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Hecate Gold seeks new financing for Banks Island gold prospect

VANCOUVER — New funds are being sought by Hecate Gold in order to resume work on the Banks Island gold prospect, 70 miles south of Prince Rupert, B.C., in which a 90% interest has been earned from Falconbridge Nickel Mines.

In his summary in the annual report, J. E. Millette, president, said the Banks Island program located a significant tonnage of ore grade gold mineralization. The costs of exploration were high owing to location, access and timbering of the

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workings. Further work is justified and recommended. There is about \$250,000 remaining in the treasury upon completion of the program.

The company has spent on the property \$1.1 million on 1,425 ft. of underground decline and 1,100 ft. of diamond drilling. The underground work was on the Bob showing, the prime initial target, and resulted in an ore shoot 144 ft. long, 5.5 ft. wide and assaying an average of 0.92 oz. gold and 2.38 oz. silver per ton. The decline reached a vertical depth of 203 ft. and the favorable shear structure was opened and examined for a length of 440 ft. The program is now completed.

There are three other targets on the property which hold equal or better potential than that on the Bob Zone, Mr. Millette said. The company is seeking methods of financing a program which would prove each of these.

If each of the three other showings provided the same tonnage and grade as the Bob Zone then an economic operation could be projected, he said. A further \$3 million would be required to develop sufficient tonnage and grade upon which to base a production decision. Various avenues are being explored for the necessary funds.

The company's four claim gold prospect, 78 miles north of Yellowknife, Northwest Territories, is to be explored this year by geological mapping and possible additional drilling.

The 36 claim Ortell Lake, Yukon, silver-lead-zinc prospect is under option to Northgate Exploration.

The company owns a silver-lead-zinc prospect in the Lardeau area, B.C. and a 75% interest in the Silver King claims, 4 miles southwest of Nelson, B.C. It is allowing to lapse its prospect in the Gold Stream River area, Revelstoke, B.C.

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GCNL #2 JAN. 4/78

HECATE GOLD CORP.

103G/8E

New Assay Results

Sample No.	Vein Width	Gold Oz/t	Silver Oz/t
Face 2-14	2.3 feet	1.94	4.1
2-15	3.0	1.15	1.8
2-16	3.0	1.11	3.6
2-17	5.2	1.25	4.2
2-18	4.9	2.50	4.1

NEW ASSAYS EXTEND HIGH GOLD VALUES TO 105 FEET OF LENGTH

High grade gold values have been returned from 13 face samples over a vein length of 105 feet at the Banks Island property of Hecate Gold Corp. The results are in addition to the eight assay values reported earlier over a 55-foot length. The decline is being advanced in the vein at approximately 825 to 850 feet from the portal. The drift had approximately 8 feet of massive sulphides in the face on January 2, 1978. The gold values are in the massive sulphides. The decline is presently close to 130 feet below the surface.

Previously Reported Assay Results

2-6	1.0	0.46	1.5
2-7	6.7	0.73	1.7
2-8	9.2	0.73	5.2
2-9	8.8	0.68	2.1
2-10	9.0	0.68	4.3
2-11	4.0	1.00	2.1
2-12	4.4	1.67	2.2
2-13	2.0	2.00	4.1

In reporting these results, J.E. Millette, president of Hecate Gold Corp. stated that

the present plan is to drift ahead on the ore shoot as far as possible before driving off the vein to make a spiral turn to gain greater depth to further test the continuity.

Additional samples are to be submitted for assay in about a week. The property is located 70 miles south of Prince Rupert, B.C.

Bob?
103G 024

Bob
1036 024

HECATE GOLD CORP. (formerly Sproatt Silver Mines Ltd.)

UNDERGROUND PROGRAM TO FOLLOW UP -
ON GOOD GRADE GOLD IN DRILL HOLES

Hole No.	Feet	Gold Oz/T	Silver Oz/T
BL 22	5 ft.	0.32	4.95
BL 18	10	0.97	3.4
BL 23	23	4.08	3.8
A 5	17.5	.51	
H 25	20	.44	
B 22	26	.298	
H 26	3	.36	
B 37	6	1.2	

J.E. Millette, president of Hecate Gold Corp., has reported that a major 1,500 foot underground development program will start during July on the gold property of the company located on the west side of Banks Island, 70 miles south of Prince Rupert, B.C.

The first of four prime underground targets is the Bob showing on the claims held under option by the company from Falconbridge Nickel Mines Limited. The program will include 1,000 feet of decline, 500 feet of drifting plus raises and underground diamond drilling. It is estimated to cost \$400,000 and take 20 weeks to complete. The work will open underground for the first time an area

of gold mineralization tested by three diamond drill holes which gave the BL hole results shown in the table above. Indications are that the mineralization pinches and swells with good values in the wider sections. The immediate objective of the underground program is to establish between 200,000 and 400,000 tons of mineable grades of gold-silver mineralization which would support a concentrating operation.

One of the other three targets is known as the Kim showing and it yielded the five other holes shown in the table above. There are 21 or more surface gold showings on the property where additional work is recommended.

Funding for the program has been arranged through a unit offering of common shares and common share purchase warrants.
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SHAKWAK EXPLORATION COMPANY LTD.(SHA-V)

FIELD WORK STARTED - Field work is progressing at Shakwak Exploration Company's gold-silver properties in Yukon's **ON 2 YUKON PROJECTS** Wheaton River area. President Glen Macdonald says limited exploration is designed to set a priority in diamond core drill targets on the Mt. Vesuvius property, adjoining the Total-Erikson Mt. Skukum high grade gold mine development, and the Dickson Hill property, where one core intersection of 1.35 ounces of gold per ton over 4.5 feet was obtained in a 1984 program.

In addition, preliminary exploration has started on Shakwak's Silver Creek property (GRA/VEL claims) in Yukon's Rancheria silver district. Here the high grade silver showings are in a geological environment very similar to the nearby Hart silver claims where operator Silver Hart Mines Ltd. has located important deposits of high grade silver mineralization. Shakwak has 20% interest in the Hart silver project on which underground development is planned to start soon. Diamond core drilling continues at the Hart silver project at an accelerated rate.

TRADER RESOURCE CORP.(TRR-V)

103G/8E 103G 021,024-026

NEW FLOW-THROUGH FUNDS ARRANGED

Deposit	Tons	Gold (oz/ton)	Ounces of Gold per Deposit
Kim (Bulk tonnage)	1,100,000	.072	79,200
Bob (Vein)	50,000	1.17	58,500
Discovery (Vein)	100,000	.46	46,000
Tel (Vein)	24,000	.91	21,800
Total Ounces of Gold Reserves			205,500

Trader Resource Corp. has arranged, subject to approvals, a private placement of up to 280,000 flow-through shares at \$1.25 per share with 236535 Limited Partnership. The funds will be used for diamond drilling at the Yellow Giant Project on Banks Island, 80 miles south of Prince Rupert, B.C. where current gold reserves are shown in the table. All of these deposits are open to

reserve expansion and 7 other known deposits need drilling before their reserves can be calculated. Other private placements are being negotiated.

MAJESTIC CONTRACTORS LIMITED(MTC-V)

CONTRACT WON IN MINNESOTA - The U.S. division of Majestic Contractors Limited has been awarded a contract by Minnesota Pipeline Company for the construction of 106.8 km of 406.4 mm oil pipeline. This work consists of 5 loops extending from Clearwater to Washington counties in Minnesota. Scheduled completion is expected by late October.

VESTGRON MINES LIMITED (VGM-T,V)

<u>6 MONTHS ENDED JUNE 30</u>	1985	1984
Sales	\$18,726,000	\$3,494,000
Investment Income	55,000	381,000
Total Revenue	18,781,000	3,875,000
Cost of Product Sold	11,161,000	1,753,000
Distribution Expense	1,132,000	308,000
General, Admin., Selling Expense	1,985,000	1,761,000
General Mineral Exploration	914,000	1,199,000
Depreciation and Depletion	3,132,000	2,818,000
Currency Translation Loss	31,000	640,000
Net Earnings(Loss)	172,000	(2,839,000)
Per Share	4¢	(67¢)

In presenting first half financial results of Vestgron Mines Limited sharply higher this year compared with last, president O.E.Owens notes that, in the second quarter, a shipment from the mine at Maarmorilik, Greenland of 40,800 dry metric tonnes of zinc concentrate and 7,600 of lead concentrate was included in sales. In the same quarter in 1984, a shipment of 36,600 dry metric tonnes of zinc concentrate and 14,400 of lead concentrate scheduled to load in June was delayed by adverse ice conditions and did not leave Greenland until the first week in July. This was not included in the second quarter sales of that year.

Ore processed during the first half by wholly owned Greenex A/S was 369,500 (351,200 in first half 1984) dry

metric tonnes assaying 9.3% (10.5%) zinc & 2.7% (3.2%) lead producing 58,900 (60,600) dry metric tonnes of zinc concentrate.

Underground exploration of the Deep Ice zone is still held up awaiting completion of a new portal drift to allow draining of the heavy water inflows encountered when the development drift passed beyond the limits of permafrost. The new drift should be completed by October allowing resumption of underground exploration of this zone.

The 1985 summer surface exploration program is nearing completion. Two new mineralized intersections of ore grade and thickness were obtained 600 and 1400 metres east of the most easterly underground workings. Ore potential in these areas is limited by surrounding weakly mineralized holes at 200-300 metre intervals. The potential for significant additions to ore reserves will depend on results in these areas, work in the Deep Ice zone, and studies concerning pillar recovery. Upon completion of exploration this year, Vestgron will assess the remaining life of the mine and start providing over that life a charge to earnings for the estimated costs to clear the property when operations end. A preliminary estimate of the after-tax cost to clear the site is about \$7,000,000

Vestgron will pay a dividend of 15¢ per common share on 29Aug85, record 8Aug85.

NOR-QUEST ARIZONA INC. (NQT-V)