

W.A. No.

NAME

GEO, R.N.

SUBJECT

CHIPPINGS

92 HSW0092 (5E) R.N.

03

PROPERTY FILE

009405

92H General

HARRISON LAKE GOLD

92H3W092(SW) RN

By G.E. Ray

Recent studies by the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that a regional episode of Mid-Tertiary plutonism in the Harrison Lake area, approximately 100 km east of Vancouver, is associated with widespread vein-type gold mineralization. This magmatic event was structurally controlled and resulted in the emplacement of numerous, variably-sized plutons along a major, northwesterly trending lineament (see map, page 18). These plutons intrude a variety of sedimentary and volcanic rocks that range in age from Pennsylvanian to Cretaceous. The plutons are diorite and quartz diorite to granodiorite in composition and yield potassium/argon (K/Ar) ages between 19 and 26 million years (Ma).

In part, the lineament follows the Harrison Lake fracture system, which is associated with regional hot spring activity. The location of its northwesterly continuation beyond Harrison Lake is uncertain. Southeastward, it is traceable to the 48th parallel in Washington State where it is probably marked by the 20- to 22-Ma old Cloudy Pass and Cascade Pass plutons (see Crowder, *et al*; Misch; Grant).

The largest pluton along the lineament, the Chilliwack batholith, straddles the Canada-U.S. border approximately 125 km east-southeast of Vancouver. It yields K/Ar ages between 16 and 35 Ma (Richards and White; Richards and McTaggart; Vance). This batholith exceeds 950 sq km in area, and is spatially associated with at least 10 separate gold-bearing properties, including two former producing gold mines (Boundary Red Mountain and Lone Jack). Further north, numerous smaller bodies of similar age and mineralogy to the Chilliwack batholith occur sporadically along the lineament for more than 100 km.

The two most northern areas of Mid-Tertiary, diorite-related gold mineralization occur on Harrison Lake at Doctors Point and the RN-Geo

property. Both lie close to the Harrison Lake fracture, being situated 95 km northeast and 100 km east of Vancouver respectively. The Doctors Point property is being explored by Rhyolite Resources and Harrison Lake Gold Mines, while the RN-Geo property was recently optioned by Abo Oil Corp to Kerr Addison Mines.

Gold geology associated with Mid-Tertiary plutonism

The Doctors Point property on the western shore of Harrison Lake represents the most northerly example of Mid-Tertiary, diorite-related precious metal mineralization yet identified along the Harrison Lake lineament. Drilling has outlined approximately 132,300 tonnes grading 3.5 g gold per tonne (0.102 oz per ton) on the property.

“THE CHILLIWACK BATHOLITH IS SPATIALLY ASSOCIATED WITH AT LEAST 10 GOLD-BEARING PROPERTIES.”

The area is underlain by a variety of intermediate to basic volcanic and volcanoclastic rocks, together with some metasedimentary rocks of Early Cretaceous (Middle Albian) age. These are intruded by five diorite-quartz diorite plutons that range from less than 50 m to more than 1 km in diameter. The plutons are surrounded by hornfelsic envelopes up to 250 m in width. The gold and silver is hosted in long, narrow, gently dipping vuggy quartz-sulphide veins that show an over-all spatial association to the diorite pluton margins.

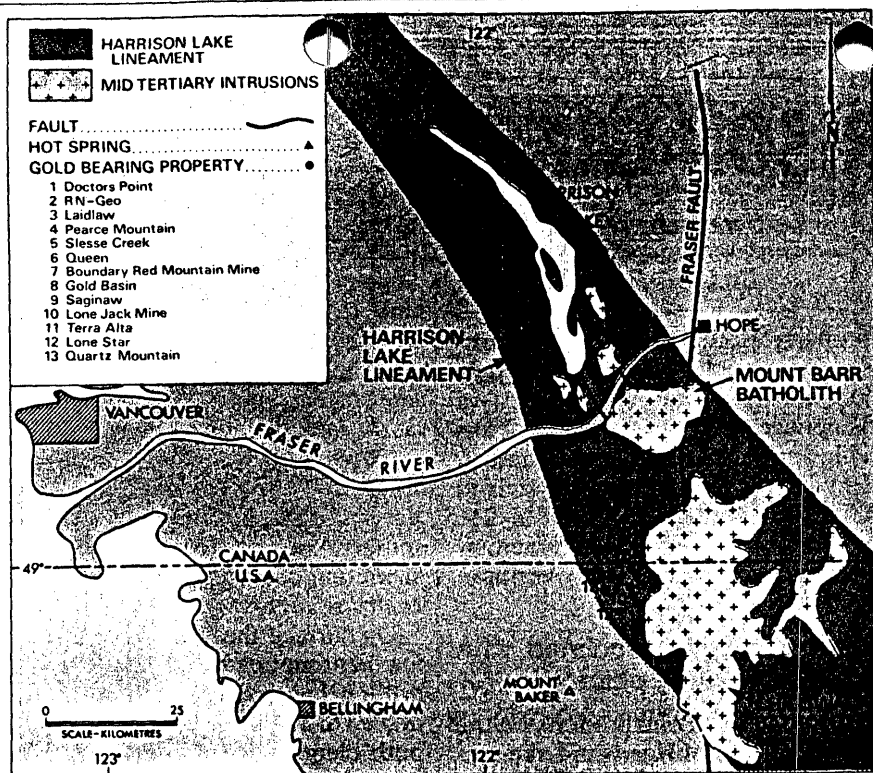
G.E. Ray is a project geologist with the British Columbia Ministry of Energy, Mines and Petroleum Resources.

Some veins pass without interruption from the diorite out into the hornfels. These veins were apparently controlled by, and injected along, low angle, cone sheet fractures developed during the later stage of the diorite intrusion. Many of the cone sheet fractures in the Doctors Point area are unmineralized, and some exhibit minor amounts of reverse fault movement that occurred prior to the mineralizing event.

On surface the veins vary from a few centimetres to 75 cm wide but drilling has intersected mineralization up to 3 m wide. The veins include both clear and white vuggy quartz with abundant pyrite and arsenopyrite and local traces of chalcopyrite, molybdenum, galena and sphalerite. Analyses on drill hole samples indicate that the gold mineralization at Doctors Point is sporadically associated with an enrichment in silver, antimony, arsenic, mercury, bismuth and potassium oxide, and with a corresponding depletion in magnesium oxide, calcium oxide, disodium oxide and strontium oxide. The mineralized veins are usually enveloped by “bleached zones” comprising a mixture of fine-grained quartz, sericite and kaolin with some disseminated pyrite. These alteration envelopes vary from a few centimetres to three metres in width and local contain some gold. The increase in sericite in the veins and alteration envelopes is responsible for the corresponding rise in potassium oxide values.

The majority of the veins are hosted in either diorite or hornfelsic rocks. However, the southernmost mineralized fracture lies outside the hornfelsic aureole and is mineralogically distinct in containing abundant silver-rich galena and tetrahedrite. Thus a temperature-related mineral and element zoning may exist in the Doctors Point area, with gold predominating in veins closer to the pluton margins and base metals predominating outside the hornfelsic envelope.

The K/Ar ages obtained from biotite and hornblende samples suggest



A regional episode of Mid-Tertiary plutonism resulted in the emplacement of numerous plutons associated with widespread vein-type gold mineralization.

the diorites in the Doctors Point area were emplaced between 19 and 25 Ma ago, while K/Ar analyses on muscovite taken from a gold-bearing vein associated with the Doctors Bay pluton indicate the mineralization took place 23 Ma ago.

In 1983 and 1984, Abo Oil Corp completed a drilling and bulk sampling program on its RN-Geo property, at the southern end of Harrison Lake and this yielded some promising gold values (Huber). The property is currently being explored by Kerr Addison Mines. The area is underlain by deformed and hornfelsed metapelites of presumed Mesozoic age. These are intruded by several, small diorite-quartz diorite plutons between 50 and 200 m in diameter. The gold is hosted in quartz veins and stringers that intersect the plutons, consisting of several, variably oriented sets. Locally, they form closely spaced stockworks which may be suitable for bulk mining.

The veins carry visible gold together with pyrite and pyrrhotite and local traces of chalcopyrite, molybdenite and scheelite, and bismuth tellurides. There is sporadic geochemical enrichment of arsenic but no mercury enhancement. A K/Ar analysis of the hornblende suggests the diorites were emplaced 26

Ma ago, while analysis on sericite taken from a gold-bearing quartz vein indicates that mineralization occurred 24.5 Ma ago. This is essentially synchronous with the plutonism and mineralization at Doctors Point.

The Laidlaw gold property, which is about 14 km southwest of Hope, is described (see McClaren) as a sequence of deformed metasedimentary rocks intruded by several small, elongated diorite-quartz diorite bodies that are less than 75 m in width. These bodies are probably related to the Mount Barr batholith which lies 6 km further south. This batholith covers 160 sq km and has yielded K/Ar biotite between 16 and 24 Ma (see Richards and White; Richards and McTaggart). Native gold at the Laidlaw property is hosted in two quartz vein sets which cut the diorite bodies. These veins also carry pyrrhotite, arsenopyrite, chalcopyrite and secondary marcasite, as well as traces of bismuth tellurides.

Ten other properties containing possible Mid-Tertiary gold mineralization are seen close to the western margin of the Chilliwack batholith in both Canada and the U.S. (details on the U.S. properties are given by Moen). The Lone Jack and Boundary Red Mountain properties were producing mines during the early part

of this century. At the Boundary Red Mountain mine, gold-bearing quartz veins follow the sheared intrusive contact between a diorite body and older metasedimentary rocks. The veins contain minor amounts of pyrite, chalcopyrite, and pyrrhotite, and traces of bismuth telluride. In 1916 the Boundary Red mine produced 11,460 tonnes of ore grading 24 g gold per tonne, while total gold production between 1913 and 1946 was valued at just under \$1 million (US).

At the Lone Jack mine, the quartz veins occupy fissures in phyllitic schists. No dioritic rocks are seen at the mine, but outcrops of the main Chilliwack batholith lie only 1.5 km east of the property. The veins carry visible gold with pyrite, pyrrhotite, and traces of bismuth tellurides. Moen estimates that gold production from the Lone Jack mine between 1902 and 1924 valued approximately \$555,000 (US).

Gold-bearing veins at the Pierce Mountain, Slesse Creek, Gold Basin and the Quartz Mountain properties are all spatially associated with dioritic bodies that intrude metasedimentary rocks. The veins at the Lone Star property carry bismuth tellurides.

Guides for gold exploration

Since many of the Mid-Tertiary plutons emplaced along the Harrison Lake lineament are associated with precious metal mineralization, a search for other intrusive bodies of this age should represent a viable exploration method for gold in the region. Furthermore, outlining possible northwesterly and southeasterly extensions of both the lineament and the Harrison Lake fracture system could result in the discovery of other mineralized plutons. Further southeast in Washington State, the Cascade Pass and Cloudy Pass plutons, and parts of the Snoqualmie batholith give K/Ar ages between 18 and 22 Ma (Baadsgard, *et al*, Crowder, *et al*, Misch). Thus, they could belong to this gold-related intrusive suite, and may be associated with vein-type gold mineralization. Compilation work by Grant in 1969 showed these plutons to be spatially related to numerous copper and sulphide occurrences. However, this work was completed while interest in gold exploration was minimal due to low world gold prices. Consequently,

These occurrences should be re-examined for precious metal mineralization.

Many of the mineralized intrusive bodies located to date are relatively small, and consequently the reconnaissance style of geological mapping completed in the region 30 or more years ago may have overlooked many small plutons. These could be located and outlined by prospecting followed by detailed geologic mapping and K/Ar analysis to determine their intrusive ages. The Geological Survey of Canada is currently conducting a mapping program in the Hope (west half) map sheet (from personal communication with J.W.H. Monger, 1985) which will provide more geological data on the Harrison Lake area.

Many of the Mid-Tertiary gold-bearing veins in the region contain bismuth tellurides, and consequently regional and detailed geochemical exploration for this type of mineralization could use bismuth (and gold) as pathfinder elements. The use of mercury, arsenic and antimony could be successful locally. At Doctors Point the veins are geochemically enriched in these elements, while at the RN-Geo and Laidlaw properties, mercury is absent, and arsenic and antimony enrichment is weak and sporadic. Arsenic enrichment is not reported at either the Boundary Red Mountain or Lone Jack mines.

Conclusions

The Harrison Lake lineament and fracture system of southwestern British Columbia and its southeastern

extension into Washington State is marked by a 19-26-Ma period of dioritic-quartz dioritic plutonism which is temporally and genetically related to 13 separate areas of gold mineralization. These Mid-Tertiary plutons vary in size from the composite Chilliwack batholith, which covers 950 sq km, down to small bodies less than 50 m across. The gold-silver mineralization is generally hosted in quartz veins filling tension fractures and is commonly associated with bismuth tellurides. However, the degree of arsenic, mercury and antimony geochemical enrichment associated with the mineralization is highly variable. Many mineralized veins in the region are hosted either within the diorite bodies or close to their intrusive margins, where competency differences resulted in brittle, open space fracturing. The morphology of the mineralized veins is highly variable, including shallow-dipping features controlled by cone sheet fracturing, stockwork and crackle breccia veinlets, and steeply dipping veins injected along the sheared margins of the plutons.

Exploration for this Mid-Tertiary precious metal mineralization should involve prospecting, geological mapping, and geochronology to locate and identify other plutons of this age in the Harrison Lake area and along projected northwesterly and southeasterly extensions of the lineament. Follow-up exploration using soil and silt sampling could use gold, as well as bismuth, arsenic, antimony and mercury as pathfinder elements.

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BEMA INTERNATIONAL RESOURCES INC. (BMI-V)
ABO RESOURCE CORP. (ABU-V)
KERR ADDISON MINES LIMITED

EXTENSIVE UNDERGROUND DRILLING - Underground drilling and drifting is planned to resume in March 1988 on the Harrison Lake gold property of Abo 40%, Bema 35% and Kerr Addison 25%. The property is located 60 miles east of Vancouver, B.C. Bema International has recently completed an agreement, subject to regulatory approval, to acquire a controlling interest in the shares of Abo Resource.

Kerr Addison has received a report on the property by L.J.Manning & Associates Ltd. This report is based on a minimum of 2,650,000 short tons of mineable reserves with a potential for 4,400,000 mineable short tons from the main Jenner stock. The Jenner is one of seven mineralized stocks on the property. The study indicates that sub-level caving will be the optimal mining method and projects an operating cost, including mining milling and overhead, of approximately \$17.43 (U.S.) per short ton based on a production rate of 1,100 short tons per day.

Kerr Addison is currently compiling all results from the 1987 underground program. A total of 1,146 feet of development drifting and raising was completed and sampled. Face and rib sampling results over a zone 120 feet in width and 213 feet in length, plus an additional subparallel zone averaged 0.10 oz.per ton gold. The footwall zone that contains these panels is projected to contain 2,400,000 short tons, open to depth.

Based on this tonnage and grade, and assuming a 10% recovery and operating cost of \$17.43 per short ton, production is projected at 35,400 ounces per year at an operating cost of approximately \$190 U.S. per ounce with a ten year mine life. Excellent potential exists for defining additional tonnage with on the Jenner stock.

RHYOLITE RESOURCES INC. (RHY-V)

GOLD-SILVER PROSPECT IN - John Bissett, president, B.C. IS BEING ACQUIRED reports that Rhyolite

Resources Inc. has agreed to acquire the Microgold property in south central B.C. for \$50,000 cash, 100,000 common shares and a royalty of 5% of net smelter returns, subject to regulatory approval.

Mr. Bissett says the property is recognized as one of only 8 epithermal Tertiary gold-Silver deposits yet known in B.C. The property offers the potential of a profitable, small scale, heap leaching project concurrent with a program directed at the search for bonanza vein structures typical of epithermal systems. Expectations are that work will start in late March or early April.

MULDRA SILVER INC. (MDA-V)

SMELTER RETURN FROM - A bulk sample of 407 short dry ORE SHIPMENT REPORTED tons, obtained from the 1987 surface mining of the C Vein on the Treasure Mountain property, located 27 km east of Hope, B.C. has now been processed by Cominco (390 tons) and Asarco (17 tons), returning \$344,265 to Muldra Silver Inc. Smelter assays of this select high grade ore give a weighted average of 100.3 oz/t silver, 32.7% lead and 6.8% zinc. Another 2,000 tons of lower grade surface ore, stockpiled at the mine site, will be custom milled this summer. In addition, some 1,500 to 1,800 tons of mill grade ore have been produced from drifting on the C Vein on Level 1. The drift on the No.2 Level is now within 90m of the projected intersection of the C Vein. Should the No.2 Level prove to be as successful as the No.1 Level a major advance will have been made toward achieving regular production. See detail of sample assays in GCNL No.246,216, and 190(1987)

BETTER RESOURCES LTD. (BRZ-V)

DRILL INDICATED TONNAGES MT. WASHINGTON, COURTENAY, B.C.

LOCATION	TONS	OZ. GOLD/T	OZ. SILVER/T
Possible Open Pit	419,900	0.161	0.58
Underground(+.1 oz/t gold)	559,600	.163	.73
Subtotal	979,500	.142	.67
Underground(.05 to .099)	330,700	.069	.73
Underground(.03 to .049)	217,100	.040	.72
Total Inventory	1,527,300	.112	.69

Better Resources has calculated a mineral inventory for the Mt.Washington project near Courtenay, Vancouver Island, B.C. The estimate is based on 22,073 feet of NQ diamond drilling in 89 holes of the 1987 program and previous drilling of 7,838 feet in 57 N.Q. holes in the Lakeview/ Dominion area using 0.03 oz. gold/ton cut-off.

This represents gross inventory of 171,500 oz.gold and 1,052,000 oz.silver of which 48,800 ounces gold and 243,000 oz.silver could be available to open pitting.

vancouver
STOCKWATCH

9245W 092

Abo Resource Corp ABU
 Shares issued: 6,569,143 Jan 19 close: \$0.80
 News Release

Bema International Resources Inc (BMI)

Mr Gene Mass reports:

The Harrison Lake project, located 60 miles east of Vancouver, is a joint venture between Abo Resource Corp (40%), Bema International (35%) and Kerr Addison Mines Limited (25%). Bema has recently completed an agreement to acquire a controlling interest in the shares of Abo.

The companies are in receipt of an independent preliminary engineering study on the Harrison Lake project. The report was commissioned by Kerr Addison and carried out by L.J. Manning & Associates Ltd.

The engineering study is based on a minimum of 2.65 million short tons of mineable reserves with a potential of 4.4 million mineable short tons from the Jenner stock. The Jenner is one of seven mineralized stocks on the property. The study indicates that sub-level caving will be the optimal mining method and projects an operating cost of approximately US\$17.43 per short ton based on a production rate of 1,100 short tons per day.

Kerr Addison is currently compiling all results from the 1987 underground program. A total of 1,146 feet of development drifting and raising was completed and sampled. Face and rib sampling results over a zone 120 feet in width and 213 feet in length, plus an additional subparallel zone averaged 0.10 ounces per ton gold. The footwall zone that contains these panels projected from surface to sea level contain 2.4 million short tons.

Based on this tonnage and grade, and assuming a 90% recovery and operating cost of US\$17.43, production is projected at 35,400 ounces per year at an operating cost of approximately US\$190.00 per ounce with a ten year mine life. Excellent potential exists for defining additional mineable tonnage within the Jenner stock. The actual rate of production may increase depending on final mineable reserves determined for the property.

Based on encouraging results to date, the companies are proposing an aggressive exploration and development program for 1988. The program will include extensive underground drilling and drifting scheduled to begin in March.

Catear Resources Ltd CAA.A
 Shares issued: 6,885,309 Jan 19 close: \$1.10
 News Release

Mr E.R. Kruchkowski reports:

Prior to the Christmas break, the company successfully air-lifted onto the job site the necessary crusher and mill equipment required for pilot milling. This equipment has the capability of milling at the approximate rate of 120 tons per day.

The Goldwedge project recommenced January 5 and at present an eight-man crew from Hartco Mining Service Ltd is completing a snow shed at the portal as well as timbering, rock bolting and screening the first 30 ft of decline. Once the rock bolting is completed, the crew will proceed to drive the 10 X 14 ft decline.

Construction of the crusher and mill buildings should be completed in six weeks.

The 1200 ft decline on the Goldwedge property was collared approximately 300 ft southeast and 50 ft in elevation below the surface exposure of the Golden Rocket vein. This decline at a grade of -15% will be driven in a spiral pattern to intersect the Golden Rocket vein in three separate locations and the Gold Ridge zone in one location. The first intersection of the Golden Rocket zone will be at 420 ft and is expected in the first week of February. Drifting will be carried out along the vein both south and north of the decline in order to obtain assay data on the average gold content for this vein in this particular location. Once the Golden Rocket zone has been tested, the decline will spiral through the 200 ft wide Gold Ridge zone and through the Golden Rocket zone for the second time. This second intersection will be approximately 300 ft south of the first and 45 ft lower in elevation. The decline will then continue on the east side of the Golden Rocket vein until it intersects the structure for the third time at the 1200 ft mark. At this point the decline will be in a high grade shoot averaging over 1 opt gold, based on drill results. This decline will be a total of 230 ft below surface upon completion of the 1200 ft.

Upon completion of the decline, stoping and milling of a 10,000 ton test will commence.

At present the company has completed a private flow-through financing plus Nim flow-through financing for an approximate total of \$1,000,000. In addition, accounts receivable total \$200,000 leaving the company with \$1,200,000 to spend on the Goldwedge project. To date the company has spent approximately \$3,000,000 on its project and anticipates a final expenditure of \$4,000,000 to mining and milling.

Vancouver STOCKWATCH

9245W092

Abo Resource Corp **ABU**
Shares issued: 6,569,143 Jan 18 close: \$0.80
News Release

Bema International Resources Inc (BMI)

Mr Gene Mass reports:

HARRISON LAKE JOINT VENTURE

The Harrison Lake project, located 60 miles east of Vancouver, is a joint venture between Abo Resource Corporation (40%), Bema International (35%) and Kerr Addison Mines Limited (25%). Bema has recently completed an agreement, subject to regulatory approval, to acquire a controlling interest in the shares of Abo Resources Corp.

The companies are in receipt of an independent preliminary engineering study on the Harrison Lake gold project. The report was commissioned by joint venture partner/operator Kerr Addison and carried out by L.J. Manning and associates.

The study is based on a minimum of 2.65 million short tons of mineable reserves with a potential for 4.4 million mineable short tons from the Jenner stock. The Jenner is one of the 7 mineralized stocks on the property. The study indicates that sub-level caving will be the optimal mining method and projects an operating cost of approximately US\$17.43 per short ton, based on a production rate of 1,100 short tons per day.

1987 RESULTS

Kerr Addison is currently compiling all results from the 1987 underground program. A total of 1,146 feet of development drifting and raising was completed and sampled. Face and rib sampling results over a zone 120 feet in width and 213 feet in length, plus an additional subparallel zone, averaged 0.10 oz per ton gold. The footwall zone that contains these panels projected from surface to sea level contain 2.4 million short tons.

Based on this tonnage and grade, and assuming a 90% recovery and operating cost of \$17.43 per short ton, production is projected at 35,400 ounces per year at an operating cost of about US\$190 per ounce with a ten-year mine life. Excellent potential exists for defining additional mineable tonnage within the Jenner stock. The actual rate of production may increase depending on final mineable reserves determined for the property.

Based on the encouraging results to date, the companies are proposing an aggressive exploration and development program for 1988. The program will include extensive underground drilling and drifting scheduled to begin in March.

Better Resources Ltd **BRZ**
Shares issued: 4,566,731 Jan 18 close: \$1.20
News Release

Mr Dennis Baxter reports:

An interim mineral inventory has been calculated for the Mt Washington project, Vancouver Island BC based on results of 22,073 feet NQ diamond drilling in 89 holes of the 1987 program, and previous drilling of 7,838 feet in 57 NQ holes in the Lakeview/Domineer area using 0.03 oz/ton Au cutoff.

Drill indated tonnages are:

LOCATION	TONS	OZ/TON AU	OZ/TON AG
Possible open pit	419,900	.116	.58
Underground +.1 oz/T Au	559,600	.163	.73
Subtotal	979,500	.142	.67
Underground (.05 to .099 oz/T Au)	330,700	.069	.73
Underground (.03 to .049 oz/T Au)	217,100	.040	.72
Total inventory	1,527,300	.112	.69

This represents a gross inventory of 171,500 ounces of gold and 1,052,000 ounces silver could be available to open pitting.

The possible pit tonnage has an overall 5.8 to 1 strip ratio. The pit area has been drilled at 50 ft intervals but much of the underground tonnage has been drilled at spacings up to 200 ft and will require confirmatory drilling. Low grade has been included in the inventory as some of it may be dilution in eventual mining tonnage calculations. The gross figures also provide some measure of the potential of the mineralized system.

Inferred tonnages have not been calculated for areas not yet drilled. The above tonnage is in an area 1200 ft long north-south. The gold geochemical anomaly extends another 3600 ft north of the area drilled. This extension will be drilled in 1988 for possible open pit ore.

Metallurgical testing is now underway. Results of this testing, plus the results of additional drilling now being planned, will allow mining reserve calculation and pit optimization for feasibility studies. Flow-through share funding of \$907,000 recently completed with NIM and Company Limited Partnership - 1988 and an additional \$800,000 in term deposits will permit an accelerated 1988 program with a feasibility objective. Other attractive exploration projects will be pursued aggressively in 1988.

Formosa Resources Corporation **FSA**
Shares issued: 3,658,401 Jan 18 close: \$2.90
News Release

Mr W. Ross Nursey reports:

On January 15 1988, Formosa entered into an option/joint venture agreement with Golden Eye Minerals Ltd., to explore a volcanogenic massive sulfide property in the Cariboo mining division of BC.

Under the terms of the agreement, Formosa can earn 51% interest in the project by expending \$250,000 in further exploration on the property.

This property is located within the Barkerville Terrane of the Cariboo gold belt; an area which has traditionally been explored for placer and lode gold occurrences.

Preliminary exploration on this property uncovered large boulders of mafic volcanics and polymetallic massive sulfide near bedrock, in glacial till, which indicates the presence of volcanogenic massive sulfide mineralization. Samples taken from these boulders have assayed up to 0.10 oz/ton gold and 3.48 oz/ton silver. Formosa plans to conduct a thorough exploration program on this property, commencing as weather permits.

Further assay results have been received from two more underground drill holes at the Formosa/Silver Butte massive sulfide property.

HOLE	INTERVAL (METRES)	LENGTH (METRES)	AU OZ/T	AG OZ/T	Zn%	Cu%
16	49-52	3.63	.028	.88	1.01	7.81
19	13-16	3.08	.140	.24	4.58	0.28

FB87U-16 was drilled to test the down dip extension of the central portion of the Formosa ore zone, it intersected the ore 47m vertically, below Formosa No. 1 level.

FB87U-19 was drilled to test the down dip extension of the silver Butte ore zone, it intersected the ore 55m vertically below the Silver Butte No. 1 level.

Mascot

...the company plans to begin moving material early May, with gold recovery starting in June. Saxton estimates production to be around 8,000 oz in 1988, increasing to 12,000 oz in 1989.

On-site exploration is continuing to increase ore reserves which at Sept 30 were 9.9 million tons grading 0.133 oz gold per ton. About \$3 million in flow-through funds is being spent on exploration to the end of February. A new zone was discovered by drilling in 1987 beyond the limits of the existing South pit and an 1,800-ft adit is being driven to reach the zone (N.M., Nov 30/87). About 150 ft has been driven and another 1,600 ft is expected to be completed by the end of February, Saxton reports.

Golden North. The latter has properties adjacent to the Nickel Plate mine with reserves that can be treated at the Nickel Plate mill. Both transactions will be completed in the near future, Saxton says.

Located 40 miles west of Lillooet, B.C., the former producing Bralorne property has reserves of 1,064,420 tons grading 0.27 oz gold, including 149,000 tons grading 0.4 oz. Mascot had planned a drilling program leading to feasibility in 1988.

Drilling is planned on several other promising prospects this year. In the Williams Lake area of B.C., work will continue on the Christmas property where soil sampling and IP surveys identified a new zone of gold mineralization.

Work is continuing on the former producing Giant Nickel mine property near Hope, B.C., where soil geochemistry revealed anomalous nickel, copper and cobalt values, and significant platinum group assays.

The 2,700-ton-per-day open pit operation is running smoothly after being brought on stream in late March, below budget and ahead of schedule. Capital costs amounted to \$63 million.

The company milled 317,170 tons to produce 24,000 oz gold and 13,000 oz silver in the fiscal year ended Sept 30, 1987.

Operating costs are being steadily reduced, Saxton reports, except in the mill where several changes are being made. Changes include replacement of the jaw crusher with a gyratory crusher to eliminate a major bottleneck and a pre-clarifier to improve pressure clarification. The new hopper clarifier will be in place early February and the crusher is being delivered in April, at a combined cost of \$3.5 million.

Mascot increased its interest in the Bralorne mine property to 57.54%, and is in the process of transferring this interest to Golden North for 1.5 million shares. Upon completion of this and the purchase of another 1.45 million Golden North shares from Royex Gold Mining (in exchange for Mascot shares), Mascot will have a 39% interest in

the Jenner stock, the joint venture believes. The actual production rate could, of course, be increased with higher reserves.

The companies are proposing an aggressive exploration and development program for 1988, including extensive underground drilling and drifting. The work should begin this March.

Jan 26 88

092HSW 092

Kerr Addison completes gold study

VANCOUVER — A preliminary engineering study has been completed for the Harrison Lake gold project 60 miles east of Vancouver. The report was commissioned by Kerr Addison Mines, project operator, which holds a 25% interest in the property. Joint venture partners include: Bema International Resources with 35% and Abo Resources with 40%. Bema has concluded an agreement to take over Abo so its actual interest will be higher.

The study is based on a minimum 2.65 million tons of mineable reserves and a potential of 4.4 million tons from the Jenner stock, one of several mineralized structures on the property. Sub-level caving was indicated to be the optimal mining method and operating costs were projected at approximately

\$17.43(US) per ton based on a production rate of 1,100 short tons per day.

Kerr Addison is compiling all the results from the 1987 underground program. A total of 1,146 ft of development drifting and raising was completed and sampled. Face and rib samples from a 120-ft-wide-by-213-ft-long zone plus an additional sub-parallel zone averaged 0.1 oz gold per ton. The footwall zone containing these panels projected from surface to sea level contain 2.4 million tons.

Based on this tonnage and grade, and assuming a 90% recovery rate and previously stated operating costs, production is projected at 35,400 oz per year at a unit cost of \$190 per oz with a 10-year mine life. Excellent potential exists for additional mineable tonnage within

STOCKWATCH

Wed. July 22/87

92HSW092

Abo Resource Corp ABU
Shares issued: 6,049,143 Jul 23 close: \$0.81
News Release

Mr. Gene Mass reports:

The company reports that Kerr Addison Mines Ltd. has provided the following detailed progress report on the underground bulk sample work program being carried out by Kerr on Abo's Harrison Lake gold property.

The underground exploration program at Harrison Lake is well underway. The primary objective is to extract three 300 tonne bulk samples from three raises in the Jenner quartz diorite stock which hosts a network of gold bearing quartz veinlets, and to recover all of the contained gold in a mobile test mill. This will allow comparisons to be made between drilled and bulk grade.

Face samples and muck samples are taken from each new face and each round respectively, as the underground work advances.

A mill test on 200 tonnes of mineralized material from the adit and raises will be carried out as soon as a Coastech gravity-flotation concentrator is operative. The plant is expected to start within two weeks at a rate of 2 tons per hour.

The results to date are encouraging, particularly with respect to the face samples, which we consider more reliable than the mucks.

Adit (187 level)

DISTANCE FROM PORTAL* (METERS-EAST)	GOLD ASSAY AVERAGE 4 FACE SAMPLES (G/TONNE)		GOLD ASSAY MUCK SAMPLES (G/TONNE)*	
	CHEMEX MIN-EN	CHEMEX MIN-EN	CHEMEX MIN-EN	CHEMEX MIN-EN
89.05- 90.85 (contact zone)	1.41	1.39	1.44	1.62
90.85- 92.80	-	-	0.82	n.a
92.80	0.34	0.37	-	-
94.70- 96.70	-	-	2.61	2.09
96.70	1.87	1.67	-	-
96.70- 98.50	-	-	2.54	1.78
98.50	2.95	2.66	-	-
98.50-100.70	-	-	2.74	5.37
100.70	2.66	1.74	-	-
100.70-102.90	-	-	1.85	1.42
102.90	1.10	1.25	-	-
102.90-105.25	-	-	4.66	5.45
105.25	1.72	1.75	-	-
105.25-107.45	-	-	8.61	1.50
107.45	7.77	5.24	-	-
107.45-109.45	-	-	4.04	5.22
109.45	13.36	15.38	-	-
109.45-111.60	-	-	7.54	10.60
111.60	13.67	12.30	-	-
Arithmetic Average:	4.88	4.70	3.84	4.00*

*Except for selected samples of thin discrete features, results so far indicate nothing of value in the first 89.05 meters east of the portal all of which is in the footwall argillite.

Western Canadian Mining Corporation WCD
Shares issued: 6,300,825 Jul 23 close: \$3.30
News Release

Mr. A.A. Burgoyne reports:

Exploration crews mobilized to the company's Gossan and Kerr gold properties in the Iskut River and Sulphurets Creek areas, respectively, of northwestern B.C. during the week of June 15 to 22, 1987. Camps were set up on both properties and exploration surveys, including trenching, were in full operation by the first week of July. In the period of July 14 to 18 two Longyear 38 diamond drills were mobilized, one each to the Gossan and Kerr properties. Drilling commenced on both properties on July 19 and a minimum of 4200 meters of NQ size core drilling is to be completed.

In other developments, the company has reached agreement with Venturex International Mining Corp. of Toronto, whereby the company can earn a 50% interest in its Blanchard gold property, located near Red Lake, Ontario, through exploration expenditures of \$400,000 by December 31, 1989 and cash payments of \$125,000 by January 1, 1991. A phase one exploration program of mapping, sampling and overburden stripping is scheduled to commence by the company during August.

In Newfoundland, on the Port au Port limestone property, the company has commissioned H.C. Burke Company Ltd. to complete a preliminary marketing and transportation study with respect to the feasibility of producing high purity calcium carbonate for paper filler products. The Port au Port limestone deposit is located on tidewater on the west coast of Newfoundland and contains 368 million tons of high purity limestone, which is owned 100% by the company.

Teryl Resources Corporation TRC
Shares issued: 2,526,481 Jul 23 close: \$0.35
Private Placement

Mr. John Robertson reports:

Teryl announces that a private placement consisting of 200,000 units at \$0.25 has been negotiated to raise \$50,000. The units consist of 200,000 treasury shares of Teryl and 200,000 warrants enabling the investor to purchase 200,000 additional treasury shares at \$0.30 for a period of one year.

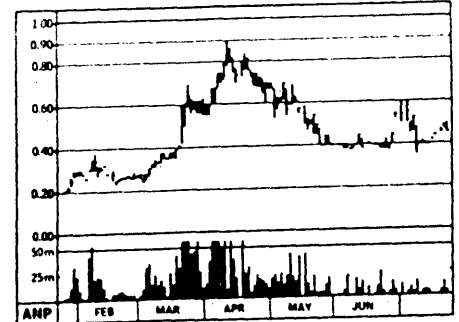
Work on Teryl's Rob claims will commence shortly consisting of geophysical and geochemical work. These claims are located adjacent to Delaware's claims in the Iskut River area, Liard mining division in B.C.

Seven Mile High Resources Inc SVH
Shares issued: 2,281,120 Jul 23 close: \$0.91
News Release

Mr. Maurice Hamelin reports:

Seven Mile High announces that Canadian Nickel Company Limited, which has an option to acquire an interest in the property located in O.K. Falls, B.C., has just completed surveying the claims of the known zone and will now systematically begin a further drilling program on Monday, July 27, 1987, to further prove up the find of the March/April 1987 drill program.

Anglo Canadian Mining Corporation ANP
Shares issued: 4,330,008 Jul 23 close: \$0.45



Anglo Canadian Mining Corporation ANP
Shares issued: 4,330,008 Jul 23 close: \$0.45
News Release

Mr. Ronald Stokes reports:

Equity Silver Mines Limited has made an agreement with Anglo Canadian Mining Corporation to drill massive sulphide zones defined by Anglo Canadian surveys. The Red claims are near Babine Lake in central B.C. The area was explored by Bethlehem Copper and Canadian Superior in 1957 and 1972 while looking for porphyry copper deposits near the Granisle mine on the east side of Babine Lake. Little attention was paid to the gold/silver mineralization at that time. Dr. Nick Carter recommended a program of geophysical surveys which was carried out by Anglo Canadian. The EM and IP surveys found a number of anomalies.

The strongest EM conductor has a minimum length of 1200 meters and is open at both ends. There are two other sub-parallel conductors, all of which correlate strongly with the IP anomalies and magnetic highs.

Equity Silver plans to move in a diamond drill in early August, and has a budget of \$100,000 allocated to the project for 1987. The objective is to evaluate the previously untested gold and silver values in known massive sulphide zones. Following the \$100,000 expenditure, the project would be a 50/50 joint venture.

George Cross News Letter

"Reliable Reporting"

NO.157(1987)
AUGUST 17, 1987

092HSW092

ABO RESOURCES CORP. (ABU-V) BEMA INTERNATIONAL RESOURCES INC. (BMI-V)

	SECTION	OZ. GOLD/T
East Drift (Adit)	88.5 Feet	0.19
Includes	21.2*	0.45*
North Cross Cut	60.9	0.10
South Cross Cut	140.7	0.13
Includes	21.21**	0.42**

*Opens to the south **Opens to the east

UNDERGROUND SAMPLING ON - Underground sampling in the GOLD PROPERTY SUMMARIZED, quartz diorite on the gold prospect of Abo Resource Corp. on Harrison Lake, B.C. is summarized in the table. Assay values are the average of 4 face samples per 2-meter round. Tune-up of the 1000 metric tonne underground bulk sample mill is almost complete. It is expected to start later this week. Results are expected by late September. (See recent results in GCNL 143(87) and 142 p.1 and GCNL 141 for detailed review including property interests.

DELAWARE RESOURCES CORP. (DLW-V)

HOLE	INTERVAL FEET	FOOTAGE	OZ. GOLD/T
S-31	70.5 - 73.8	3.3	1.31
S-37	646.3 - 671.2	24.9	1.13
Includes	646.3 - 654.8	8.5	2.95

RICH GOLD ASSAYS REPORTED Results of uncut fire assays of further drill samples from the Delaware Resources Corp./Cominco Ltd. 50-50 SNIP project 60 miles north of Stewart, B.C. are shown in the table.

X-CAL RESOURCES LTD. (XCL-T)

DISCOVERY AT BRALORNE - X-Cal Resources Ltd. has TRACED IN SURFACE TRENCHES announces the discovery of a new gold bearing zone on its Tyax property, located in the Bridge River/Bralorne area of B.C. Seventeen one metre surface samples returned gold values ranging from 0.01 oz./ton to 0.127 oz./t. from a structure which has been exposed by trenching, near the centre of the Tyax claim. Geochemical anomalies to the north and south of the new zone appear to give a generally north/south or NE/SW trend to the structure as indicated in the current exposure. The strike of the gold bearing zone is open on both ends. The width is to be determined by further trenching.

The discovery is considered to be significant, as recent announcements by Levon/Veronex from their Congress property, which adjoins Tyax to the south, and by Menika Mining have indicated potential for economic gold mineralization along a trend which includes Tyax. Previous work on the Tyax claim located pods of sulphides with values up to 0.7 oz. gold/t set in a large area of alteration which adjoins the new zone.

IMCO RESOURCES LTD. (IMC-V,M)

DEALS TO ACQUIRE TWO GOLD - Rayner B. Carson, PROSPECTS IN SE B.C. REPORTED president, reports that Imco Resources Ltd. has agreed to explore and develop 2 mining properties in south central B.C.

The formerly producing Kootenay Belle property of 14 reverted crown grant claims have a past production history of 281,350 tons averaging 0.39 ounce of gold per ton of ore. In 1982, underground sampling in the lower adit exposed a vein 105 feet long, 2.4 feet wide averaging 0.497 oz. gold/t. Diamond drilling, underground sampling and surface mapping at an estimated cost of \$508,000 is recommended by a consulting geologist. To acquire the property, Imco is required to pay \$25,000 cash and to issue 200,000 shares in stages during the term of the agreement. Imco also undertakes work commitments totalling \$1,000,000 over 2 years and to pay 5% of the net profits to the vendor, Locke-Goldsmith of Vancouver.

The Valparaiso/Government claims lie east of Kootenay lake. Underground work in the 1950's established a zone of mineralization 690 feet long and 5.2 feet wide averaging 0.21 oz. gold/t and 2.50 oz. silver/t. Drilling, underground sampling and surface mapping at a cost of \$497,000 have been recommended by a consulting geologist. To acquire the property, Imco is to pay \$500,000 over 10 years, of which \$15,000 has been paid, and is to issue 75,000 shares over 2 years. The vendors are J.M. Pritchard of Edmonton and D.R. Morgan of Vancouver.

Nor-Quest Resources Ltd. owns 41% of the outstanding shares of Imco. Nor-Quest recently acquired a 1,200-ton per day mill, concentrator and gold recovery plant at Salmo, B.C. This facility is within economic trucking distance of the Imco projects, the Valparaiso/Government property being 60 miles by road and the Kootenay Belle 3 miles.

BEMA INTERNATIONAL RESOURCES (BMI-V) BULK SAMPLING PROGRAM DESIGNED TO DETERMINE GOLD GRADES

Shares of Bema Industries Inc. started trading on the Vancouver Stock Exchange on July 7, 1987 following the sale, by way of a June 10, 1987 prospectus, of 800,000 shares at \$1.00 each by Canarim Investment Corporation Ltd., McDermid St. Lawrence Limited, Pacific International Securities Inc., Continental Carlisle Douglas, and Haywood Securities Inc. Following the sale there are 3,820,000 shares issued, including 750,000 escrowed shares. The company has working capital after the sale of \$888,000 of which \$509,529 is to be spent on the Harrison gold property and \$30,000 on further negotiations toward an exploration-production agreement with The China National Non-Ferrous Corporation, and \$328,000 will be retained in uncommitted working capital. Bema International also has a further \$129,412 in flow-through funds available for Canadian exploration.

The Harrison Gold property is located at 250 meters above lake level on the southeast side of Harrison Lake, 4 km from the Harrison Hot Springs resort, and 100 km east of Vancouver, B.C. Bema International holds options to earn a 35% interest in the property by spending \$750,000 in 1987, of which \$132,856 has been spent to date and a further \$107,615 has been advanced, plus spending a further \$250,000 in 1988. If Bema spends the full \$1,000,000 on exploration, the property interests will be Bema 35% working interest, Kerr Addison, project operator, 30% working interest and ABO RESOURCES CORP. (ABU-V) 35% working interest. Abo Resources' property interest is carried through the expenditure of \$1,750,000 on exploration, then becomes a working interest. The vendors, R.B. Pincombe and B.H. Williams, receive annual payments of \$25,000, being \$2,500 each, or a 5% net smelter return royalty to a \$800,000 final buy-out.

To April 27, 1987, Kerr Addison has spent \$527,529 on exploration of the property. In 1985 and 1986, Kerr Addison completed surface exploration as well as two substantial diamond drilling programs totalling 3,377 meters in 37 holes. Twelve of these holes were in the main Jenner zone.

The Jenner stock is elliptical, 120 meters north-south by 75 meters east-west and tested by drilling to 250 meters below surface. Using a 1 gram per tonne, 0.03 oz. gold/t, cut-off and a maximum depth of 100 meters, a mineral reserve of 867,000 tonnes grading 2.55 grams per tonne, 0.09 oz. gold/t, is calculated. By lowering the cut-off to 0.5 grams per tonne, 0.017 oz. gold/t, the reserve is increased to 1,783,000 tonnes grading 0.077 oz. gold/t. All gold occurs as free flakes, up to 2 millimeters diameter, which has resulted in erratic distribution of gold values.

The best intersection in the 1984 drilling was in hole No. 84-28 which cut 0.133 oz. gold/t across 210 feet.

Due to the presence of coarse, visible gold in erratic distribution a unique method of assaying was developed. All core was crushed and pulverized, then sieved to segregate coarse gold. Each speck was counted and the larger ones were measured. The whole core was assayed by fire assay with AA finish.

92HSW092

BEMA INTERNATIONAL RESOURCES INC. (BMI-V)

CONTINUED FROM PAGE ONE - Geological mapping in 1986,

based on gold geochemical anomalies, indicated the presence of a number of newly located diorite stocks located to the south and east of the Jenner stock as well as a 1,000-meter long, 100-meter wide north trending feldspar porphyry dyke.

Initial metallurgical test work gave 97.7% gold recovery by using a coarse grind with gravity concentration to scavenge coarse free gold, followed by bulk grinding and bulk flotation with final cyanide leaching. Between 60% and 70% of the gold is recovered by gravity.

Initial work indicates the quartz diorite is competent and should stand up well. This factor could greatly reduce mining costs if open slopes will stand up without caving, possibly allowing sub-level caving similar to that used in the low cost porphyry copper-molybdenum mines.

The current underground program of crosscutting, drifting and raising is to test the mineability of the mineralization and to determine the gold grade. The underground heading will be driven across and along the zone on three drill holes, as will the raising. This is designed to establish a factor by which the drill hole assays can be increased to determine mine grades. Preliminary indications are that the gold grade underground will be significantly higher than those calculated from the drill core.

A bulk underground sample of a minimum of 1,000 tons will be mined and test milled. The underground program will also establish a drill station from which the lateral and depth continuations of the Jenner zone will be tested. As well, the underground drill station will be used to test the nearby Portal stock. These programs are designed to provide data for a feasibility study in 1988.

No. 140 July 27, 1987 July 22/87
 92HSW092 BEMA INTERNATIONAL RESOURCES INC. (BMI-V) GCNL
 (?) BETTER GRADE GOLD VALUE ENCOUNTERED UNDERGROUND #140

A seven man crew has advanced the 187-meter elevation Abo crosscut and drift approximately 155 meters from the portal on the Harrison Lake Gold property. The workings are on the southeast side of Harrison Lake, 4 km from the Harrison Hot Springs resort, and 100 km east of Vancouver, B.C.

At 90.5 meters from the portal, the level entered the gold bearing quartz vein stockwork in the Jenner stock quartz diorite breccia zone. The level has been drifted in the breccia for approximately 65 meters. A north drift and a south drift have each been driven 20 meters in the breccia zone and two raises, No. 39 and No. 46, have been blasted up one round. After services are installed, the raises will continue up into the quartz diorite around two diamond drill holes. Each 8 foot drift round face is hand chip channel sampled vertically, horizontally and on both diagonals. Each bucket of muck is hand sampled. Muck from each drift and crosscut is stockpiled separately on the property. Muck from the raises will be trucked 8 miles to a test concentrating plant now being readied for tune-up at a temporary site near Agassiz, B.C. The plant is designed to crush and grind to 150 mesh at a rate of 2 tons per hour, 30-35 tons per day. Gold recovery is to be by gravity, followed by 3 stages of flotation. All gold occurs as free flakes, up to 2 millimeters diameter. This has resulted in erratic distribution of gold values. Initial metallurgical test work gave 97.7% gold recovery by using a coarse grind with gravity concentration to scavenge coarse free gold, followed by bulk re-grinding and bulk flotation. Between 65% and 70% of the gold is recovered by gravity. The plant is on the site and is being modified to process about 1,000 tons of bulk sample. It is expected to be ready to start tune-up in a week or two. Some 200 tons of low grade have been stockpiled at the site for tune-up purposes.

Bema International holds options to earn a 35% interest in the property by spending \$750,000 in 1987, and a further \$250,000 in 1988. If Bema spends the full \$1,000,000 on exploration, the property interests will be Bema 35% working interest, Kerr Addison, project operator, 25% working interest and ABO RESOURCES CORP. (ABU-V) 40% working interest. Abo Resources' property interest is carried through expenditure of \$1,750,000 on exploration, then becomes a working interest.

Bema International has provided \$509,529 from recent financing for the current program. (SEE DETAIL OF FINANCING IN GCNL NO. 131, July 9, 1987).

ABO RESOURCES CORP. (ABU-V)
BEMA INTERNATIONAL RESOURCES INC. (BMI-V)

FIRST UNDERGROUND SAMPLES SHOW BETTER THAN DRILL HOLE GOLD ASSAY VALUES - The 22 sample assays reported from the underground program on the Abo drift had an arithmetic average of 0.127 oz. gold/t, 4.355 grams per tonne, from 89.05 meters from the portal to 111.60 meters from the portal, a length of 22.55 meters or 74 feet. These values are slightly higher than the averages calculated from the diamond drill holes of 0.1 oz. gold/t to 0.077 oz. gold/t for between 1,000,000 and 2,000,000 tons. The property is on the southeast shore of Harrison Lake, 100 km east of Vancouver, B.C.

The three highest assays are from the face at 105.45 meters from the portal to the last reported face at 111.60 meters from the portal. These assays are 0.507, 0.320 and 0.458 oz. gold per ton. The announcement was made by Abo Resources from results supplied by Kerr Addison Mines. The values were reported in grams per tonne and converted by GCNL. (SEE GCNL NO. 141, P. 1, July 23, 1987 and No. 131 for detailed reviews of property interests and the program.)

92HSW092 No. 142 (1987)
 (?) July 24, 1987

ABO RESOURCES CORP. (ABU-V)
BEMA INTERNATIONAL RESOURCES INC. (BMI-V) #143

FACE SAMPLES SHOW HIGHER ASSAYS - The average value of samples from the Abo drift on the Harrison Lake, B.C. gold property was reported as 0.127 oz. gold per ton or 4.355 grams per tonne. This average was calculated by using both the face channel samples and the hand grabbed muck samples. The average of all of the face samples was about 10% higher at 0.139 oz. gold/t, or 4.79 grams per tonne. It might be considered that the face samples are a more accurate indication of the average grade. Indications are that some of the next series of gold assays to be reported shortly from the continued drifting will include some higher gold grades. (See GCNL No. 142, July 24, 1987 for recent assay results.)

(oz./ton)	Length (feet)	Average 4 face samples per 2 metre round
east drift (adi)	88.5	0.19
including north cross cut	21.2*	0.45*
south cross cut	60.9	0.10
including cut	140.7	0.13
including	21.21*	0.42*

Underground sampling in the quartz diorite to date:
 Visible gold has been noted in about 90% of rounds mucked out in the quartz diorite. The faces show 5 groups of gold-bearing quartz-pyrrhotite veins less than 1/4 inch to greater than 4 inches thick. The dominant set is sub-horizontal. One such vein up to 4 inches thick in the east drift and another up to 6 inches in the south cross cut are particularly obvious, but the high grade sections in these two working areas are influenced more by several thin veinlets than by thicker individual veins as verified by detailed sampling.

Abu Resource Corp
 Shares issued: 6,049,143 Aug 13 close: \$0.76
 News Release
 Mr. Terry Miller reports: Good face samples have been received from Kerr Addison on the Harrison Gold prospect. These samples lead us to believe that the drifting has understated the grade due to the occurrence of gold as high grade concentrations in thin veinlets and the resulting extreme nugget effect.
 As of July 31, 1987 a total of 596 feet of underground development has been completed. All three surface down holes planned to raise up have been intersected and raising has begun on the northern most hole 86-39. Drilling of up hole 87-64 along side 86-39 has been completed, as was the flat pilot hole 87-65 along the planned eastward continuation of the east drift to the hanging wall of the quartz diorite host. This section has an E-W horizontal thickness of 92 metres. Drilling is in progress on up-hole 87-66 along side surface hole 86-46.
 Over the next month the underground work will concentrate on removing and milling the ore from the three raises. Each raise sample will be segregated into 2 or 3 high and low grade sections on the basis of drilling and channel sampling. Visible gold has been noted in about 90% of rounds mucked out in the quartz diorite. The faces show 5 groups of gold-bearing quartz-pyrrhotite veins less than 1/4 inch to greater than 4 inches thick. The dominant set is sub-horizontal. One such vein up to 4 inches thick in the east drift and another up to 6 inches in the south cross cut are particularly obvious, but the high grade sections in these two working areas are influenced more by several thin veinlets than by thicker individual veins as verified by detailed sampling.

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Bulk sample milling is expected to commence the week of August 17, 1987. Results are expected by late September 1987.

GCNL #26 6 FEB 1986

92HSW092 R.N. 92H/SE

ABO OIL CORPORATION (ABU-V) KERR ADDISON MINES LIMITED (ABU-V)
 DRILL TEST STARTING ON 10 FEBRUARY AT HARRISON LAKE - Abo Oil Corporation president Gene Mass announces that Kerr Addison Mines exceeded their 1985 commitment to spend \$150,000 on Abo's Harrison Lake gold prospect, about 65 miles east of Vancouver, and are proceeding with their 1986 program with drilling scheduled to start February 10.

The main purpose of the 1986 program is to work towards outlining the available tonnage and grade in gold bearing zones which had been previously intersected in the Jenner stock. Kerr has laid out a 3-phase drill program which will include 15 diamond drill holes totalling 2030 meters. In addition, Kerr will map and sample at least 2 other stocks with anomalous gold values. Completion of this program is expected before June with budgetted costs of \$250,000.

GCNL #131 9 JULY 1986

ABO RESOURCE CORP. (ABU-V)

HOLE	DEPTH	INTERVAL	GRAMS GOLD/T	OZ. GOLD/TON
86-49	80.5m	8- 9m. 3.28 ft.	3.29	0.096
	264 ft.	11-16 16.40	7.03	0.205
		33-34 3.28	31.95	0.932
		37-38 3.28	3.84	0.112
		42-43 3.28	3.15	0.092
		46-47 3.28	4.66	0.136
		48-51 9.84	4.22	0.123
		55-56 3.28	5.21	0.152

DRILLING RETURNS - Gene Mass, a director of Abo Resource Corp., announces further results of the \$250,000 Phase III drilling program which Kerr Addison Mines is undertaking on Abo's property at Harrison Lake in SW B.C. as part of Kerr's \$1,750,000 commitment toward earning 60% interest in the property.

Encouraging results from selected intervals in Hole 86-49 are shown in the table.

GCNL #202 21 OCT 1986

ABO RESOURCES CORP. (ABU-V) KERR ADDISON MINES LIMITED (KER-T)

WORK HAS RESUMED ON GOLD - Kerr Addison Mines Limited PROPERTY AT HARRISON LAKE has started another exploration program on Abo Resource Corp.'s Harrison Lake gold property in SW B.C. In announcing this, Abo president Gene J. Mass says this 2-phase program involves exploration of anomalous zones found during latter stages of the drill program earlier this year on the Jenner and the Portal stocks to the northwest. Phase I will involve completing soil sample collection on the southern grid. Phase II will consist of diamond drilling anomalies on the northern grid.

Engineering studies and planning of a major underground bulk sampling program in the Jenner stock are progressing and Kerr Addison has applied for required permits. The start of the underground program awaits final approval of financing arrangements.

Abo owns the property and has granted Kerr Addison an option to earn 60% interest by spending \$1,700,000 on its exploration and development within a 5-year period. Kerr Addison has already met the first 2 year's commitments.

ABO RESOURCE CORP. (ABU-V) MAR 5 1987 KERR ADDISON MINES LIMITED (KER-T) GCNL 45

BULK SAMPLING WILL START ON - Gene Mass, president of HARRISON LAKE GOLD PROPERTY Abo Resource Corp., has R.N. 92HSW092 been advised that Kerr Addison Mines Limited will immediately start work on an underground bulk sampling program on Abo's Harrison Lake gold property, some 60 miles east of Vancouver.

The program to be carried out in the Jenner Stock will involve 180 meters of crosscutting, 82 m of drilling and 78 m of raising. The raising will be done on holes 86-39, 86-46 and 86-52, respectively, and the material collected, estimated at 1,000 tonnes, will be

crushed and milled in a facility located off the property. The purpose of the program is to compare the grade of the mined material with that of drill cores in the sections to be bulk sampled. The program will cost \$750,000 and will be funded by Kerr Addison's joint participant, Bema International Resources Inc. of Vancouver. Site preparation and pilot hole drilling will start soon.

Up to 31 Dec 86, Kerr had spent about \$600,000 as part of their \$1,750,000 commitment towards earning 60% interest in Abo's Harrison Lake property.

Abo Resource Corp ABU
 Shares issued: 6,049,143 Jul 23 close: \$0.81
 92HSW092 News Release

Mr. Gene Mass reports:

The company reports that Kerr Addison Mines Ltd. has provided the following detailed progress report on the underground bulk sample work program being carried out by Kerr on Abo's Harrison Lake gold property. **SW.**

The underground exploration program at Harrison Lake is well underway. The primary objective is to extract three 300 tonne bulk samples from three raises in the Jenner quartz diorite stock which hosts a network of gold bearing quartz veinlets, and to recover all of the contained gold in a mobile test mill. This will allow comparisons to be made between drilled and bulk grade.

Face samples and muck samples are taken from each new face and each round respectively, as the underground work advances.

A mill test on 200 tonnes of mineralized material from the adit and raises will be carried out as soon as a Coastech gravity-flotation concentrator is operative. The plant is expected to start within two weeks at a rate of 2 tons per hour.

The results to date are encouraging, particularly with respect to the face samples, which we consider more reliable than the mucks.

Adit (187 level)

DISTANCE FROM PORTAL* (METERS-EAST)	GOLD ASSAY AVERAGE 4 FACE SAMPLES (G/TONNE)	GOLD ASSAY MUCK SAMPLES (G/TONNE)*	CHEMEX MIN-EN	GOLD ASSAY MUCK SAMPLES (G/TONNE)*	CHEMEX MIN-EN
89.05- 90.85 (contact zone)	1.41	1.39	1.44	1.62	
90.85- 92.80	-	-	0.82	n.a	
92.80	0.34	0.37	-	-	
94.70- 96.70	-	-	2.61	2.09	
96.70	1.87	1.67	-	-	
96.70- 98.50	-	-	2.54	1.78	
98.50	2.95	2.66	-	-	
98.50-100.70	-	-	2.74	5.37	
100.70	2.66	1.74	-	-	
100.70-102.90	-	-	1.85	1.42	
102.90	1.10	1.25	-	-	
102.90-105.25	-	-	4.66	5.45	
105.25	1.72	1.75	-	-	
105.25-107.45	-	-	8.61	1.50	
107.45	7.77	5.24	-	-	
107.45-109.45	-	-	4.04	5.22	
109.45	13.36	15.38	-	-	
109.45-111.60	-	-	7.54	10.60	
111.60	13.67	12.30	-	-	
Arithmetic Average:	4.88	4.70	3.84	4.00*	

*Except for selected samples of thin discrete features, results so far indicate nothing of value in the first 89.05 meters east of the portal all of which is in the footwall argillite.

GENL #105 2 JUNE 1986 (cont)
CONTINUED

ABO RESOURCE CORP. (ABU-V)

KERR ADDISON MINES LIMITED (KER-T)

HARRISON LAKE, B.C.

Drill Hole No.	Metres From - To	Interval		Gold gm/ton	Grade oz/ton
		Metres	Feet		
86-39	5-7	2	6.56	5.11	.149
	10-13	3	9.84	8.96	.261
	24-28	4	13.12	7.30	.213
	35-36	1	3.28	4.87	.142
	53-55	2	6.56	4.19	.122
	62-63	1	3.28	4.25	.124
	65-66	1	3.28	5.83	.170
	79-83	4	13.12	6.66	.194
	110-112	2	6.56	4.11	.120
	126-128	2	6.56	5.32	.155
	158-160	2	6.56	4.22	.123
	162-164	2	6.56	4.87	.142
	177-180	3	9.84	5.63	.164
	231-233	2	6.56	3.94	.115
	243-245	2	6.56	4.24	.124
	253-256	3	9.84	4.91	.143
	86-40	9-13	4	13.12	5.40
32-33		1	3.28	3.95	.115
48-49		1	3.28	4.8	.140
56-58		2	6.56	4.46	.130
67-70		3	9.84	4.72	.138
79-80		1	3.28	4.66	.136
87-90		3	9.84	3.77	.110
92-95		3	9.84	4.46	.130
86-41	11-16	5	16.40	5.77	.168
	19-20	1	3.28	4.94	.144
	28-29	1	3.28	6.51	.190
86-42	27-28	1	3.28	4.87	.142
	37-50	13	42.64	5.60	.163
	64-66	2	6.56	4.22	.123

MINER
24 MARCH 1986

Kerr Addison plans gold bet drilling

VANCOUVER — With an exploration budget of \$250,000 for the project in 1986, Kerr Addison Mines will complete approximately 6,500 ft of drilling on Abo Oil Corp.'s Harrison Lake gold property by June of this year.

The program, which is scheduled to get under way this month, will also include detailed mapping and sampling of at least two other areas with anomalous gold values.

Apparently Kerr exceeded its 1985 commitment to spend \$150,000 on the property and the objective of the current program is to outline tonnage in known gold zones. In last year's drilling, two quartz veins containing visible gold were encountered in hole 85-37, one of which assayed 5.11 g gold per tonne (0.149 oz/ton) over one metre while a second 1-metre interval graded 14.17 g (0.41 oz).

Drilled from the same setup, a second hole (85-38) intersected 15 veins or stringers with visible gold from 73 to 214 m. The most significant results came from 60-64 m, which averaged 10.75 g/tonne (0.313 oz) in the footwall diorite and sediments. A 1-metre section in quartz diorite averaged 13.7 g (0.4 oz) while another over a similar interval graded 7.3 g (0.213 oz).

R.N.
92H/5E
RN 92H SW 92

GCNL #105 2 JUNE 1986

ABO RESOURCE CORP. (ABU-V) KERR ADDISON MINES LIMITED (KER-T)

DRILL RESULTS ON B.C. GOLD - Gene Mass, secretary of Abo PROSPECT ARE ENCOURAGING Resources Corp., has R.N. 92H/5E announced results of the 1986 drilling program being conducted on their gold property on Harrison Lake, B.C. 65 miles east of Vancouver by Kerr Addison Mines Limited who can earn 60% interest by spending \$1,750,000 on its exploration by 31 Dec 89.

The program is being conducted in 3 phases. Phase I included Holes 86-39,-40,-41 and -42, all drilled in a fan pattern from a common base in the Jenner Creek stock area. In Phase II, Holes 86-43,-44 and -45 were drilled to further test the extent of the mineralization in the east end of the Portal stock which had been intersected in the 1983 drill program. Abo has reported "Significant assaying averages from selected intervals" in these holes. These averages are presented in full overleaf. They include 13.12 feet grading 0.213 oz. gold per ton in Hole 86-39; 13.12 feet of 0.158 in Hole 86-40; 16.4 feet of 0.168 in Hole 86-41; 42.64 feet of 0.163 in Hole 86-42; 12.14 feet of 0.354 in Hole 86-43; 19.68 feet of 0.135 in Hole 86-44 and 3.28 feet 19.70 of 0.574 in Hole 86-45.

Mr. Mass expects to release results of assays from Phase III of the diamond drill program shortly.

See next page
(3)

Depth	Drill Hole	Metres From-To	Feet	Gold gm/tonne	Grade oz/ton		
257 m 843 ft.	86-43	7-14	22.96	9.78	.285		
		36-38	6.56	4.12	.120		
		45-47	6.56	3.53	.103		
		64-65	3.28	5.83	.170		
		117-119	6.56	3.88	.113		
		126-128	6.56	12.14	.354		
		140-141	3.28	5.35	.156		
		154-156	6.56	8.33	.243		
		185-186	3.28	3.63	.106		
		209-210	3.28	3.43	.100		
15 m 49 ft.	86-44	212-214	6.56	3.81	.111		
		227-228	3.28	4.53	.132		
		234-235	3.28	3.89	.113		
		243-244	3.28	4.05	.118		
		6-12	19.68	4.64	.135		
		200 m 656 ft.	86-45	8-9	3.28	4.59	.134
				10-11	3.28	5.42	.158
				45-46	3.28	3.29	.096
				50-51	3.28	3.29	.096
				54-55	3.28	6.24	.182
122-123	3.28			19.70	.574		
180-181	3.28			3.84	.112		

THE NORTHERN MINER
MAGAZINE
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KERR ADDISON

The 1986 exploration activities of Kerr Addison Mines Ltd. will be focused on targets identified and acquired in the past three years. Exploration activity by Kerr Addison in the Yukon during 1985 has been localized to ground held in the Carmacks and Mt Skukum areas. In the Carmacks areas, claims were acquired to cover interesting gold mineralization located as a result of regional reconnaissance mapping, prospecting and geochemical sampling last year.



On the Mt Skukum claims which were acquired via a joint venture with Agip Canada, gold-bearing quartz rich zones were located and subsequently mapped and sampled during 1985. Kerr plans to drill in both the Carmacks and Mt Skukum areas in 1986.

In BC, a program of diamond drilling begun by the company in 1985 will continue on claims acquired under option from Abo Oil Corp in the Harrison Lake area. Visible gold within a quartz stockwork system of quartz stringers and veinlets within a felsic intrusive has been intersected by previous drilling performed by

Abo and Kerr Addison.

The company's activities within the Pickle Lake area in northwestern Ontario increased during 1985 with the acquisition of four more claim groups which were added to the company's original two groups. Structural and stratigraphic features covered by these claims will be investigated during 1986. Several claim groups were also acquired in northeastern Ontario in the area bounded by Lake Abitibi in the north and the Destor-Porcupine Fault to the south. Active exploration programs will continue during 1986 on all these claim groups. Diamond drilling is also scheduled during the second and third quarters of the year on this ground.

In April and May, 1985, the company staked more than 3,500 claims in the area east of Casa Berardi and

Nevada resulted in the acquisition of several areas of epithermal gold mineralization at widely scattered locations. Two of the properties, the Bida and the Hot are at the drilling stage whereas two are in the preliminary stages of surface exploration work. The programs will be re-started as soon as weather conditions permit access to the areas of interest.

in the Joutel, Grevet, Quevillon, Bachelor Lake and Frotet Lake areas of Quebec. The claim groups are in various stages of exploration work which will be continued commencing in January. Diamond drill targets will be further defined by geophysical surveys and additional overburden drilling as soon as possible. The claim groups in Montgolfier and Aloigny twps were staked to cover projections of what are believed to be favorable geological trends eastwards from the Inco Limited-Golden Knight Resources gold deposits in Casa Berardi Twp.

Active regional exploration in

92HSW092

R.N.
92H/SE