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UNITED HEARNE RESOURCES LTD.

NASDAQ LISTING REPORTED - United Hearne Resources Ltd. president R.W. Falkins announces that effective 20 Jun 79, the company shares were approved for trading on NASDAQ (The National Association of Security Dealers Automatic Quotations) in the U.S.A., symbol UHR NF.

Mr. Falkins also announces that shipments are about to start on a 50-50 lease basis on the Panama crown granted claim, one of 13 crown grants held in the London Ridge group in Slokan mining division of B.C. Some 300 tons of developed ore averaging 40 ounces of silver per ton are ready for mining and further ore development will be continued on the Panama vein. The ore will be trucked to the Cominco Smelter at Trail, B.C. for refining. Mr. Falkins notes that the high silica content of the ore more than pays for the trucking costs to the smelter.

United Hearne spending \$150,000 on optioned Taurus gold project

VANCOUVER - A \$150,000 exploration and development program is underway on United Hearne Resources' recently optioned Taurus Resources project in the Cassiar area B.C. United Hearne can earn a 60% interest in the prospect, which was formerly the Hanna gold mine.

Present underground workings total over 4,000 ft. of adits and crosscuts. The 36-400 raise from 3,600 ft. level to surface has been completed and throughout the vein is well pyritized. President R. W. Falkins tells The Northern Miner.

New Kelore prospect in Ramore area idle

No work has been done on New Kelore Mines' gold prospect in the Ramore area since mid-1976, and no plans are in the offing at the moment, states C. B. Ross, executive vice-president and general manager of Hollinger Mines, which holds a lease on the property until Dec. 31, 1984.

New Kelore's 18 claims in Hislop and Guibord Twps. adjoin the Ross mine, which was operated by Hollinger until it was sold to Pamour Porcupine Mines in 1976. Pamour, apparently, did not indicate any interest in the Kelore ground at the time.

There is known gold-bearing mineralization on the property where, in previous operations, a shaft was sunk to 460 ft. and four working levels were established. Based on underground sampling and diamond drilling, indicated reserves have been estimated at 320,000 tons averaging 0.17 oz. gold per ton.

Under terms of the lease agreement, New Kelore is entitled to 25% of net profits from any production after Hollinger recovers its costs.

He adds that a number of veins have been exposed in the underground workings which will be developed by diamond drilling and raising. The second raise has also been completed on a separate vein and work on the third raise has been started. Six diamond drill holes have been completed to date.

In addition to the underground program, a D8 bulldozer is trenching and has discovered several new zones north and west of the present workings. Mr. Falkins reports (N.M., Aug. 23, 1979).

Ore shipments from the company's London Ridge Panama silver property in the Slokan area of B.C. began in August, 1979. The ore is being sent to the Trail smelter for processing.

The first shipment of 275 tons averaged 30.45 oz. silver per ton netting 7.767 oz. of silver. An additional 503 tons have since been shipped from the property and work will continue until winter.

Mr. Falkins reports that construction of a 3,000-ton mill at the company's Santa Clara gold property in Costa Rica could begin early 1980.

A feasibility report is awaiting final results from large-scale tests of a modified heap leaching process being run by Ontario Research Foundation of Toronto. The feasibility study is being carried out by Wright Engineers and to date, smaller-scale testing of the ore has been successful, says Mr. Falkins.

He adds that if the final test is comparable, the new leaching process will result in low capital cost for a plant and low operating costs compared to the standard cyanidation plant previously planned. It is expected to take about 15 months to place the open pit operation into production once work begins.

United Hearne can earn interest in Taurus Resources' gold claims

VANCOUVER - Under an agreement with Taurus Resources, United Hearne Resources can earn a 60% interest in the 29-claim Taurus gold property located five miles east of Cassiar, B.C.

The agreement, which is subject to regulatory body approval, calls for United Hearne to spend a minimum of \$150,000 in 15 months and \$250,000 or to make a production decision in the next 15 months, to earn its 60% interest. From that point, costs will be shared on a 60%-40% basis.

Formerly the Hanna gold mine, the property has about 3,000 ft. of underground workings by means of one adit and numerous unexplored surface veins, according to R. W. Falkins, United Hearne president.

Estimated tonnage in the main adit area is 150 tons a vertical ft. with an uncut grade of 0.82 oz. of gold over an average width of three ft.

A new program which includes

diamond drilling, test mining of known underground veins, two raises to the surface, trenching and engineering studies, has been started on the property.

On United Hearne's Santa Clara gold mine in Costa Rica, Wright Engineers are in the final stages of a feasibility study. The company is proposing a 3,000-tons-a-day open pit operation (N.M., July 12, 1979).

Work has begun on the Panama claim in the company's London Ridge silver group near New Denver, B.C. An underground development program which includes raising and drifting to extend the known ore on the third level will continue until around October. Ore from drifting and raising will be shipped to the Trail smelter for processing.

Diamond drill work on the King Edward molybdenum property is expected to start again in September, Mr. Falkins reports.

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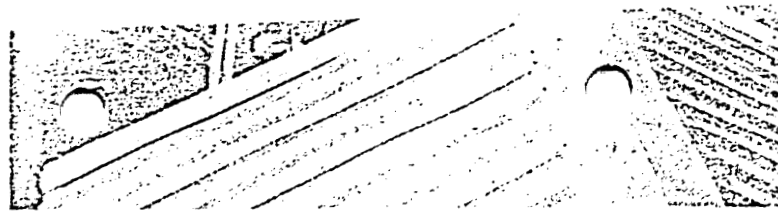
Last year was an extraordinary one for Cassiar Asbestos, with the closure of its Clinton Creek mine and its transportation division in Yukon and the beginning of the longest strike in the history of its Cassiar mine.

The company's net income for the first half of 1979 was \$6,299,679, or \$1.15 a share, down from income of \$8,328,133, or \$1.51 a share, for the first half of 1978. In the first quarter of the year, results continued to be affected by the strike which ended Jan. 15. The reduction in earnings was primarily due to lower volume of Clinton Creek fibre sold.

Ore handling is an important aspect of the Cassiar operation. It is moved from the primary crusher at the pit by conveyor to the 15,370-ft. tramline loading terminal for transport to the mill below (N.M., Aug. 16, 1979).

Earlier in the operation's life, waste rock was rejected at the pit. Now 20% of rock is rejected in the concentrator and 80% goes on to be dried, stored and milled into nine separate fibre classifications. Spinning fibre is the highest quality and is taken off early in the milling process. Ore must therefore be treated carefully until it passes from the initial mill screen where spinning fibre is lifted off by an aspirating hood.

Fibre is packaged in 100-lb. bags and palletized for shipping. A new system was being tuned up at the end of July which automatically sorts the packages into grades and wraps 1-ton pallets in clear shrink wrap to prevent damage in handling. Packaged fibre is stored on



Aerial tramline carries Cassiar ore from pit to plantsite.

pallets in the new 10,000-ton capacity warehouse that was started in 1978 and finished this year. Containers holding 20 tons of fibre are shipped by B train to Stewart and Vancouver. Cassiar Asbestos' warehouse in Vancouver is being phased out and most orders will eventually be filled directly from Cassiar. Allowing for periodic surges in inventory, the new warehouse will probably average about 6,000 tons. Between 400 and 430 tons of fibre are shipped daily.

Cassiar has taken many measures to reduce dust in the mill. One of the most impressive is the new mill air building which came on stream in May, 1978. The new system is under vacuum with clean air being drawn out by fans. Dust is shaken from the collection bags every 45 minutes. All conveyor belts are enclosed and new hoods are being installed.

To ensure a ready supply of power, five engine bays have been added to the powerhouse; two are in operation, one was in the process of being installed and two more will come on stream. The additions will bring the number of engines to 13, one a 1,000 kw Mirrlees and the rest 1,200 kw Ruston and Hornsby. The five additional engines are from the Clinton Creek operation. Only six

vice station will be built as well.

Helping to show The Northern Miner around the property were Brian Pewsey, vice-president, operations; Fred G. Hewett, chief engineer; Paul R. Clark, production superintendent; Bob Clark, civil engineer; Fred Cousins, assistant plant superintendent; and David C. Cook, mill superintendent.



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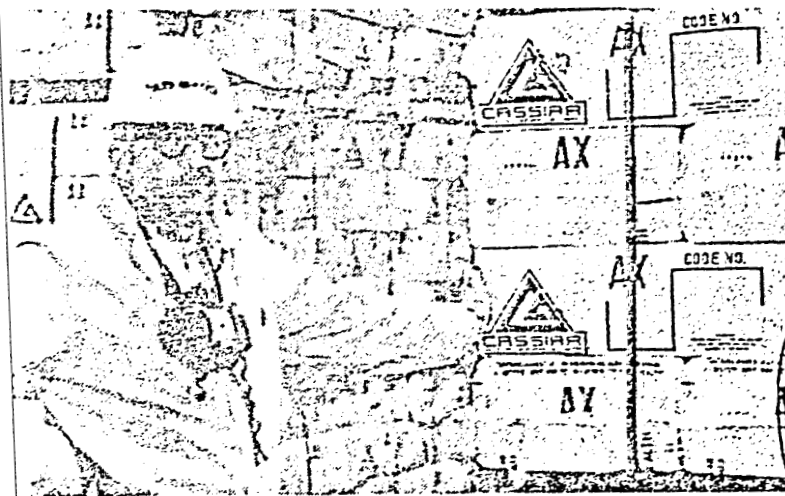
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Photos by The Northern Miner.

David C. Cook, Cassiar mill superintendent, in new fibre warehouse.