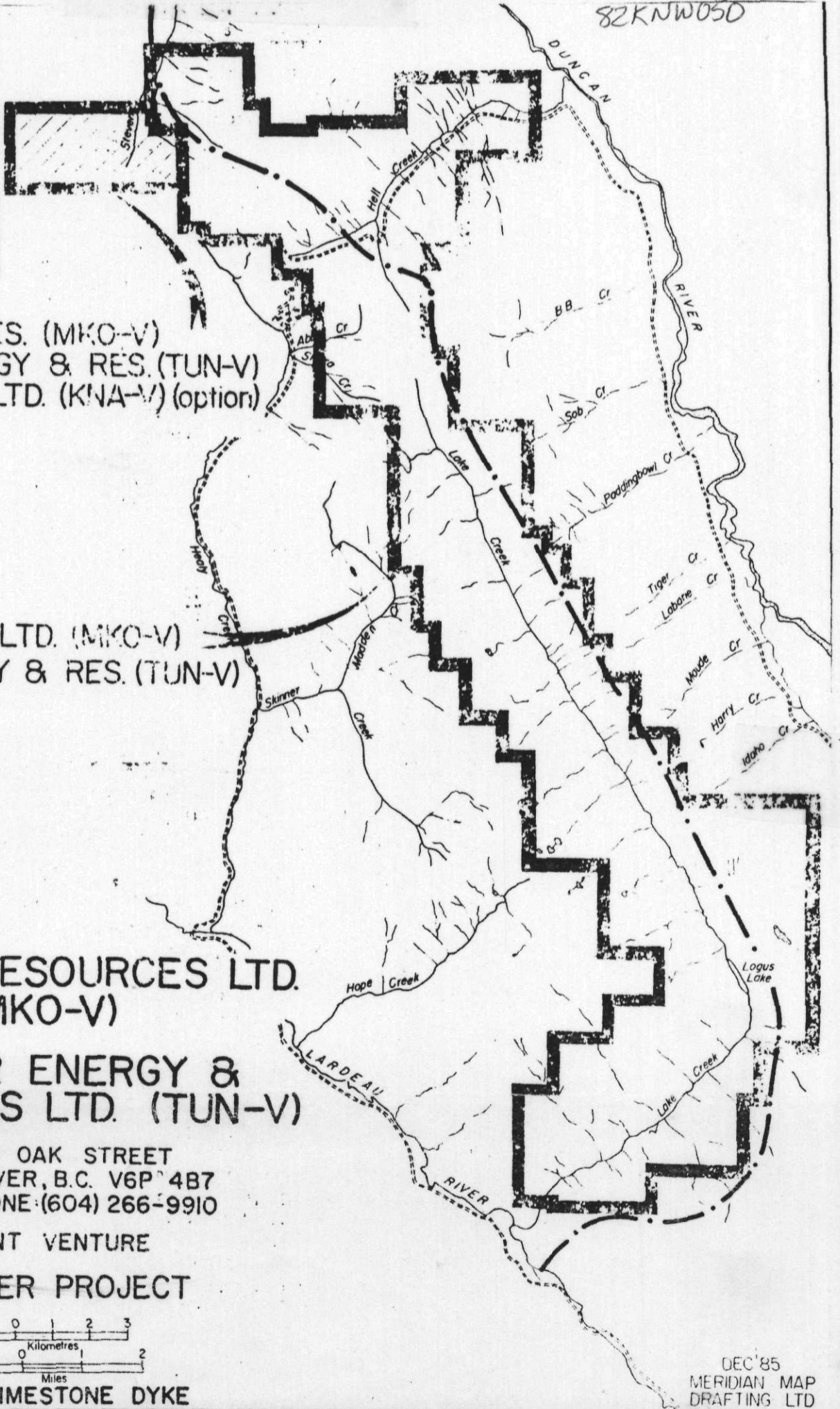
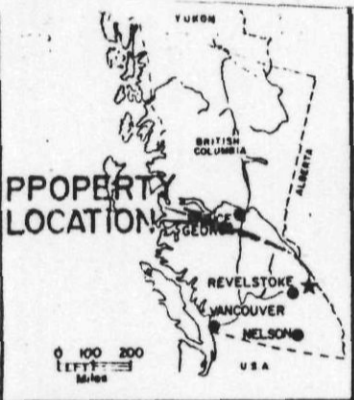
KENAR RESOURCES LTD. (KNA-V)

82KNW050

CHANNEL SAMPLE	FOOTAGE	OZ. GOLD/T	OZ. SILVER/T	LEAD %	ZINC %	COPPER %	CADMIUM %	GROSS VALUE/T
1 to 5 FT.	5	0.039	50.2	56.0	12.0	0.54	0.075	\$842 Cdn.
5 to 10	5	0.032	19.0	18.0	27.7	0.62	0.189	\$518
10 to 13	3	0.017	29.3	46.4	6.9	0.16	0.045	\$560
13 to 24	11	Limestone, not sampled						
24 to 31	7	0.016	22.6	33.1	16.4	0.06	0.099	\$519
31 to 36	5	0.013	4.22	6.55	13.8	0.06	0.093	\$200
1 to 36	36	0.025	21.94	28.47	16.6	0.19	0.072	\$364

HIGH GRADE MATERIAL VALUED AT \$324/TON - Mikado Resources Ltd. and Turner Energy & Resources Ltd. have agreements to PART OF BIG CLAIM BLOCK JOINT VENTURE hold 70% and 30% interests, respectively, in an extensive block of claims assembled in SE B.C., in the Duncan mountain ranges between the Lardeau River and Duncan Lake, SEE MAP OVERLEAF. James H. Simpson, president, reports that they have granted Kenar the right to earn 50% working interest in certain of the claims at the NE end of the Turner/Mikado block by spending \$300,000 on them over 3 years. The agreement is subject to regulatory approval. WAGNER 82K11E 82KNW212

Mr. Simpson also reports that further assays have been received from another group of claims, the Abbot property, in the Turner/Mikado block. Consultant P.J. Santos, P.Eng., states, "This type of mineralization is a typical Kootenay Arc replacement deposit which has substantial ore potential. Kootenay Arc deposits such as the Bluebell (Riondel), Reeves-MacDonald, Pend Oreille, H B and the Duncan mine were in the order of several million tons." Mr. Simpson says not only is the tonnage potential high but so is the grade, as evidenced by Mr. Santos's channel samples which included 5 feet grading 50.2 ounces of silver per ton, 68% combined lead/zinc. The Abbott zone is 36 feet wide. Assays of channel samples cut across a true width of 36 feet are shown in the adjoining table. 82K/ (SW)



MIKADO RES. (MKO-V)
TURNER ENERGY & RES. (TUN-V)
KENAR RES. LTD. (KNA-V) (option)

MIKADO RES. LTD. (MKO-V)
TURNER ENERGY & RES. (TUN-V)

MIKADO RESOURCES LTD.
(MKO-V)

TURNER ENERGY &
RESOURCES LTD. (TUN-V)

8930 OAK STREET
VANCOUVER, B.C. V6P 4B7
TELEPHONE (604) 266-9910

JOINT VENTURE

WAGNER PROJECT



— LIMESTONE DYKE

DEC '85
MERIDIAN MAP
DRAFTING LTD

N MINER 9 DEC 1985

Mikado seeking \$2.5 million for B.C. property exploration

VANCOUVER — An expenditure of \$1 million was made this year by Mikado Resources and its joint venture partner on their Wagner and Abbot properties 60 miles southeast of Revelstoke, B.C.

A company spokesman says the program demonstrated the potential for one or more Kootenay Arc silver-lead-zinc replacement deposits which often reach several million tons and more. Diamond drilling has been recommended for eight specific showings plus underground development and sampling of old workings, says President James Simpson.

Next year's program will be funded 70% by Mikado and 30% by Turner Energy & Resources, its joint venture partner in the program. The thrust of the work will be toward the prospect's silver potential and the Abbot will be a prime target. A replacement deposit on the Superior claim will be tested, drifting will continue on the Wagner ore zone which will be drill tested down dip, he confirms.

This year, 125 ft. of drifting was completed in the ore plus 100 ft. of crosscutting for drill stations and a minor amount of raising. A 49-ton bulk sample was sent to Cominco's Trail smelter for processing which graded 12 oz. silver and 13% combined lead-zinc.

There is now good access into the property following the rehabilitation of 16 miles of road into the

Wagner mine property which will improve exploration logistics. High grade mineral deposits are known to exist in three parallel zones between the Wagner and Abbot mines for a distance of at least 3.5 miles.

The mineralization occurs in the sulphide-bearing, quartz-filled, fissure vein systems which intrude argillites, slates and schists, according to a company consultant.

The Wagner vein was previously opened up by two adits and was further developed this year by Mikado and Turner. There are high grade shoots within the vein system ranging from 3.5 to 8 ft. in width and from 80 to 100 ft. along strike. Samples in these shoots have ranged as high as 0.032 oz. gold and 30.9 oz. silver per ton, 24.9% lead and 6.39% zinc over 8.5 ft. Gold values tend to be very erratic.

Mikado is now planning a \$2.5-million rights offering for flow-through shares to carry the next phase of exploration. Turner will be carried for the first part of the program because it funded the property acquisition. By the time it has to finance, Mr. Simpson is confident there will be sufficient market interest in the project to do the financing at a good price. He expects to spend the bulk of the proposed \$2.5-million rights offering on the property in the coming year.

82K/11
82K/11 82K050 82K NW050
G0NL #248 27 DEC 1985
KENAR RESOURCES LTD. (KNA-V) has entered into an agreement with MIKADO RESOURCES LTD. (MKO-V) to acquire a 50% joint interest in the Revelstoke mining district, B.C. contiguous to the Mikado-Turner, Wagner project.

MIKADO RESOURCES LTD. (MKV-V)

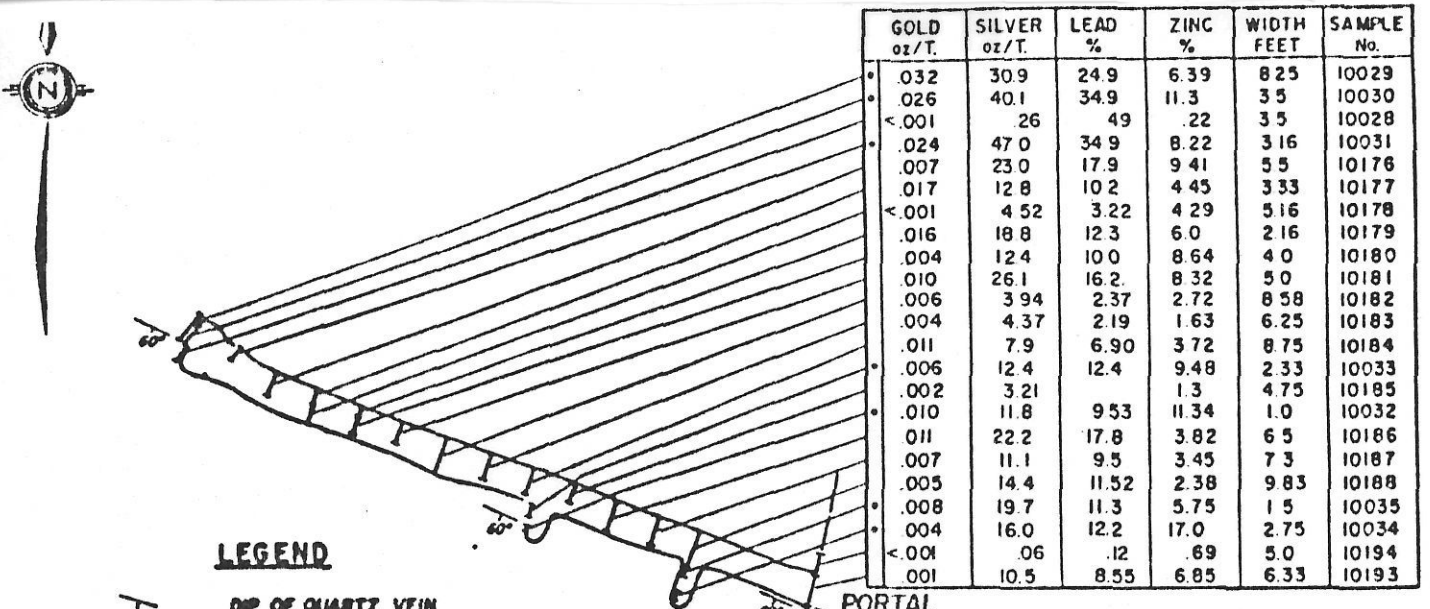
GCN# 101
GCN# Aug 21/85 #161 + Funding Completed For Wagner Silver-Lead-Zinc Project

Mining and underground exploration will start immediately on the Wagner project following the raising of \$750,000 by Mikado Resources Ltd.

On Aug. 22, 1985, Mikado Resources received registration for the sale of 300 units at \$2,500 each through Yorkton Securities Inc. to raise \$750,000 or \$693,000 net. The purchasers are expected to qualify for writeoffs of \$2,913, plus 1,000 shares of Mikado, for each unit. In consideration for underwriting the issue, Yorkton receive a 180-day option to purchase 75,000 Mikado shares at \$2.75 each. Upon completion of sale of the issue there will be 3,050,000 shares issued which have been conditionally listed on the Vancouver Stock Exchange, subject to demonstration of satisfactory distribution.

Mikado holds an option to earn a 70% interest in the Wagner silver-lead-zinc property on Mt. Templeman, 60 miles southeast of Revelstoke, B.C. To earn its interest, Mikado must spend \$750,000 on exploration and development over two years, including a commitment to spend \$550,000 by May 1986. A total of \$150,000 has been spent by Mikado to date with funds raised in the private stage. Recent sampling of the Lower Drift on the property returned an average of 31.33 ounces of silver per ton plus 32.2% combined lead-zinc across an average 8.25-foot width over a 30-foot length. The entire 150-foot length of the drift is mineralized. (SEE DETAILED ASSAY DIAGRAMS OVERLEAF) *1040/16W (1040 032,034)*

The company also holds an option to earn a 60% working interest in the Sue 1 and 2 claims in the Midway area near the major silver-zinc-lead discovery of Regional Resources, 60 miles west of Watson Lake, Yukon. To date, Mikado has spent \$289,000 on this property toward the requirement to spend \$1,050,000 by Dec. 31, 1987 to earn the interest. Bulldozer trenching and sampling of surface mineralization and of geochemical and electromagnetic anomalies will start in a few days in preparation for early diamond drill testing.



.005	30.8	24.9	3.48	1.5	10188
.009	11.8	9.4	2.04	8.0	10189
<.001	.14	.20	.15	5.0	10190
<.001	.17	.13	.27	7.5	10191
<.001	.03	.08	.12	5.75	10192

* DENOTES SAMPLE TAKEN IN 1984

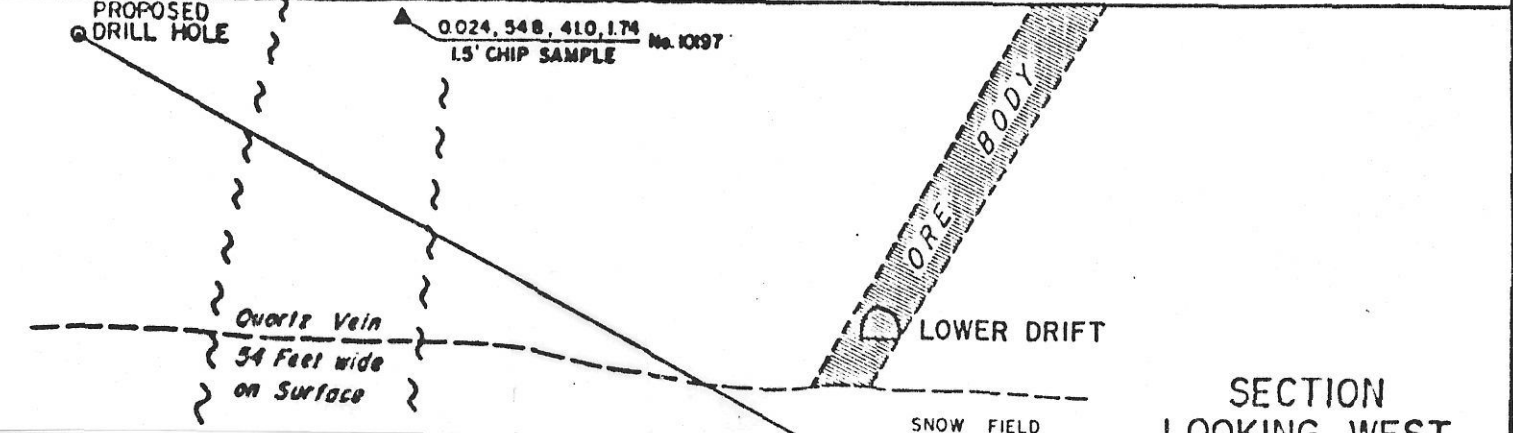
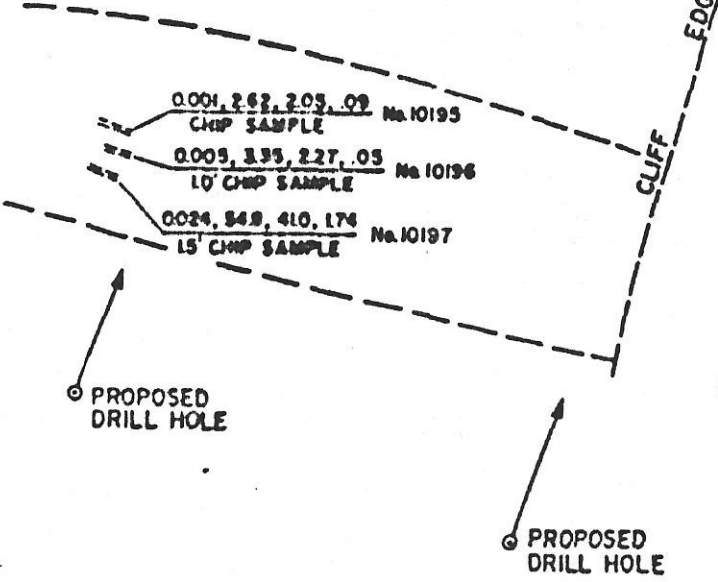
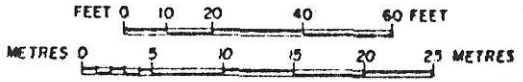
MIKADO RESOURCES LTD. (MKO-V)

8930 OAK STREET, VANCOUVER, B.C.
V6P 4B7 TEL. (604) 266-9910

WAGNER MINE PROJECT

MOUNT TEMPLEMAN, 50 MILES SOUTHEAST OF REVELSTOKE
BRITISH COLUMBIA
(OPTIONED FROM TURNER ENERGY RESOURCES LTD.)

PLAN OF LOWER DRIFT



GCAL #158 16 AUG 1985

TURNER ENERGY & RESOURCES LTD. (TUN-V)

82K/IE

HIGH GRADE SILVER-LEAD-ZINC ASSAYS CONFIRMED - Assays have been received from the first phase of underground sampling NEW 50-FOOT WIDE VEIN ALSO YIELDS HIGHSILVER at the Wagner project of Turner Energy & Resources Ltd. The sampling was completed by P.J.Santos, P.Eng., on the claims located on Mt. Templeman, 15 miles from the highway, 60 miles southeast of Revelstoke, B.C. The 150-foot length of the Lower Drift was channel sampled at 10-foot intervals. Sampled as well as were several surface showings near the workings.

The last 30 feet of the drift, from 120 to 150 feet from the portal, averaged 8.25 feet wide and graded:
0.022 oz. gold/t, 31.33 oz. silver/t, 24.49% lead, 7.71% zinc.

The medium grade mineralization in the drift assayed 15.3 oz. silver/t, 17% combined lead-zinc and the lower grade material assayed 5 oz. silver/t plus 6.4% combined lead-zinc. These results confirm values suggested in the 1981 program of 20 oz. silver/t, 15% combined lead/zinc. It is important to realize that the high grade mineralization is over 8 feet wide at the face of the drift since the level has not reached the footwall of the mineral. The level will be extended shortly as the first phase of the mine production program.

The sampling near the portal established the continuation of the vein to the southeast along strike and down dip with values of 30 oz. silver/t and 28% combined lead zinc.

Also discovered by the new program is a 50-foot wide quartz vein containing massive sulphides. A channel sample across 1.5 feet of this vein assayed 54.8 oz. silver/t, 42% combined lead zinc. This is considered a prime drill target owing to the indicated width of the structure.

The next phase of recommended work is now underway and includes sampling of the other workings, geophysical surveying, driving of a raise to connect with the upper workings and advancing the Lower Drift to test the extent of the high grade mineralization.

Detailed results from the next phase of sampling are being prepared and are expected to be available in the near future.

82KNW212

The "Silvery" Slokan Back In The News With Mikado's Joint Venture

by Sam Stone

Never far from the action the, "Silvery" Slokan area of British Columbia is back in the news. Mikado Resources, in joint venture with Turner Energy, has started mining operations at its Wagner Mine project on Mt. Templeman, 80 miles northeast of Cominco's giant Sullivan Mine and 60 miles southeast of Revelstoke.

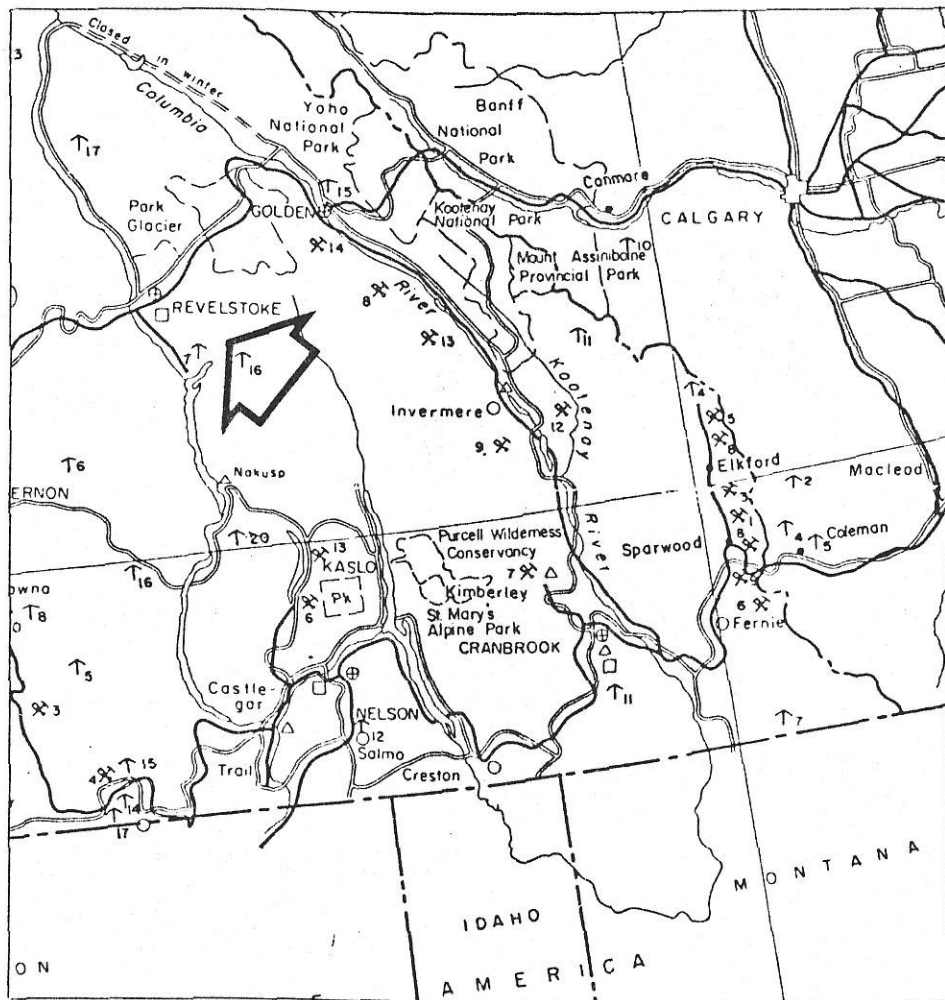
The Wagner property was discovered in 1893 and in 1896-98 a 100 foot long adit was driven from which a short crosscut and an 80 long winze were driven. The property has been highly regarded since discovery and has been the subject of numerous reports. In 1909, D.C. Corbin, a Spokane, Washington railroad developer, was quoted as saying that the Wagner has been known for a long time as one of the largest and richest silver-lead properties in B.C. The deposit values are said to be immense and the value of the ore high. Only the well nigh impossible location of the property precluded its full development. Now that Mikado and Turner have completed an access road, development can proceed apace.

Underground development consists of the Upper Adit, driven in 1897, 250 feet below the peak of the ridge, the 150 foot lower drift driven in 1981, 125 feet below the Upper Adit and the Lower Adit driven for 605 feet in 1951 by Sheep Creek Mines, 700 feet lower and 1,700 feet to the northeast of the Lower Drift.

Mining at present is in the Lower Adit and drifting is advancing at about 20 feet a day extending the high grade silver-lead-zinc zone. Assays taken from the face of the drift returned 31.33 ounces of silver plus 32.2% combined lead-zinc. Mikado's field geologist has reported that visual inspection appears to show that the new mining is in similar or better looking mineralization.

Development plans call for this level to be advanced 400 feet to the other side of the mountain. A surface sample taken at the break-out point assayed 22.4 ounces of silver and 20.5% combined lead-zinc across 7.5 feet.

Consulting Geologist P.J. Santos reports that four new mineral showings have been found. One is 60 feet north of the Sheep Creek Adit which appears to be an extension of a gold vein which was earlier reported to assay 0.42 ounces of



gold, 3.79 ounces of silver per ton across 12 inches. Southwest of this adit a 1 — 2 foot wide galena vein assayed between 11 and 51.3 ounces of silver and 12.7% to 64.7% combined lead-zinc. Six hundred feet directly east of the Sheep Creek Adit, a new set of galena veins, five feet wide or better, assayed between 1.6 and 27 ounces of silver and 2.5% to 47% combined lead-zinc per ton. Trenching has also exposed a galena vein in line with the Wagner and Sheep Creek vein. One sample from this partially exposed mineralization assayed 26 ounces of silver and 31.4% combined lead-zinc per ton. One previously discovered zone, the "Jewel", southeast of the Sheep Creek Adit is reported to show a vein length of 700 feet and between 12 and 15 feet wide grading 34.8 ounces silver and 48% combined lead-zinc per ton. This zone will be exposed by

trenching.

Up in the Yukon, Mikado is also in joint venture with Turner Energy on the Sue 1 and Sue 2 claims in the very busy Midway-Rancheria area of the Yukon, 60 miles west of Watson, near to the major silver-lead-zinc discovery of Regional Resources. Trenching, sampling and geological mapping is now underway to establish drill targets. Surface sampling from one showing assayed 18 ounces of silver per ton. Soil sampling and VLF survey located strong anomalous targets in this area. Mikado holds an option to earn a 60% working interest in these claims by spending \$1,050,000 in exploration and development by December 31, 1987.

For further information contact: James M. Simpson, Managing Director, 8930 Oak Street, Vancouver, B.C. V6P 4B7. Telephone (604)266-9910

GCNL #125 2 JULY 81
PROGRAM BEING PLANNED TO
FOLLOW UP ENCOURAGING RESULTS

SILVEX RESOURCES CORPORATION

82F/NW

- William I. Tyler, president of Silvex Resources Corporation, has reported encouraging results from the 134-claim silver property at Sandon, B.C. In the Chambers Zone, surface and underground sampling in old adits and new exposures have extended the length of the zinc bearing lodes to a minimum of 1200 feet on the Silvex properties. There are at least two parallel lodes that contain zinc-lead-silver mineralization, and a third, recently discovered, surface lode that is lead-silver-zinc. A chip sample across 3 feet in an old adit at the southwestern end of the main structures ran 1.88 oz. silver/ton, 0.08% lead and 19.06% zinc. A chip/grab sample in a trenched lead showing in the Chambers Creek above the upper level underground workings ran 24.0 oz. silver/t, 22.52% lead, 16.86% zinc over 4.0 feet. A 60-foot southeasterly crosscut in the Upper Chambers cut a lead-bearing structure that assayed 10.05 oz. silver/t, 8.35% lead and 8.75% zinc over 1.5 feet. Finally, a surface sample on a new showing that may be the on-strike extension of the crosscut structure assayed 85.85 oz. silver per ton, 71.48% lead and 1.30% zinc over 3 inches. Raising on the two Upper Chambers underground zinc lodes and drifting on the crosscut lead lode are in progress. A detailed study of all known occurrences is also in progress.

Subject to regulatory approval, Silvex will acquire an option to purchase 100 located claims and 4 crown granted mineral claims known as the Wagner property near Trout Lake, B.C. Historical reports of high grade lead-silver mineralization have been confirmed. A 6-foot chip/grab sample across the vein assayed 39.95 oz. silver/t, 36.43% lead, 1.33% zinc and 0.10% copper. The surface exposure is easily traced in 100% outcrop terrain over 200 to 300 feet laterally and 200 feet vertically. The lack of previous development is due to high altitude (8,000 feet) inaccessibility.

GCNL #163 AUG 26 81

SILVEX RESOURCES CORPORATION

82K/HS

(82AKNW50)

SILVER EXPLORATION IN THE B.C. SLOCAN - Silvex Resources Corporation president, W. Tyler reports the recently acquired Wagner property near Trout Lake in the Slocan area, B.C., includes the upper showing where an area 400 ft by 10 to 15 ft is estimated to contain 20,000 tonnes grading perhaps 15% lead, 20 oz silver. A six foot chip sample across the vein assayed 39.95 oz. silver; 36.43% lead; 1.33% zinc; 0.10% copper. A spectroanalysis of the ore indicated 3% tin.

A drilling station was established to intersect the vein at depth. All holes intersected the structure. DDH #4 at a depth below surface of 75 feet gave a true vein width of 17 feet with massive sulphides from 143 to 148 ft. DDH #6, 140 ft. below surface intersected massive sulphides from 155 to 162 ft. Assays results are expected soon. The drill intersections will more than double the known tonnage.

Silvex has been approached by major concerns to participate in the Wagner development, and negotiations are in process. Other company holdings on Reco mountain, in the Slocan Mining Division, B.C., continue to show improvement and a 1,000 tonne mill test from the Chambers vein division is being shipped to the Ainsworth Mill under contract with David Minerals Ltd. Geological targets are being prepared for further drilling on the Noble Five drift, to intersect parallel known mineral zones.

Oil and gas production from Silvex's participation in Texas is continuing and five additional wells will be drilled. The Paseur 1A well, Fayette county, Texas, in which Silvex has a 9.5% working interest, has been completed and is under test at this time. Results will be revealed shortly. A drilling rig is being awaited to drill the Waelder well to 8,000 ft. in the Austin Chalk, Gonzales County, Texas; in which Silvex has a 100% working interest, subject to a 30% royalty.

212

MINING REVIEW

SEPT/OCT 1981

08AKW080

08AK111E

Silvex Resources Corporation reports the recently acquired **Wagner** property is proving to be a massive high grade mineralized zone carrying silver, lead, zinc mineralization, in sight, for over 400 feet with a width of 10-15 feet. In the preliminary report done by T.G. Hawkins, Sawyer Consultants Inc., if grades prove to be consistent along the structures, it is estimated that at least 20,000 tonnes of mill feed (15% Pb, 20 oz. Ag) are available on the upper Wagner showing; including 700 tonnes of high grade (40% Pb, 50 oz. Ag) from development work. A six foot chip sample across the vein assayed 39.95 oz. silver, 36.43% lead, 1.33% zinc, 0.10% copper. A further spectroanalysis of the ore indicated .3% tin.

A drilling station was established to intersect the vein at depth. All holes intersected the structure. DDH #4 at a depth below surface of 75 feet gave a true vein width of 17 feet with massive sulphides from 143 to 148 feet. DDH #6, 140 feet below surface intersected massive sulphides from 155 to 162 feet. Other work is in process and assays will be announced as they are received. Previous samples dating back to 1909 have given returns of up to 103.5 oz. silver and 71% lead.

The work by *Silvex* is the first time a caterpillar-tractor has got to the property and the first diamond drilling. The drill intersections will more than double the known tonnage. *Silvex's* claims in the Trout Lake area now cover in excess of 5 square miles.

The Company has been approached by major concerns to participate in the Wagner development, and negotiations are in process.

Other Company holdings on Reco Mountain, in the Slocan Mining Division, continue to show improvement and a 1,000 tonne mill test from the *Chambers* vein is being shipped to the Ainsworth Mill under contract with David Minerals Ltd. Geological targets are being prepared for further drilling on the *Noble Five* drift, to intersect parallel known mineral zones.

Oil and gas production from *Silvex's* participation in Texas is continuing and five additional wells will be drilled. The *Paseur 1A* well, Fayette County, Texas; in which *Silvex* has a 9.5% working interest, has been completed and is under test at this time. Results will be revealed shortly. A drilling rig is being awaited to drill the *Waelder* well to 8,000 feet in the Austin Chalk, Gonzales County, Texas; in which *Silvex* has a 100% working interest, subject to a 30% royalty. □

08AF1NW

MINER SEPT 10/81

A high grade zone carrying silver-lead-zinc mineralization has been discovered on Silvex Resources' recently acquired Wagner property. The zone is known to run for over 400 ft. with its width varying from 10-15 ft. Assuming the grade shows continuity throughout the structure, a consultant estimates that at least 20,000 tonnes of mill feed averaging 15% lead and 20 oz. silver are available on the upper Wagner showing alone. Development work has already led to the stockpiling of 700 tonnes of high grade material averaging 40% lead and 50 oz. silver.

This same vein was also intersected at depth and one hole 175 ft.

below surface returned massive sulphides over five feet. Another hole, at nearly twice that depth, intersected seven feet of massive sulphides. Assay results from those holes are pending.

Silvex says this is the first diamond drilling on the property which is situated in the Trout Lake area near Sandon, B.C. Sandon is close to Trail where Cominco's smelter is located. Several majors are reported to be negotiating with Silvex with a view to participating in the Wagner discovery.

Silvex is shipping a 1,000-tonne bulk sample from the Chambers vein on its Reco Mountain property to the Ainsworth mill under contract with David Minerals.

82K*III
082KNW050, 212