

Enfield Sets Sights on Hunter Mine in Joint Venture with Arnhem Resources

by David O'Keefe

Vancouver-based trader Enfield Resources and soon-to-be-trading Arnhem Resources Inc. have signed an option agreement with J.M. and R.D. Meldrum to purchase 100% ownership of the Hunter Mine located on the British Columbia Coast just south of Kitimat.

The 50-50 Enfield/Arnhem acquisition will be achieved through a series of annual payments and net smelter returns. Enfield President John Ostler, P.Geol., considers the option financing particularly attractive as it will not dilute shareholders equity.

The Hunter Property was originally staked in 1925 around gold bearing quartz veins on the north fork of the Khutze River. Six major gold-bearing veins were revealed on the property by subsequent prospecting. Development work was carried out on two of the veins, the River Vein and the Main Vein, during the 1930's and 1940's.

A 148 foot shaft was sunk on the River Vein and drifts were driven 100 feet northward and 79 feet southward along the vein from the bottom of the shaft. In September 1980 a sampling program was undertaken by W.N. Pearson for consultants Derry, Michener and Booth. Pearson reported that the weighted average grade for samples taken along the shaft was 1.48 ounces gold per ton and 0.75 ounces of silver per ton over an average width of 0.61 feet. The shaft's best intersection was 50 to 85 feet with the vein grading 2.95 ounces per ton of gold and 1.70 ounces per ton of silver over an average width of 0.71 feet.

The Main Vein, which outcrops on the side of the mountain west of the river, was explored by a 471 foot long drift at the 2335 foot level. The 1980 sampling carried out by W.N. Pearson found that the mineralization was concentrated in ore shoots. The first, sixty feet in from

the portal graded 0.58 ounces gold per ton and 0.95 ounces silver per ton, the second, one hundred and sixty five feet in graded 0.50 ounces per ton of gold and 1.35 ounces silver and the third, three hundred feet from the portal entrance, graded 1.09 ounces per ton of gold and 2.15 ounces of silver.

Professional Engineer Don Tully and Company President Ostler made an onsite examination of the Hunter property in January this year and sampled trenches along the River Vein and the Main Vein tunnel. The gold and silver was found to be in crystalline blebs and stringers unevenly distributed throughout the quartz veins. Past assays show that the pyrite can contain in excess of ten ounces of gold per ton and quite commonly over 6 ounces per ton of gold. In 1933 a selected three ton shipment of ore from the River Vein smelted at Tacoma, Washington, graded 9.29 ounces per ton of gold.

Ostler explained to International Prospector that the real potential of the Hunter Mine had not yet been tested. There has been no comprehensive geochemical survey therefore it is unknown how many gold bearing veins may be present. "We know" Ostler continued, "there are six major veins and only two have been probed by tunnels, none have been drilled, all the known veins are open to depth and length."

It is Ostler's contention that the Hunter is one of the most exciting projects with which he has been associated and intends for it to be a top company priority during the 1983 season.

In addition to this Enfield-Arnhem venture, Enfield owns 100% of the Moly-May moly-gold property near Anyox, British Columbia, 100% of the Norland moly property at Alice Arm, British Columbia and a 2 1/2% revenue interest in the Plainsville East oil play, Brooks County, Kansas, where the operator has drilled five producers with one well currently drilling. Arnhem Resources owns 100% of the silver-lead-zinc Cayhill Property located west of Adams Lake just north of Kamloops, British Columbia.

Enfield Resources Inc. is listed on the Vancouver Stock Exchange, symbol EFD.



John Ostler M.Sc., P.Geol.



Technical writing, manuals, instructions.
Corporate communications.

Advertising and promotional copy.

Newsletters, annual reports, proposals.

Design: logos, letterhead, maquettes, book and publication covers, advertisements, posters.

Lay-up: All printed materials including brochures, books, magazines.

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INTER,
PROSPECTOR - Jan/Feb 1983
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NMINER 24 FEB 1983

Enfield Resources has optioned the former Hunter mine property near Kitimat, B.C. The company has an equal interest in the prospect with Arnhem Resources. In the mid-1920s, prospecting revealed six major gold-bearing veins and subsequent to this underground development work was done on two of them. More recently, sampling was done along an inclined shaft and 26 samples taken. The weighted average for these samples was 1.5 oz. gold and 0.75 oz. silver over an average vein width of 0.71 ft.

Enfield points out that a comprehensive geochemical survey has never been conducted on the property. None of the six known veins has been drilled and they are all open to depth and along strike.

103H/15

103H 034

NO.27(1983)
FEBRUARY 9, 1983

GCNL #27 09 FEB 1983

ENFIELD RESOURCES INC.

103H 034
103H/15

INTERESTING DEAL STRUCK ON - Enfield Resources Inc., in equal partnership with Arnhem INTERESTING B.C. GOLD MINE Resources Inc., have acquired from J.M. Meldrum and R.D. Meldrum an option to buy the Hunter gold and silver mine on the north fork of the Khutze River on the B.C. coast 100 km south of Kitimat through a series of annual payments.

		Average Width	Gold Oz/Ton	Silver Oz/Ton
River Vein	26 samples along the 148-foot shaft	0.61	1.48	0.75
	50 to 85 feet from shaft collar	0.71 foot	2.95	1.70
	120 feet of drift	0.56 foot	0.77	0.35
Main Vein	60 to 105 feet from tunnel portal	0.86	0.58	0.95
	165 to 210 feet fr.tunnel portal	0.75	0.50	1.35
	300 to 370 feet fr.tunnel portal	0.85	1.09	2.15

Announcing this Enfield president John Ostler, M.Sc., P.Geol.; says the Hunter was staked in 1925 around gold-bearing quartz veins. Subsequent prospecting revealed 6 major gold-bearing veins on the property. During the 1930's and 1940's, the River Vein and the Main Vein were partially developed.

Near the east bank of the Khutze River at an elevation of 910 feet above sea level, an inclined shaft was sunk on the River vein on an average angle of -55° for a length of 148 feet. From the bottom of this shaft, drifts along the vein were driven 100 feet north and 79 feet south. W.N. Pearson, for consultants Derry, Michener and Booth in September, 1980, reported the weighted average grade of 26 samples taken along the shaft as 1.48 oz. gold and 0.75 oz. silver/ton over an average vein width of 0.61 feet (as shown in the table). His best intersection there was from 50 to 85 feet below surface, see table above.

The Main Vein outcrops on the mountainside west of Khutze River. It is exposed in Mine Creek between elevations of 1875 and 2400 feet A.S.L. The Main Vein was explored by a 471 foot long drift at an elevation of 2335 feet. Mr. Pearson sampled the drift in 1980 and found that mineralization was concentrated in ore shoots. Assays from sampling the 3 most significant ore shoots in the tunnel are shown in the table.

Mr. Ostler reports that he and Don Tully, P.Eng., examined the Hunter property on 22 Jan 83 and sampled the trenches along the River Vein and the tunnel on the Main Vein. Mr. Ostler says the gold and silver are in coarsely crystalline pyrite blebs and stringers that are unevenly distributed throughout white porcelainous quartz veins. The veins themselves are remarkably contiguous and unfaulted. He notes that assays from the literature show that the pyrite can contain in excess of 10 ounces of gold per ton and commonly over 6 ounces per ton. A 3-ton shipment of selected ore from the River Vein that was smelted at Tacoma, Washington in 1933 graded 0.29 oz/ton gold.

Mr. Ostler comments, "It was obvious to me during our visit to the Hunter property that its economic potential has not yet been tested. A comprehensive geochemical survey has never been conducted over the property so it is unknown how many gold-bearing quartz veins may be present. Of the 6 known major veins, only 2 have been probed by tunnels. None has been drilled. All known gold bearing veins are open to depth and length.

"The Hunter is one of the most exciting projects with which I have been associated. It will be our top priority in the 1982 exploration season."

Arnhem is a private B.C. company planning a public issue at some time in the future.

103H 034

GCNL #28 10 FEB 1983

CORRECTION: In the story on Enfield Resources Inc. in GCNL 27(83) page 2, the 3-ton shipment of ore to the Tacoma smelter graded 9.29 ounces of gold per ton and not 0.29 as was wrongly printed.

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103H/5W

YEAR ENDED 31 DECEMBER	1982	1981
Oil/Gas Sales Revenue	\$247,681	\$ 42,448
Oil/Gas Net Revenue	70,947	35,886
Commissions Income	107,400	199,200
Management & Admin. Fees	82,123	50,436
Share of Loss of Fund *	(11,159)	-
Interest Income	86,122	97,507
Total Net Revenue	\$335,433	\$383,029
Cash Flow	59,439	80,978
Net Income (Loss)	(560)	88,622
Working Capital (Deficit)	\$105,029	\$(222,567)

CONTINUED SHARP RISE
IN REVENUES FORECAST

In his annual report, president A.J. MacDonald, P.Eng., says the highlights of the 1982 financial statements of National Resource Explorations Ltd. are that working capital improved from a negative 3.70:1 ratio at 31Dec81 to a positive 1.25:1 ratio at 31Dec82 and gross revenue from oil/gas sales rose 583% in the year. Mr. MacDonald also points out that gross proven and probable oil reserves net to the company's interest increased over 400% to 507,600 barrels (as at 15Mar83). Similarly, gas reserves are 13,572 million cubic feet.

National Resource have 40% working interest in a 7,500 acre play in the Bend Arch area of Texas. Nine holes have been drilled to date and only one was dry. A further 4-well program is underway. There are at least 8 more locations to drill after that. Revenues from this project this year will be in the order of \$1,000,000 U.S.

As a gold exploration venture, National Resource and Cominco Ltd. are forming a joint venture whereby National Resource will have the right to earn 60% interest in some 389 mineral units on the western side of the Arrow Lakes, B.C., by financing an exploration program. The claims are in the Keefer Lake area. Cominco staked them as a result of geological and geochemical studies. The claims are in the Monashee Mountains about 66 km east of Vernon. Silt anomalies so far located range up to 3,000 parts per billion of gold. The geology and lithology of the area are analogous to the Tillicum Mountain area, where the LeTeko-Esperanza program is meeting with exploration success. Work on the claims will be carried out at cost by Cominco on behalf of the joint venture and will start this summer. Cominco have a "back-in" provision whereby, after National Resource earn their 60%, Cominco may elect to reverse the 60-40 ownership by spending further funds.

Several oil/gas exploration projects in Canada and the U.S. are reviewed in the annual report.

Besides Mr. MacDonald, directors are J.A. Charpentier, William H. Keen, Skjold N. Neckelmann, Donald B. Rix, Robert E. Hallbauer, Martin R. Wagner, Bernard E. Freamo and Edwin C. McCoy.

103H/W

ARNHEM RESOURCES INC. (AHR-V)

FUNDING SECURED FOR - Arnhem Resources Inc. and Du-well Resources Ltd. have signed an agreement for the financing of HUNTER PROPERTY the 1984 exploration program on the Hunter gold-silver property located on the B.C. coast south of Kitimat.

There are six known gold-silver bearing veins on the Hunter property. Two of the veins, the Main Vein and the River Vein, have workings on them. There is a 471 ft. long adit along the Main Vein and a 148 ft. long inclined shaft with 179 ft. of drifts on the River Vein.

Work done by the consulting firm Derry Michener and Booth on the Main Vein in 1980 and by Arnhem on the River Vein in 1983 resulted in the identification of high-grade ore shoots in the veins. Ore shoots in the Main Vein commonly grade 1 to 2 oz/ton gold and ore shoots in the River Vein commonly grade 2 to 3 oz/ton gold. D.M. & B. estimated conservatively that there were 104,000 tons of reserves grading 0.35 oz/ton after dilution to a four foot mining width in the area of the workings. The reserve calculation does not include 80% of the River Vein, where channel sample assays grade up to 5.4 oz/ton gold and where three tons of ore were shipped from surface pits that grades 9.29 oz/ton gold and 4.02 oz/ton silver. The reserve calculation also does not include the No.2 Vein that grades up to 8.638 oz/ton gold over narrow widths, the Burnt Tree Vein that grades 6.10 oz/ton gold over 1.15 ft., the No.4 Vein and the Cross Vein that grades up to 22.94 oz/ton gold over 0.5 ft.

Du-well has now secured an option from Arnhem whereby Du-well may contribute a total of \$410,000 to Arnhem's 1984 Hunter exploration program to earn a 49% interest in the property and to continue developing the property with Arnhem on a joint venture basis. Work will start in June.

MINER 350781

Arnhem has completed first phase of drilling

My stockbroker says that Arnhem Resources is now preparing to drill its property No. 1 as referred to in your Canadian Mines Handbook 1984-85. Since the company has not been mentioned in your regular columns for some time, perhaps you would be good enough to include an update on Arnhem's current program in one of your forthcoming issues.

Your stockbroker is correct, but the situation has progressed since then.

Under an agreement reached between Arnhem Resources and Du-well Resources, both of Vancouver, phase one of a 2-phase exploration program is nearing completion and phase two is expected to be pursued soon.

Under an agreement, Du-well has spent \$180,000 on the 97-claim Hunter gold property about 150 km southwest of Terrace, B.C. and paid \$40,000 into Arnhem's treasury.

The work commitment included 2,400 ft. of diamond drilling this summer. Three holes were drilled to shallow depths to outline the vein systems and four holes were drilled under the existing workings. Assay results are expected by late September.

Phase II, should Du-well decide to proceed with its option to earn a 49% interest in the property, will require \$180,000 for diamond drilling plus \$10,000 to Arnhem's treasury.

That portion of the program will focus on extending the strike of the River Vein.

P.T.B., Willowdale, Ont.

Workings on the property date back to the 1930s. They include two inclined ramps, one on the River Vein which runs for about 148 ft. at a 55° decline with drifting running 100 ft. to the north and 79 ft. to the south. On the Main Vein about 5,000 ft. to the southwest, about 470 ft. of drifting has been done from an adit near the top of a hill.

Arnhem President John Ostler tells The Northern Miner that an international consulting firm estimated in 1980, when the property was not held by Arnhem, that ore reserves were 104,000 tons grading at an average 0.35 oz. gold per ton after dilution to 4-ft. mining widths.

Arnhem is trying to increase that tonnage to warrant installation of a 100-ton-per-day mill.

With the proceeds from the Du-well deal, Mr. Ostler says Arnhem's working capital is in good shape "although we do run a pretty lean ship." No financing is contemplated for this year although one may be undertaken in early 1985 in order to proceed with some high grading.

Mr. Ostler, a geologist, says building a rough road to the property will not be difficult although the terrain is rough. The property is about 12 miles from the British Columbia coast.

The Hunter property, which has also given some promising silver and copper values, is Arnhem's only project.

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GCNL #249 30DEC82

ENFIELD RESOURCES INC.

103H/15

TWO PROJECTS REVIEWED - Enfield Resources Inc. has a 4.95605% net revenue interest in the first four wells (three oil wells) in the Plainsville East field, Rooks county, Kansas, (the interest reverts to 2.47% net revenue interest after payout) and a 2.47% net revenue interest in three other wells (two oil wells). An eighth well is planned to spud in early January. The revenue from production has been used for expansion and will continue to be used this way.

Enfield is negotiating to acquire gold properties, one south of Kitimat, B.C., and the other in the Hemlo gold belt, Ontario. The Hunter Mine, B.C., property comprises eleven crown grants upon which, six gold-bearing quartz veins have been located. A 471 foot tunnel has been driven along one of the veins intersecting three high-grade ore shoots that contain from 0.1 to 0.4 oz/ton gold (diluted to a 4 foot mining width). Samples of free gold, pyrite and gold-bearing tellurides commonly contain in excess of 5 oz/ton gold.

INT. PROS. & DEV. PROG. 1984
AUG/SEPT

Arnhem Resources Inc. AIR-VSE

First phase exploration on the Hunter gold-silver prospect, 60 miles south of Kitimat, B.C. has now been completed says Arnhem president John Ostler. Surface assays from showings on the main vein range up to 6.046 ounces of gold and 10.50 ounces of silver per ton, with 20 samples averaging out at 0.834 ounces of gold and 1.759 ounces of silver per ton. Heavy drilling equipment has been moved onto the property to test the River Vein where high grade ore shoots have graded up to 5.608 ounces of gold per ton and commonly grade one to three ounces.

103H/1W
(103H-G034)

INT → PROS DEV
NOV/DEC 1984

Arnhem Completes Second Phase Exploration On Hunter Property

103H/1W (103H-G034)

Arnhem president John Ostler reports that a significant amount of surface and underground exploration has taken place on the company's Hunter property, south of Kitimat on the British Columbia Coast.

Drilling was concentrated on an area north of the River Vein workings in an area of proposed intersection of the River and No.2 Vein. These veins were intersected where predicted in all seven holes and examination of the drill core indicated that No.2 Vein strengthened northward at the expense of the River Vein and that the two veins were parallel structures on a large scale rather than conjugates. A new vein, not exposed on surface, was located just northward of the No. 2 vein hinting that a series of sub-parallel structures may comprise the system.

Surface assays and underground exposures of the River Vein grade up to 5.4 ounces of gold per ton over an average width of six inches. High grade shoots in the workings grade from 1 to 5 ounces of gold per ton. Assays from surface exposures of the No.2 Vein range up 8.638 ounces of gold.

Professional geologist Ostler reports that several more targets have yet to be fully explored, the area between the River Vein workings and the production pits in Khutze River is to be drilled. Production from the river pits graded 9.29 ounces of gold and 4.02 ounces of silver per ton. The area beneath the Main Vein, which contains 93,000 of the 104,000 tons of known gold ore reserves must be drilled and several veins, including the Burnt Tree-No.4 Vein system that grades up to 6.10 ounces of gold per ton over 1.15 feet have yet to be explored.

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FIGURE 1
LOCATION MAP
HUNTER GROUP, B. C.
1" = 38 miles

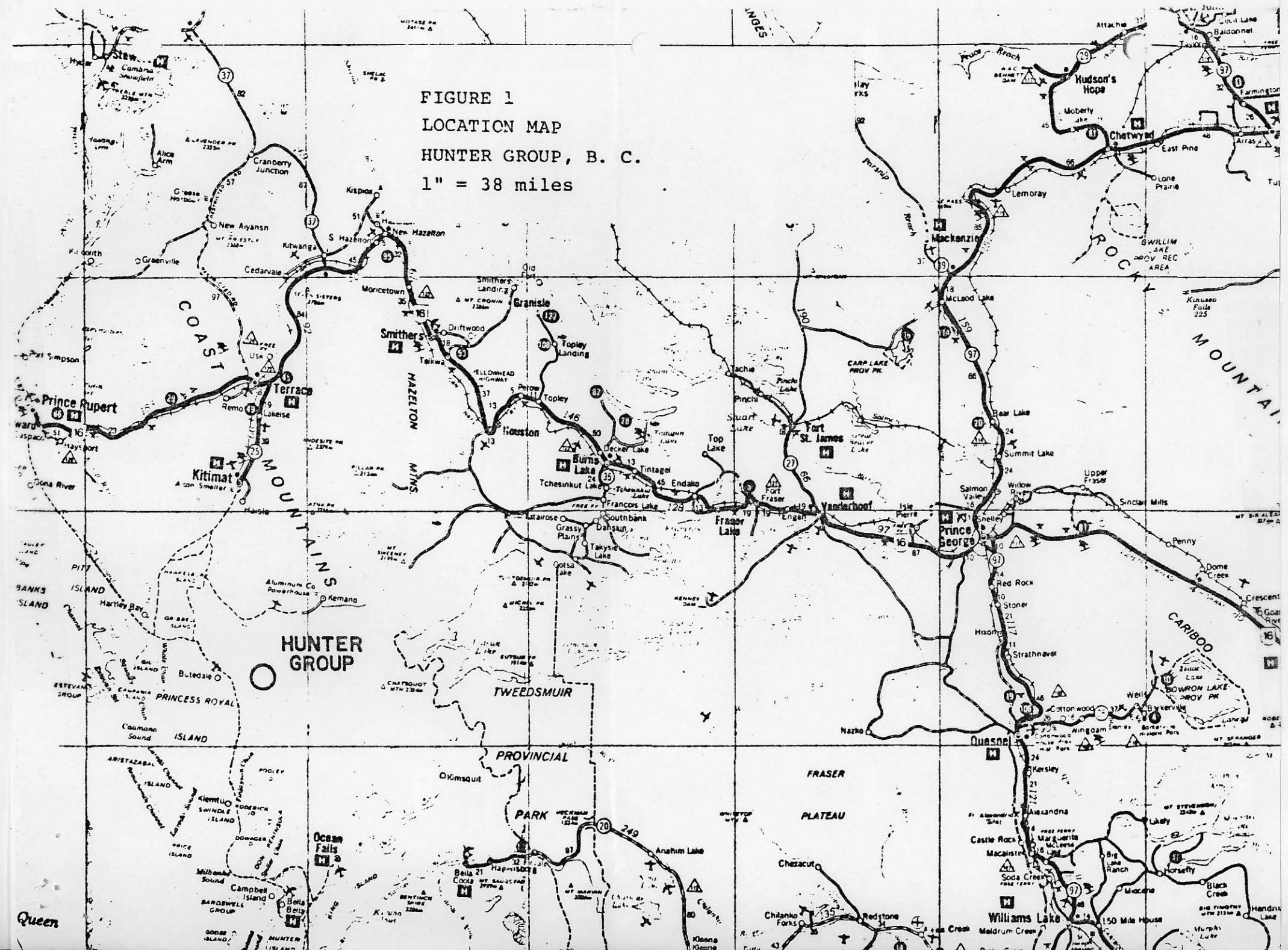
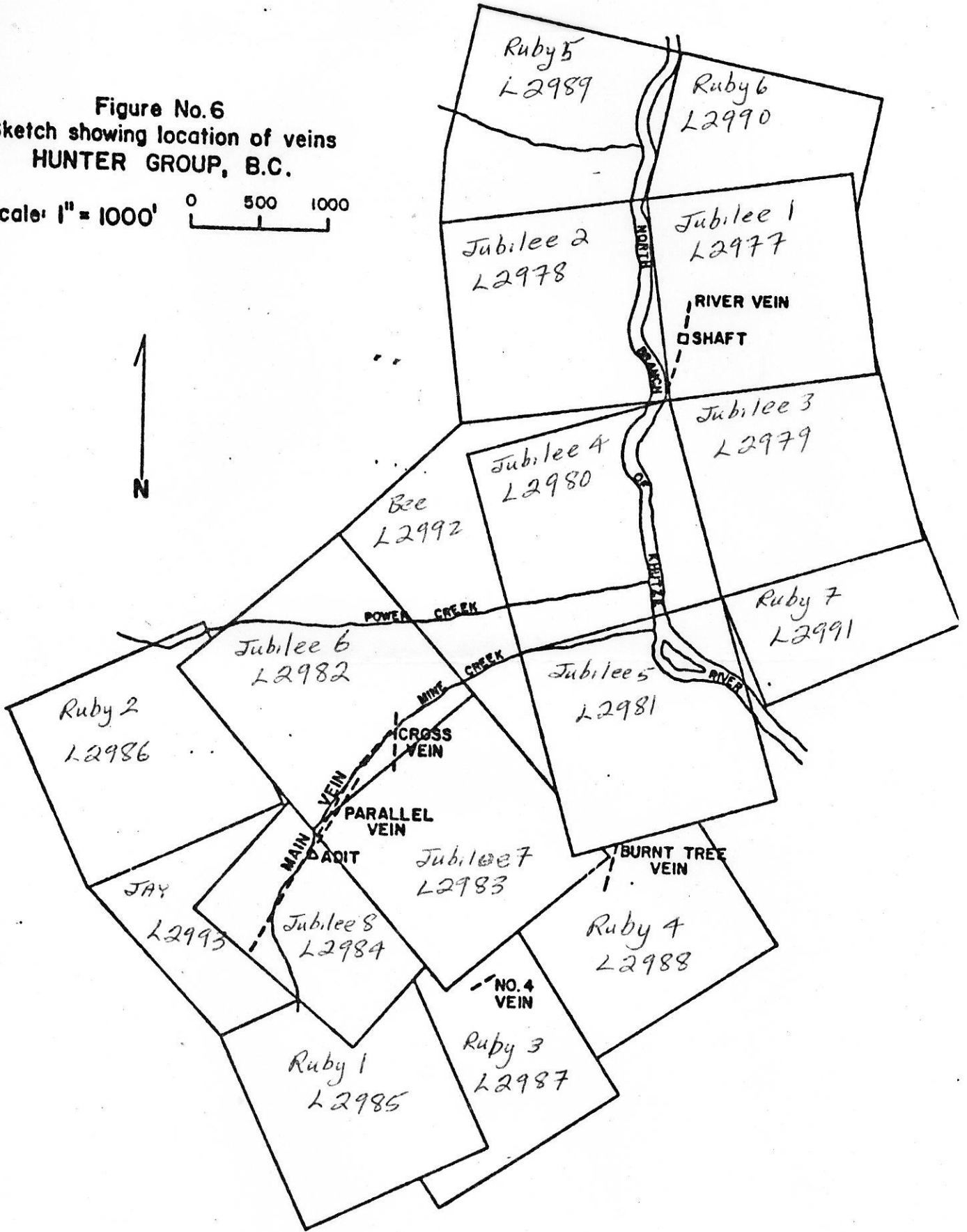
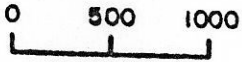


Figure No.6
 Sketch showing location of veins
 HUNTER GROUP, B.C.

Scale: 1" = 1000'



DMB AUGUST 1980