

GCNL #125 2 JULY 81 TRI BASIN RESOURCES LTD.

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EXPLORATION NOW UNDERWAY - Tri Basin Resources Ltd. chairman H. Brodie Hicks, P. Eng., has ON A B.C. SILVER PROJECT reported that the company has acquired an option to purchase for \$200,000 payable over five years the five crown granted Silver Belt group of claims, which have been tied up in an estate for 50 years. They are located close to Tri Basin's Paradise mine near Invermere, B.C. Sampling last fall returned 18.3 ounces per ton silver, 23.4% lead and 23.9% zinc. This mineralization may be similar in occurrence to that at the Paradise mine. The potential would then be for a length of up to 2,000 feet, widths up to 40 feet and depth to 200 feet. Such a body would contain about 1,500,000 tons. While these are broad assumptions only, the target is obviously attractive.

A work program now underway is to include geological mapping, soil sampling and trenching; and, in the second stage, for 1,500 feet of diamond drilling at an approximate overall cost of \$75,000.

GCNL #208 28-10-80 TRI-BASIN RESOURCES LTD.

VARIOUS INTERESTS REVIEWED - Tri-Basin Resources Ltd. has released test results on the Lauderdale No.1 well in Burleson county, Texas, indicating that this may be one of the more successful completions in the Austin Chalk formation, an area of intense current development for both gas and oil. Tri-Basin has a net revenue interest of 11.4844%. (See Aero Energy Ltd. story above for well test detail).

In Okfuskee county, Oklahoma, Tri-Basin has acquired an approximate 6% working interest in 640 acres on which there are currently 16 producing wells and a similar interest in 1,725 development acres on which it will participate in the drilling of a minimum of 15 new wells over the next three years. In Crockett county, Texas, Tri-Basin has an option to acquire a 3.4% working interest in 25 producing Canyon Sand gas wells. An independent engineer's report on this acreage estimated an average production of 120,000 cubic feet of gas per day for the remainder of 1980, increasing to 325,000 cubic feet per day thereafter and then declining at 10% per annum. The company intends to exercise this option in the next few days. A further gas exploration venture is being carried out through a 12.5% working interest in a 1,609-acre tract in Westbrook county, Texas. Two wells have been completed of which one was dry. The other is awaiting test.

Tri-Basin has also undertaken ventures in mineral exploration in B.C. Nine diamond drill holes have recently been completed on the Keno-Ophir gold prospect near Greenwood, where a surface sampling returned an average grade of 0.30 ounces per ton over a length of 400 feet and a width of 16 inches along a persistent quartz vein. All of the holes intersected the vein with true widths up to 6.5 feet. Assays are awaited. The company has also acquired the former Paradise Mine, near Invermere, B.C., formerly operated by Sheep Creek Mines Ltd. Past production has totalled approximately 78,000 tons grading nearly 10 ounces per ton silver, 11% lead and 5% zinc. Preliminary examinations were carried out in the summer of 1980 with further work planned for the coming year.

A recent share offering provided \$2,640,000 while previous private placements had placed approximately \$2,000,000 in the treasury.

Directors are: president H. Brodie Hicks, P. Eng.; vice president, petroleum, S.P. King, P. Eng.; vice-president, mining, D.M. Cannon, P. Eng.; J. St. Mars, D.J. McDonald and J.A.C. Ross, P. Eng.