

Nuspar Eyes Multi-million Yard Vancouver Island Placer Property.

by David O'Keefe

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The two Nuspar properties which are commanding most investor interest are the Coles Property at Whitesail Lake, B.C. and the highly promising Sombrio placer property on Vancouver Island's Leech River fault zone.

The gold potential of this area was first recognized in 1792 by Eliza's Expedition during the time that this part of the country was controlled by the Viceroy of Mexico. Commercial development of the Leech River started well before the turn of this century and records from 1907 to 1914 show that a fifty man monitor and sluice operation was working on what is now ground covered by Nuspar's lease.

Nuspar's option partner in this venture is the privately funded Triangle Group, headed by Victoria Resident Ian M. Sherwin, who has stated that the deposit has the potential to rank as a world class development which could contribute significantly to the economy of British Columbia.

The members of the Triangle Group, familiar with the area's mining history, obtained leases to the property and sampled pits and exposed gravels. Reinchen Urlich Engineering were engaged to confirm and expand on Triangle's original promising results.

Reinchen Urlich's preliminary studies in early 1983 concluded that a two phase sampling and testing program be initiated. Prior to

this study a Nuspar Engineer visited the property and confirmed an interest in participation should the independent evaluation warrant it. Subsequently Nuspar agreed to fund further work, not to exceed \$50,000, in consideration for an option to acquire a 50% interest by placing the property into production.

Initial work has defined a 250 million cubic yard deposit containing confirmed values in gold and other precious metals. From an environmental standpoint the potential workable deposit may be reduced to 156 million cubic yards or 225 million tons. A continuous operation treating 1,000 yards per hour could, going by the inferred reserves, sustain the operation for 20 years.

First assay data suggested values of between \$2.00 and \$10.00 per yard. Later testing showed significantly higher grades with an August 16th sample of 43 kilograms returning \$12.00 per cubic yard. Four samples taken on November 18th confirmed values in the range of \$25.00 to \$75.00 per yard, approximating results of two samples assayed by North Vancouver-based Chemex Labs which contained gold-silver values of \$53.51 and \$52.83.

Hydraulic mining methods will be used to recover the gold and the silver, palladium and mercury values. There is also the possibility of some platinum recovery. As each stage of min-

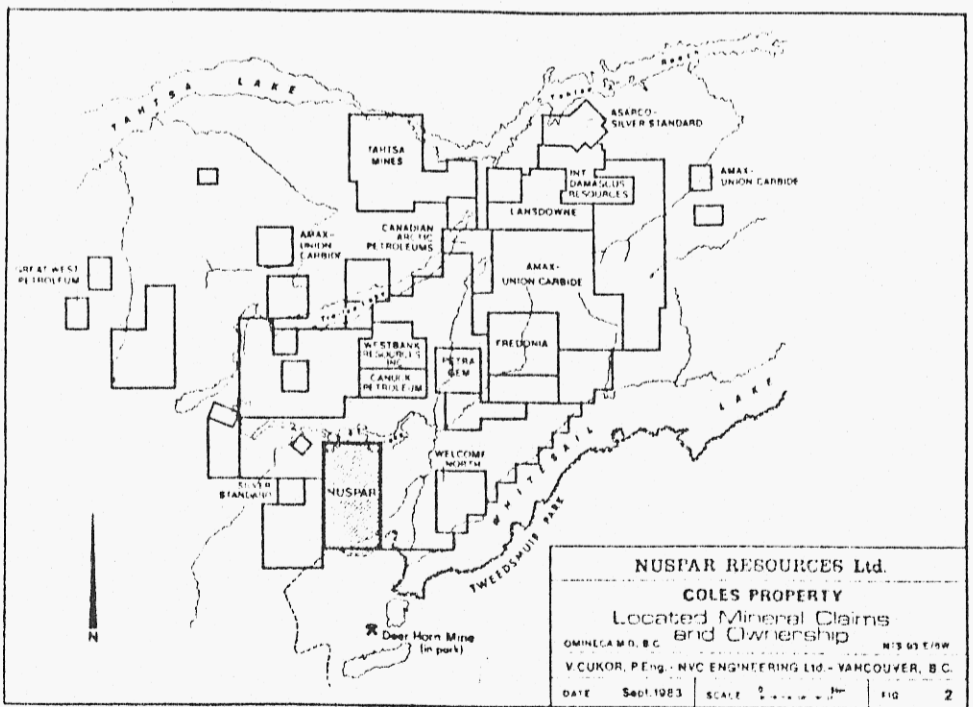
ing is completed land reclamation will follow immediately.

The potential of the Sombrio deposit has tended to overshadow Nuspar's 120 claim unit Coles Property in British Columbia's Whitesail Lake area. Preliminary work has located anomalous gold and silver values associated with low sulphide bearing quartz veins. These north trending zones exceed 10 metres in width with intermittent outcrops indicating strike extensions from 600 to 1,500 metres in length. 1/2p The recently recognized 40 kilometre by 25 kilometre Tahtsa Caldera formation extends on to the present Whitesail exploration area. Similar structures occurring in California, Nevada and elsewhere are frequently associated with major mining areas.

The property known as the Deer Horn Deposit lies 8 miles south of the Coles property. Work on this property prior to 1959 explored a zone 725 feet in length with an average width of 8.7 feet. Assays were reported as 0.407 ounces of gold and 12.24 ounces of silver per ton. The Deer Horn deposit, which now lies within the boundaries of Tweedsmuir Provincial Park and is withdrawn from development, is being used as the model for Nuspar's Coles property exploration.

Nuspar trades on the Vancouver Stock Exchange, symbol NUR

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Nov/Dec '83 Prospector

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Nuspar Well Located With Strategic Tahtsa-Whitesail Gold Prospect

Desmond Bachelor

The Tahtsa-Whitesail camp is located in west central British Columbia between Tahtsa and Whitesail Lakes 100 miles south of Smithers.

With the exception of the old producing Deer Horn Mine the area is relatively new to precious metal exploration. The first work in the area commenced in 1981 and initial results were very encouraging with numerous gold-silver anomalies uncovered throughout the region with values ranging up to 1.3 ounces of gold and 300 ounces of silver per ton. Mining major Canamax has stated that it intends spending \$650,000 on its holdings located to the northeast of the Nuspar property.

The Deer Horn Mine once comprised 30 Crown granted claims and eight recorded claims five kilometres south of Whitesail Lake. The mine, now situated within the Tweedsmuir Provincial Park, cannot be restaked. A conservative estimate of potential ore remaining in the veins is put at 250-500,000 tons averaging 0.3 ounces of gold and 9.0 ounces of silver for a gross metal value of about \$150 million.

Nuspar's Coles property, lying directly north of the Deer Horn, comprises 120 units covering the area between Little Whitesail Lake and Coles Lake. Quartz veins in breccia occurs over a strike length of up to five kilometres in

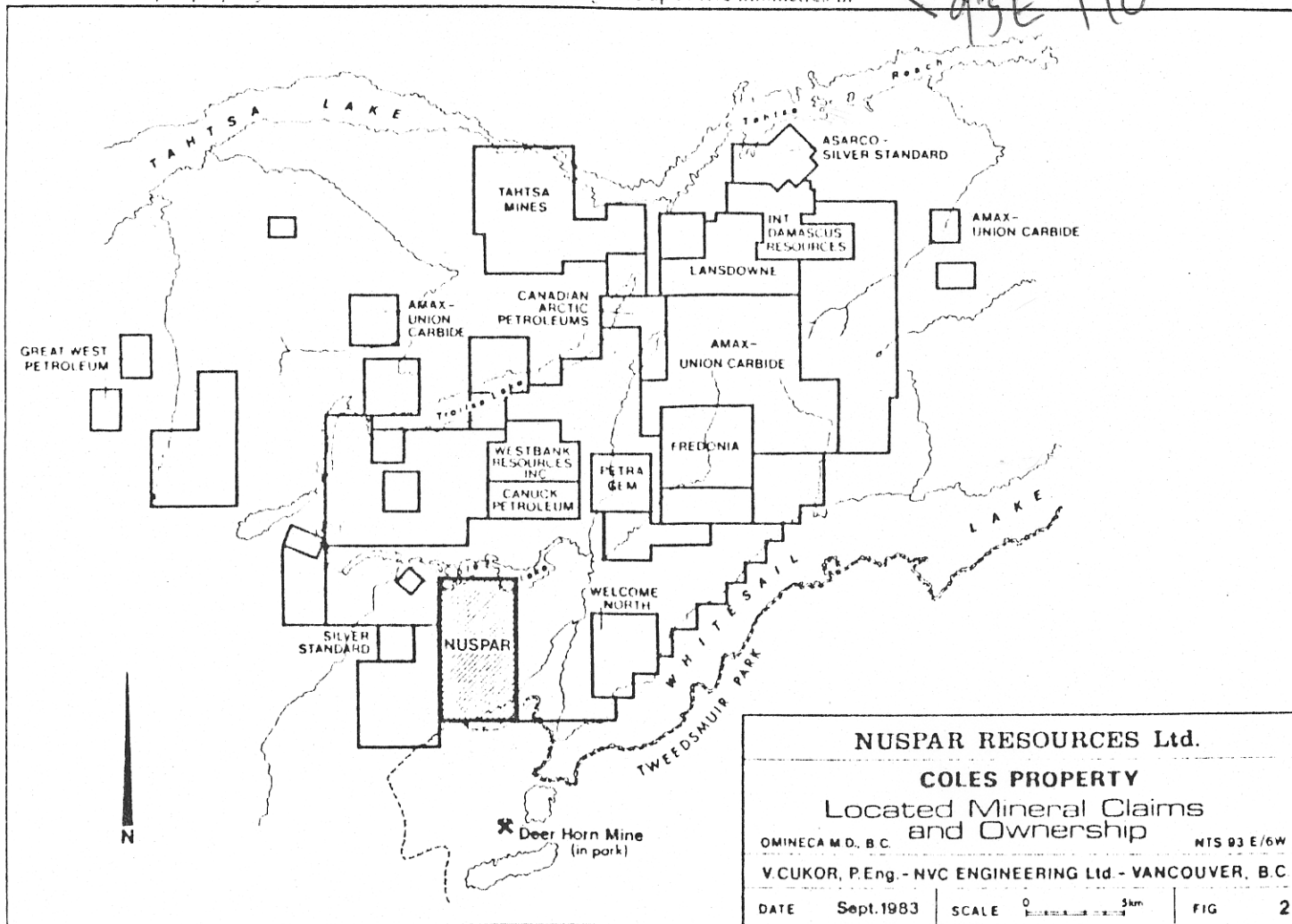
a north-south trending direction throughout the property. Vein structures attain a width of up to 12 feet and individually may be traced for up to one kilometre. Preliminary exploration has shown anomalous gold to be spread throughout the property with values of up to 1600 ppb gold and 160 ppm silver obtained so far. The mineralization is in quartz systems with pyrite, minor sphalerite, galena and common flourite.

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<p>JAMES D THOMAS LEONARD MELTZER ROBERT DEVENIE DOUGLAS CORRIGAN GARRY HENRY EARL HOPE JAMES H. THOMAS</p>	<p>WEST COAST SECURITIES LTD 511-837 WEST HASTINGS STREET VANCOUVER, B.C. V6C 1B6</p>	<p>MEMBERS THE VANCOUVER STOCK EXCHANGE</p> <p>TELEPHONE (604) 681-1286 TELEX 04 508 738</p>
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Vananda Mining Company Ltd. This Company was incorporated in January, 1945, to acquire from L. A. Prosser and Industrial Metals Mining Company Ltd. the Little Billy group and adjoining claims on Texada Island, as well as options on the Copper Queen and Cornell claims. These properties shipped a certain amount of high grade copper-gold ore a number of years ago. In 1943 the Little Billy mine was unwatered by Messrs. Prosser and associates and an exploration program initiated. A number of drill holes were successful in cutting good lengths of copper-gold mineralization in altered limestone near granitic contacts. Under agreement with Vananda Mining Company Ltd., Pioneer is supplying funds for, and supervising, further exploration of the properties. 092F 102
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Harrison Claims. The original agreement with the Harrison brothers for their property, situated at the head of White Sail Lake in West Central British Columbia, was made in the fall of 1943, but the property could not be examined until the end of June, 1944. The preliminary examination indicated values of about one-third of an ounce in gold and ten ounces silver per ton in a series of quartz outcrops several feet wide extending over a length of more than 2,000 feet. By the time trails could be built and camps established but little time was left for work on the property. Since it is situated in the Coast Range at an elevation of about 4,000 feet, the snowfall is heavy and the season for surface work is short. The re-sampling of trenches and outcrops of two sections of quartz 340 feet long and 130 feet long checked values obtained in the preliminary examination. Mapping indicated three main lenses of quartz lying in diorite near its contact with a series of sedimentary and volcanic rocks. The veins dip towards the contact at angles of 45 degrees or less and may therefore be limited in depth. There is some indication of parallel and transverse veins. A diamond drill program laid out for the coming season is designed to give a maximum of information about the structure of the deposits. 093E 019

The Premier Gold Mining Company Ltd. is participating in this venture to the extent of 20% of our options.

Raney Gold Mines Ltd. This Company owns 18 claims covering a length of approximately two and one-half miles of greenstone along the West Bay fault in the Yellowknife area of the Northwest Territories. A diamond drilling program has been under way during the winter with funds supplied by Pioneer Gold Mines and Transcontinental Resources Ltd. While some strong and fairly well mineralized shear zones have been found in the David Lake area, commercial values have not been found to date. Drilling will continue during the coming summer.

Snow Lake, Manitoba. Northern Canada Mines Ltd. and ourselves have continued to support joint prospecting parties in the Snow Lake area of Manitoba. Last season two groups of claims were staked on actual discoveries or on strong indications of gold mineralization. The Morgan Lake group was staked to cover a narrow, high grade quartz vein found on the south end of an island in Morgan Lake. Surface stripping disclosed a length of 450 feet of commercial ore with the south end open. Drilling from the ice during the past winter has failed to extend this ore shoot. The section of the vein on the island is now being drilled.

On the other claims staked in the Snow Lake area, float boulders, containing good gold values, have been discovered. An effort will be made to locate the source of this float during this coming summer.

East Amphi Gold Mines Ltd. Pioneer has been associated with a group of Eastern mining companies in financing a drilling program on the large holdings of the East Amphi Gold Mines Ltd. in the Malartic area of Quebec. Many intersections of commercial grade have been cut in a zone 2,000 feet long. The results, however, are difficult to interpret and it is felt further drilling will not clarify the picture in this particular area, but no decision has been made regarding any other type of exploration as yet.

Orcour Gold Mines (1940) Ltd. The Company has made arrangements to participate with Lapa Cadillac Gold Mines Ltd. in the financing of Orcour and has placed sufficient funds in the treasury of that Company to carry out the work which seems justified at this time. Arrangements regarding this were completed subsequent to March 31st.

Pioneer has also joined with Lapa Cadillac in purchasing the Secan Group of 20 claims in Vauquelin Township, Quebec.

I wish to express my appreciation to Mr. Emmons, his staff and crew, for their effective work during the year.

Respectfully submitted,

H. T. JAMES,

Managing Director.

Pioneer Gold Mines of B. C. Limited.