

Hopes high for Adams Lake

by David Duval

The Adams Lake area near Kamloops, B.C., has been the scene of intensive interest since Corporation Falconbridge Copper optioned Rea Gold's precious metal prospect in 1983. The agreement gave Falconbridge the right to earn a 51% interest for \$250,000 in option payments to Rea and \$2 billion in property expenditures by May 4, 1986. Falconbridge has spent a bit less than \$1 million already and was scheduled to start drilling again in February.

A number of sulphide bodies have been located on the property and recent testing of the down dip potential of a massive sulphide lens returned low grade precious metals values and low grade sulphides containing copper, zinc and lead.

Expectations were high when Falconbridge optioned the prop-

Falconbridge Copper leads the way working on ground optioned from Rea

erty but the first holes put down under what on surface appeared to be a high grade lens proved disappointing. Falconbridge so far has completed about 11,500 ft. of drilling on the Rea Gold property and further geophysics were planned earlier this year prior to the resumption of drilling.

The property has drill-indicated reserves of 150,000 tons grading 0.43 oz. gold, 3.5 oz. silver, 3.6% zinc, 3.1% lead and 0.7% copper. Rea is also involved in another massive sulphide property near Cache Creek, B.C. with B.P. Selco.

Falconbridge announced plans to drill Apex Energy's Twin claims

in the Adams Lake region in early February. Two holes are planned for an anomaly that was outlined by soil sampling and a coincident VLF survey. A second anomaly, which could represent an extension of the favorable horizon on the adjoining Rea Gold property will also be drilled. The Twin claims are owned by Apex Energy and Austin Resources and Falconbridge can earn a 51% interest for cash payments and \$1 million in exploration expenditures by Mar. 1, 1988.

Tylox Resources Corp. has property in the Adams Lake region under option to Zone Petroleum.

Late last year a grid line was established on the property and some soil sampling completed. Zone has the right to earn a 50% interest in the property by spending \$400,000 prior to June 30, 1987.

Preliminary geological mapping on two claim groups located disseminated pyrite with minor chalcopyrite in heavily altered rock. The host rocks are believed to include both quartz porphyry and another rock type thought to be derived from an exhalative chert. These are believed to be near a volcanic center.

Several companies holding ground in the area have discussed option arrangements with Falconbridge which is certainly in a position to pick and choose the better prospects, given its exposure to and knowledge of the region.

ing appropriate seasons.

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Adams Lake looking good for Rea Gold

With giant Corporation Falconbridge Copper as a partner, Rea Gold Corp. has the right connections. 082M 191

It also has a very promising play because of it. The Massive Sulphide Joint Venture with Falconbridge Copper (51%) and Rea Gold (49%) has identified two massive sulphide lenses with drill-indicated reserves of 150,000 tons grading 0.43 oz. gold per ton, 3.5 oz. silver, 3.6% zinc, 3.1% lead and 0.70% copper. The property is in the Adams Lake area of British Columbia northwest of Kamloops.

As operator, Falconbridge is again drilling. By May 4, 1986, it must spend \$2 million to earn its interest.

In another joint venture, this one in Yuma Cty., Ariz., Rea is the operator of a gold-silver prospect. The 50-50 venture with Lincoln Resources has identified 267,500 tons of drill-indicated reserves grading 0.15 oz. gold per ton and 2.0 oz. silver. The property is 60 miles west of Phoenix.

In British Columbia again, Rea is involved in an exploration play with BP Selco, a division of BP Resources south of Cache Creek. Massive sulphides over 15 ft. were encountered in one of six holes drilled in 1984.

It also has three other B.C. properties as well as an advanced gold prospect in Costa Rica.

Welcome North Mines has \$2.1 million ready for 1985 exploration

Welcome North Mines anticipates an increase in exploration activity for 1985. Overall exploration expenditures are forecast to be \$2.1 million compared to 1984 expenditures in the order of \$1.8 million.

Proposed exploration expenditures are made-up of: \$600,000 by optionees on Welcome North properties that are farmed-out, \$1 million through affiliated companies in which Welcome North acts as shareholder-operator, and \$500,000 by the company on its wholly-owned projects. Current plans call for approximately 40% of expenditures being made in the

this time, 2.8 million shares are issued.

Management anticipates little change for the price of precious metals during 1985, but a modest firming in base metals' prices is forecast. Emphasis is being directed to discovery and acquisition of poly-metallic deposits with precious metals credits, which can be developed for low capital cost requirements that could be largely met through equity financing.

The company and its affiliates have relied heavily in the past on flow-through financing and will continue with this policy for as



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