

018925

The Premier Gold Mine in the region has just poured its first gold. The \$80 million joint venture between Westmin Mines Ltd. and Pioneer Metals Ltd. will produce 77,000 oz gold and one million oz silver in 1990.

The operating partner at Premier is Westmin Resources Ltd., which has a 50.1% per cent interest. Pioneer has a 40 per cent holding.

The new mine combines the old Silbak Premier and Big Missouri properties. It consists of two separate open-pit mines, the first of which is located on the near-surface portions of the Silbak mine. The second is located near several deposits on the Big Missouri mine. Westmin has reported mineable reserves of 5.6 million tons at Silbak and 1.7 million tons at Big Missouri. The Premier mill is currently running near its design capacity of 2,000 tpd and is processing low-grade stockpile ore averaging 0.035 oz/ton gold and 1.1 oz/ton silver.

While access to most properties in the Stewart Gold Camp is limited by terrain and unfriendly weather, the fact that most claims have extensive mineralization should make for an exciting few years ahead as the number of producing mines increases.

N.W. Prospector
Sept./Oct. 1989

Westmin's Pioneer leads Sulphurets into production phase

by Gillian Cobban
VANCOUVER — A hot spot for gold discoveries over the past few years, British Columbia's Stewart-Sulphurets region is moving into a production phase following start-up of Westmin Mines' (TSE) Premier Gold property.

In early May, Westmin started tuning up the 2,200-ton-per-day mill at the Premier Gold mine north of Stewart.

The readily accessible mine is a joint venture held 50.1% by Westmin, 40% by Pioneer Metals (TSE) and 9.9% by Prime Resources (VSE). Tournigan Mining Explorations (VSE) has a 5% net profits interest after payback of pre-production costs.

The \$92-million open pit operation is expected to produce 77,000 oz gold and 890,000 oz silver per year.

For August and September, Westmin reports the mill averaged 1,863 tonnes per day with grades averaging 1.7 g (0.05 oz) per tonne gold and 53 g (1.5 oz) per tonne silver. Recoveries are 90% gold and 50% silver.

"We poured our first dore gold

on June 12 and have since poured a total of 6,119 oz gold and 104,169 oz silver to the end of September," Bruce McKnight, vice-president of business developments, reports.

An extensive underground drill program to assess underground potential and to expand reserves in the two former producing pits has been completed and a decision on mining the higher grade underground material is expected shortly.

Underground drilling concentrated on the 4-G and 602 zones beneath the Premier pit, as well as on the smaller Power zone.

With open pit mineable reserves at the Silbak Premier mine of 6.5 million tons, averaging 0.063 oz gold and 2.34 oz silver per ton and another 1.9 million tons of 0.091 oz gold and 0.67 oz silver from the adjacent Big Missouri mine, the project has a 10-year mine life.

Plans are under way to include the SB deposit held by Tenajon Resources (VSE) in the Premier Gold mining operation. The property, four miles west of Westmin's mill, has probable and possible reserves in two of its four zones of 308,000 tons, averaging 0.505 oz

gold and 1.07 oz silver per ton (uncut). Both zones are open in at least two directions.

In a joint venture with Tenajon, Westmin has agreed to spend \$2.4 million to bring the 'SB property into production by mid-1990.

The agreement, subject to completion of Westmin's feasibility study, calls for SB reserves to be treated at the Premier mill at a guaranteed minimum rate of 330 tons per day with mill costs estimated at around \$22 per ton.

Westmin can earn a 50% interest in the SB property and will take over as operator.

Highlighting exploration in the Stewart area is the recent gold discovery by Bond International Gold (TSE) on its 100%-owned Red Mountain property, 15 km east of Stewart.

The discovery consists of two steeply dipping gold zones — Marc and Brad — which intersect each other at an angle. Included in recent drill results were 216 ft averaging 0.28 oz (cut) gold and 1.4 oz silver per ton. Elsewhere on the claims, drilling on the Willoughby Gossan zone returned 67 ft grading 0.73 oz

gold and 5.3 oz silver per ton (N.M. Oct 9/1989).

Bond, owned 65% by Lac Minerals (TSE), has staked or optioned nearly 225,000 acres in the Red Mountain area. Exploration will continue next spring.

Others planning drilling next season include Hyder Gold (VSE) which worked on its 800-acre Mineral Hill property. Hyder has a 52.6% interest in a joint venture with Mineral Basin Mining (47.4%). Preliminary ground work in 1989 identified drill targets for a planned \$750,000 drill program.

East of Stewart, Prime's Goodgold Resources (VSE) can earn a 60% interest in Teuton Resources' (VSE) Max-Croesus property by spending \$1 million over four years, making \$200,000 in cash payments and issuing 200,000 shares. Goodgold completed a \$50,000 airborne survey and groundwork in 1989.

Sulphurets Camp

The major player in the nearby Sulphurets gold camp is Newhawk Gold Mines (TSE). The company has a 60% interest in a joint venture with Granduc Mines (TSE) on the

Sulphurets gold-silver property.

A production decision on the 350-ton-per-day operation is expected early next year. A feasibility report written by Cominco Engineering is awaiting final reserve figures, being prepared by Watts, Grillis and McOut.

A 23,000-ft underground drill program was completed this season which confirmed continuity of the West zone at and below the 1200 level. An additional 13,000 ft of drilling is under way, after which reserve calculations for the West, UTC and R-8 zones will be completed. Reserves in the West zone (in all categories) are 854,072 tons grading 0.354 oz gold and 22.94 oz silver.

Adjacent to the Newhawk/Granduc joint venture is the Kerr-Tedray copper-gold porphyry deposit recently bought by mining major, Placer Dome (TSE).

Placer Dome acquired Western Canadian Mining's (VSE) 69% interest in Sulphurets Gold (VSE) and has completed an offer to purchase remaining shares from minority shareholders. Sulphurets Gold owns 100% of the Kerr deposit and has an option from Newhawk and Granduc to earn a 50% interest in the adjoining Tedray property. Placer Dome paid \$7.26 million for its initial purchase of 7.46 million Sulphurets shares at 95¢ per share. Based on 1988 drilling, the property has geological reserves of 66 million tons averaging 0.86% copper, 0.01 oz gold, 0.06 oz silver per ton.

Drilling this season tested the deposit along a strike length of 5,250 ft, with the zone still open along strike and down dip. Width is estimated to be 600-800 ft. Drilling to the north has extended the deposit some 500 ft onto the Tedray property.

Placer's corporate secretary John Eckersley says the company is in the process of analysing data from this season to determine exploration targets for 1990.

Calgary-based Catear Resources (VSE) is operating a 50-ton-per-day mill at its Goldwedge property, less than a mile from the Newhawk/Granduc project.

The company is upgrading its mill to 100 tons per day and reports it has signed a contract with a custom smelter to deliver 3,000 oz of gold over three years.

Drill-indicated and inferred reserves in the Golden Rocket zone are reported as 319,149 tons grading 0.8 oz gold and 1.12 oz silver per ton. Drill-indicated reserves in the Discovery zone are 37,980 tons grading 0.63 oz gold and 1.08 oz silver per ton.

Other exploration in the belt includes work done by Echo Bay Mines (TSE) on the Doc gold property, held under option from Magna Resources (VSE). Echo Bay can earn a 50% interest in the property by spending \$8 million over three years. About \$3.5 million has been spent so far, mostly on underground development and drilling of the Q17 and other zones completed in late 1988.

After disappointing tonnage results, Echo Bay completed a \$200,000 mapping program this season and plans to watch other players in the belt with an eye to examining possible massive sulphide targets on the 18,000-acre property. No further expenditures are required under the option agreement until June, 1990.

Granges Exploration (ISE) has spent about \$1 million of a \$3 million option to earn 50% in a 100,000 acre property owned 75% by Springer Resources (VSE) and 25% by Cove Resources (VSE).

Springer director Murray Pezim reports that Granges has identified a number of drill targets in what is believed to be the same geological strata as the nearby Calpine-Stikine project at Eskay Creek. Granges has winterized the camp and completed four holes in the current drilling program.

SÉMINAIRE D'INFORMATION SUR LES ACTIVITÉS DE LA DIRECTION GÉNÉRALE DE L'EXPLORATION GÉOLOGIQUE ET MINÉRALE DU MINISTÈRE DE L'ÉNERGIE ET DES RESSOURCES

10^e ÉDITION

THÈME: NOUVEAUX HORIZONS POUR L'EXPLORATION

PROGRAMME

Mercredi, 29 novembre 1989

8 h 30 Inscription, Salon Verchères, Château Frontenac
 9 h 10 - 9 h 30 Mot de bienvenue, Salle de bal

Séssion 1 — L'avenir de l'exploration dans les Appalaches
 Présidée par M. Marc Bélanger (MER)

- 9 h 40 - 10 h Nouvelle couverture cartographique de la Gaspésie D. Brisebois, MER
- 10 h - 10 h 20 Programme de cartographie dans l'Estrie — État de la situation J. Brun, MER
- 10 h 20 - 10 h 40 Contexte stratigraphique et structuratif des gîtes métallifères de la région de Sutton M. Colpron, MER
- 10 h 40 - 11 h Relations tectoniques et métallogéniques dans la zone de faille du Grand Pabos M. Malo, INRS

Séssion 2 — L'avenir de l'exploration dans le Grenville
 Présidée par M. Marc Bélanger (MER)

- 13 h 40 - 14 h Inventaire des tourbières du Québec P. Buteau, MER
- 14 h - 14 h 20 Contexte structural de la région de Thurso-Papineauville H. Dupuy, MER, et K. Sharma, MER
- 14 h 20 - 14 h 40 Métallogénie associée aux roches mafiques et ultramafiques au sud de Fermont I. Aphrodit, MER, et L. Kish, MER
- 14 h 40 - 15 h Le potentiel minéral de la Côte-Nord P. Marcoux, MER, T. Clark, MER, Y. Chidiac, MER, et L. Kish, MER
- 15 h - 15 h 20 Apport des différentes fractions granulométriques à la prospection dans la région de la Gatineau — Province du Grenville M. Jebraik, UQAM, et J. Choimière, MER
- 16 h - 16 h 30 Remise du marteau d'or et du prix de promotion
- 16 h 30 Cocktail

Judi, 30 novembre 1989

Séssion 3 — Les éléments du groupe du platine (EGP) dans l'environnement secondaire.
 Présidé par M. Marc Beaumier (MER)

- 9 h 30 - 9 h 50 Identification de cibles d'exploration pour les EGP à partir de leur distribution régionale dans les dépôts quaternaires des Cantons de l'Est Y. Maurice, Commission géologique du Canada
- 9 h 50 - 10 h 10 Dispersion des EGP à partir de la minéralisation ferro-chrome (platinitère) de la région de Coleraine J. Choimière, MER, et M. Beaumier, MER
- 10 h 10 - 10 h 30 Étude préliminaire de la dispersion du platine, du palladium et de l'or dans le milieu de surface, à proximité de deux prospectifs de cuivre, de nickel et de EGP, au Québec S. A. Wood, IREM, et D. Vlassopoulos, IREM

* Conférence donnée en anglais

10 h 30 - 10 h 50 L'utilisation des arbres et des arbustes dans la détermination des emplacements de minéralisations de platine sous les forêts canadiennes C. E. Dunn, Commission géologique du Canada

* Conférence donnée en anglais

10 h 50 - 11 h 10 L'utilisation des sédiments de ruisseaux pour l'exploration géochimique des EGP — Problématique et techniques analytiques M. Bergeron, INRS et M. Beaumier, MER

11 h 10 - 11 h 30 Synthèse géoscientifique de la région de Chapais R. Morin, MER, D. J. Dion, MER, et P. Keating, Commission géologique du Canada

11 h 30 - 13 h 30 Dîner libre

Séssion 4 — Les métaux de base: nouvelles découvertes et nouvelles idées.
 Présidée par M. Francis Chartrand

- 13 h 30 - 13 h 50 Évaluation du potentiel en métaux de base de la région de Rouyn-Noranda (32 D 6): une nouvelle approche F. Chartrand, P. Verpaest, D. Racicot, C. Roy, et A. Simard, du MER
- 13 h 50 - 14 h 10 La nouvelle découverte de Ressources Aur à Val d'Or: un important dépôt de sulfure massif dans un camp minier, sous-estimé pour son potentiel en métaux de base D.S. Bubar, Ressources Aur Inc.
- 14 h 10 - 14 h 30 Le projet Gravel B, M. J. — Gisement de zinc, cuivre et argent J. Girard, Seram Québec Ltée
- 14 h 30 - 14 h 50 Le gisement d'Isle-à-Dieu — Géométrie du dépôt et caractérisation géochimique de la chiméenne d'altération R. Tanguay, UQAC, G. Lavallée, UQAC, et Minéraux Noranda

14 h 50 - 15 h 10 La géologie des amas sulfurés de la mine Moberg, dans la région de Rouyn-Noranda M. F. Caillé et C. Caumartin de Ressources Audrey Inc.

15 h 10 - 15 h 30 La géologie du gisement Ansil, Rouyn-Noranda (Québec) G. Rivier, Minnova Inc.

15 h 30 - 16 h Les relations entre les dépôts de fonds marins et les gisements de sulfures massifs anciens J. Franklin, Geological Survey of Canada

* Conférence donnée en anglais

16 h 30 Fin du séminaire

DATE: 29 et 30 novembre 1989
 LIEU: Hôtel Le Château Frontenac
 1 rue des Carrières
 Québec
 (418) 692-3861



104B GEN

NO. 220(1989)
NOVEMBER 16, 1989

George Cross

Reliable

WESTERN CANADIA

<u>PIONEER METALS CORPORATION (PSM-T,V)</u>				
<u>PRODUCTION</u>	<u>GOLD OZ.</u>	<u>SILVER OZ.</u>	<u>GOLD EQV. OZ.</u>	<u>'PREMIER</u>
			(70:1)	' PRODUCTION
June	608	15,066	823	' INCREASING
July	1,016	25,610	1,382	' Pioneer Metals
August	1,561	20,556	1,855	' Corporation
September	2,934	42,937	3,547	' has reported
October	<u>4,352</u>	<u>50,065</u>	<u>5,067</u>	' production
Total:	10,471	154,234	12,674	' numbers at

the 40% owned				
Premier Gold Project near Stewart, B. C., operated by				
Westmin Mines Limited who has a 50.1% interest. Canacord				
Resources holding a 9.9% interest.				
Positive cash flow has not yet been achieved.				

104B 54

NM. Mar. 6/89

Esso Minerals, Tenajon Res. calculate reserves for SB bet ¹⁰

VANCOUVER — Based on data from 1988 surface and underground drill programs, partners Tenajon Resources (VSE) and Esso Minerals Canada have reported geological reserves for the SB property north of Stewart, B.C.

In its most recent program, operator Tenajon completed a total of 15 surface holes on the Kansas zone, and 36 underground diamond drill holes on the Face Cut/35 zone.

According to Esso Minerals' recent calculations, probable and possible reserves on the Kansas and Face Cut/35 zones total 308,000 tons with an average uncut grade of 0.505 oz gold per ton and 1.07 oz silver. With individual assays cut to one ounce per ton, the gold grade for this reserve is 0.351 oz gold.

The Face Cut/35 zone also contains copper-lead-zinc mineralization, however Tenajon said values for base metals have not yet been calculated. The Kansas zone, located about 500 m from Face Cut/35, contains predominantly gold-silver mineralization.

Donald McLeod, president of Tenajon, said both zones are open along strike and at depth and "hold excellent potential for developing additional reserves as exploration continues."

Tenajon's 1988 surface drill program also identified two new zones of mineralization now called the West Kansas and Anomaly zones. The company said it expects to put particular emphasis on development of the two zones in the 1989 season, as both are predominately gold-silver zones.

The West Kansas zone lies parallel to and west of the Kansas zone. The first hole to intersect the zone last fall returned a 20 ft intercept

grading 2.749 oz gold uncut, and 0.426 oz gold cut to one oz. A second hole drilled on the zone returned 6.5 ft grading 0.440 oz gold.

Tenajon also drilled four surface holes in its 1988 program to test for a possible parallel zone to the east of the Kansas zone. Three of the holes intersected mineralization in the new Anomaly zone. Results include: 13.1 ft of 0.290 oz gold; 7.0 ft of 0.508 oz; and 10.4 ft of 0.270 oz.

The SB property is road-accessed and lies between two gold-silver deposits that together make up the 2,200-ton-per-day Premier Gold project being readied for production by Westmin Resources. The project is a 50/50 joint venture, however Esso Minerals is being sold by its parent company, with Homestake Mining a recent serious bidder.

But according to Bruce McLeod, project manager, Tenajon fully intends to exercise its right of first refusal to buy out the remaining property interest in SB. A major exploration program for the coming year is now being prepared by Tenajon, with work to begin as soon as weather conditions permit.

Tenajon SB gets an OK

It has been agreed by Tenajon Resources Corp and Westmin Mines that the two become equal joint venture partners to explore and bring to production Tenajon's SB property, located on the Granduc Road, four miles west of the Premier Gold Joint Venture mill.

Westmin has committed itself to spending \$2.5 million on developing the property and a cash payment of \$600,000 to Tenajon, of which \$400,000 is considered an interest-free loan.

Westmin has assured the joint venture access to the Premier Mill at a guaranteed rate of 330 tons per day and preferred inclusive milling costs, currently estimated at about \$22 per ton.

104B 150

Northwest
Prospector

Nov. / Dec. 1989

George Cross

Reliable K

NO.30(1990)
FEBRUARY 12, 1990

WESTERN CANADIA

WESTMIN RESOURCES LIMITED (WMI-V,T,M)

PIONEER METALS CORPORATION (PSM-V,TO

CANACORD RESOURCES LTD. (CQD-T)

PARTNERS ARREARS OF \$14,000,000- Westmin Resources has
HAVE RESULT IN PROJECT LIENS reported milling operations resumed at the

Premier Gold project, 20 miles north of Stewart, B.C.
Jan.8,1990 following the holiday shutdown which started
Dec.22,1989. Mining operations were stopped on
Dec.18,1989, as planned due to winter conditions. The
mill is operating on an ore stockpile in excess of
250,000 tonnes, which is expected to last until
June,1990. Mining will resume in April. Westmin's
review of the start-up problems is on schedule and a
report on past performance and future prospects will be
presented to the board of directors in March.

Start up problems are compounded by both partners;
Pioneer Metals 40.0% and Canacord 9.9% are in arrears on
cash calls under the joint venture agreement and
currently owe Westmin, the operator with 50.1% interest,
in excess of \$11,000,000 and \$3,000,000 respectively.
Among the rights available to it, Westmin is exercising
liens on the joint venture production for both Pioneer
and Canacord and will continue to do so until these
arrears are eliminated.

104B 54

Tundra writeoff cuts Hemlo earnings

A \$10.8-million writeoff of exploration expenditures from the huge Tundra gold project in the Northwest Territories was reflected in the 1989 annual earnings of Hemlo Gold Mines (TSE).

The company recently reported 1989 net earnings of \$32.8 million or 37¢ per share, compared with \$44 million or 50¢ per share a year ago.

For the fourth quarter ended Dec. 31 earnings were \$3.1 million or 3¢ per share, compared with 13¢ per share for the same period in 1988.

The writeoff from the Tundra gold project, found to be uneconomic

last year, reduced earnings in the fourth quarter by 8¢ per share. Hemlo Gold has a one-quarter interest in the project where \$35 million was spent on exploration and underground work.

At the company's Golden Giant mine near Marathon, Ont., annual gold output reached a record 378,400 oz., an increase of 12% from the 336,700 oz. produced in 1988. Meanwhile, costs per oz. for the year averaged US\$128, up from US\$115 the previous year due to lower-than-expected production in the first and fourth quarters.

According to Hemlo Gold, production delays resulted from the use

of temporary ore-handling arrangements while new underground crushing and tramming installations were being put into place at the mine. The company said stope sequencing also delayed production from a high-grade area of the mine, but production resumed in January from that area.

Gold recovery from the Golden Giant mill for the year was 95.1%, according to the company.

On the exploration front, Hemlo Gold funded 50 precious metal exploration projects throughout North America for a total expenditure of \$8.4 million in the fourth quarter, while \$28.8 million was spent for all of 1989 on a total of 122 projects. Joint venture partners contributed \$4.9 million in the fourth quarter and \$13.4 million for the year. Hemlo Gold has budgeted \$15 million for grassroots exploration this year, half of which has already been allocated.

Effective Jan. 1, the company entered into a joint venture agreement with its parent Noranda (TSE) which will see the latter company expand its exposure to gold exploration by sharing equally and contributing equally to all new gold properties acquired in Canada and the U.S. after Jan. 1. Under a previous agreement, the area of mutual interest for the two affiliated companies was restricted to Western Canada.

As a result of the new agreement, Noranda will now own a direct interest in the joint venture's future gold projects, as well as the indirect interest it already holds by way of its 50% interest in Hemlo Gold.

Last year, grassroots exploration work in Western Canada was conducted on 32 properties. Nine were drill tested in Ontario, Manitoba, British Columbia and the Yukon Territory. A large land package was also consolidated in the Birch Lake area, east of Red Lake, Ont.

Hemlo Gold Mines (TSE)			
Year ended Dec. 31	1989	1988	
Revenue (000s)	\$192,651	\$194,241	
Net earnings (000s)	\$32,780	\$43,972	
Net earnings (per share)	0.37	0.50	

Placer Dome faces cave-in charges

TIMMINS, Ont. — The Ontario Ministry of Labour has charged Placer Dome (TSE) with two counts under the Occupational Health and Safety Act in connection with a cave-in Feb. 20, 1989,

Westmin Res. slaps lien on Premier Gold partners

VANCOUVER — The new Premier Gold mine near Stewart, B.C., is producing more problems than gold for operator Westmin Resources (TSE) and joint venture partners, Pioneer Metals (TSE) and Canacord Resources (TSE).

As operator and 50.1% owner, Westmin is finding its startup problems at the gold-silver mine compounded by the failure of its partners to meet their required cash contributions under the joint venture agreement.

Pioneer, which is struggling with financial difficulties brought about by its unprofitable and now closed Puffy Lake gold mine in Manitoba, is reported to owe Westmin in excess of \$11 million based on its 40% stake in the project. Canacord holds 9.9% and is reported to owe Westmin \$3 million.

Westmin said it has already exercised liens on the joint venture production for both Pioneer and Canacord, "and will continue to do so until these arrears are eliminated."

Sized at 2,200 tons per day, the mill at Premier Gold is processing stockpiled ore in excess of 26,000 tons, which is expected to last until June. Open pit mining will resume in April. The mill is running at about 87% of designed capacity.

Westmin is reviewing its startup difficulties at the open pit mine, and a report is expected to be presented to the board in March. Marilyn Knoch, Westmin's manager of corporate relations, said the review will include a recalculation of reserves and grade for the project.

"This will be based on the fact that operating costs have been higher than anticipated while grades and precious metal prices are lower than expected," she said, adding that capital costs of \$92 million were also higher than originally estimated.

Westmin's review is expected to include plans to supplement open pit ore with feed from higher-grade

underground reserves that it has been outlining on the Premier Gold property.

Late last year, Westmin and Tenajon Resources (TSE) announced a tentative agreement wherein the Premier Gold mill would process feed from Tenajon's nearby SB high-grade deposit. A formal joint venture agreement has not yet been worked out, although the two companies are reported to be still talking.

Westmin's operating problems are not confined to its latest mining venture. The company is also experiencing some operating problems at its H-W base metal mine-mill complex on Vancouver Island where mill capacity was recently expanded to 4,400 tons per day.

"We are probably going to reduce that tonnage per day and try to enhance the milling recoveries," said Knoch, adding that a report on this operation is being reviewed by the company's board of directors.

Westmin is carrying considerable long-term debt on its books as a result of the H-W mine-mill complex and the Premier Gold mine. The company's weak financial position and operating problems have revived long-standing speculation that it may eventually be amalgamated with Noranda (TSE), particularly now that Westmin has divested itself of its oil and gas assets. Westmin and Noranda are related in that both are corporately controlled by the Brascan-Brascan group of companies.

While Knoch told *The Northern Miner* there have been some general discussions in this regard, she stressed that "nothing is concrete."

Golden Titan Resources and 182 Dynamic Endeavour Inc. have amalgamated to form Titan Pacific Resources Ltd. (TPZ:VSE). Golden Titan shareholders receive one new share for 0.2 old shares held; 182 Dynamic shareholders receive one new share for 0.2495742 old shares. Transfer agent is Central Guaranty Trust Co.

MOTHERLODE

2 producing mines with respective production of 100,000 and 40,000 ounces per year are within a 20-mile radius of our claim blocks.

4000 ACRES CLAIM



MAIN STREET MINING LTD.

Underground Mining Contractors
200 - 100 MAIN STREET
WHITEHORSE, YUKON Y1A 2A8

Specializing in Track and Trackless
Underground Development
Alimak Raises

Phone: (403) 668-5700
Fax: (403) 668-6524
Warehouse: (403) 668-7542



Service Canada Wide

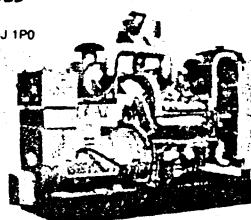
Bonded Company

We Mine Business!

World Wide engines

NORWICH, ONTARIO, CANADA N0J 1P0

- USED
- REBUILT
- NEW
- BUY
- SELL
- TRADE

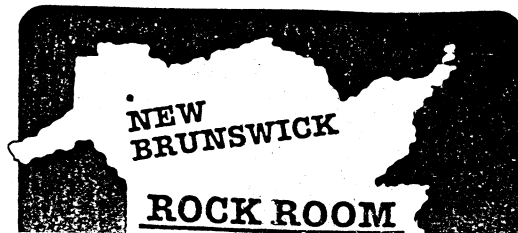


GENERATOR SETS AND DIESEL ENGINES

LIQUID AND AIR COOLED FOR STANDBY AND CONTINUOUS USE

Phone (519) 468-6496, Fax: (519) 468-2029

NEW BRUNSWICK PROSPECTORS AND DEVELOPERS ASSOCIATION



Westmin moving to secure Tenajon deal

VANCOUVER — The Premier Gold mine project near Stewart, B.C., may soon be treating higher-grade reserves from the SB gold project owned by Tenajon Resources (TSE).

Don McLeod, president of Tenajon, said his company was advised that Westmin is seeking a decision from its Premier Gold partners to complete the acquisition of a 50% interest in the SB property.

Should Pioneer Metals (TSE) and Canacord Resources (TSE) choose not to participate, McLeod said Westmin intends to use its best efforts to complete the acquisition "for its own account."

The SB property is 7.5 miles from the mill at the Premier Gold mine. Westmin, 50.1% owner and operator of the Premier Gold mine project, has been experiencing startup difficulties largely relating to a lower grade of reserves than originally anticipated.

Ontario prospectors to get \$30 million in exploration incentives

Ontario has allocated \$30 million in incentives for mineral exploration in the province over the next three years.

Provincial Treasurer Robert Nixon included the allocations in his 1990-91 budget unveiled recently in Toronto. Of the \$30 million, \$25 million will go to the Ontario Prospectors' Assistance Program (OPAP) and \$5 million will go toward "special incentives" aimed at selected communities in northern Ontario.

"Some communities are experiencing serious difficulty as a result of mine closures or cutbacks," said Nixon in announcing his budget.

Mines Minister Hugh O'Neil said he expects to announce in the next few weeks which communities will be targeted for the special incentives and how the \$5 million will be administered.

OPAP was established in Nixon's 1989-90 budget as part of a package of incentives with a 1-year allocation of \$5 million.

O'Neil said the allocations were recognition of the important role mining plays in Ontario's economy.

Corona takes control of hot Eskay Creek play

VANCOUVER — By entering into an agreement in principle for the merger of Prime Resources Group (VSE) and Stikine Resources (TSE) into a new company, Corona (TSE) has secured control of the rich Eskay Creek gold project north of Stewart, B.C.

The move puts to rest a blizzard of rumors on the fate of both junior players at Eskay Creek. Stikine has had its 50% stake in Eskay Creek on the block for some time, while senior management of Prime face a British Columbia Securities Commission hearing this summer for a number of alleged securities violations.

Corona and associated company Prime have historically used share swaps or "paper transactions" when acquiring companies or completing mergers, and this deal is no exception.

Under the arrangement, each Stikine shareholder will receive 1.5 common shares of the new company, 5.33 Class A subordinate voting shares of Corona, and a gold certificate entitling the holder to receive the greater of \$15.00 or 0.9273 oz. of gold at any time after Dec. 31, 1994.

Stephen Semeniuk, vice-president of research at L.O.M. Western Securities, estimates that the deal is worth about \$65 to Stikine shareholders. He uses the current market price for Corona shares, the value of the gold represented by the certificate, and assumes the new shares trade at about the same level as the current price of Prime (\$6.50). Semeniuk sees the deal as being fair but said he regrets to see control of the property move to Eastern Canada.

Prime shareholders will receive one common share of the new company for each Prime share held — plus shares in a separate company that will hold Prime's existing portfolio of managed companies.

No dissenters evident following Prime, Stikine, Corona marriage

VANCOUVER — In an unusual display of sweetness and light for a mining industry takeover, all key players are professing to be winners in the recently announced plan to merge Prime Resources Group (VSE) and Stikine Resources

Murray Pezim, chairman of Prime, sees the arrangement as being "a good deal for all involved." He notes that the property is worth more consolidated into one company, and he said Corona's commitment adds to its credibility. Pezim also predicted that analysts will look very favorably on the new company.

Corona will receive 21.5 million common shares of the new company in exchange for the 16.6 million shares of Corona to be issued to Stikine holders. This — coupled with the company's holding in Prime — will result in Corona holding about 29.6 million common shares of the 66.37 millions shares outstanding in the new company, or about 44.6%.

Corona has increased its stake in the Eskay Creek property from about 10% (through its 20% holding in Prime) to 44.6% through the new company.

In effect, it has purchased about 34.6% of the property with the issuance of 16.6 million shares worth, at current market prices, about \$130 million.

Stikine holders will see their interest in the Eskay Creek property drop from 50% to about 7.9%, while Prime shareholders' interest in the property drops from 50% to about 47.5%.

Many see the deal as a way for Stikine holders to cash out by selling their Corona shares into the market, the equivalent of a rather elaborate secondary share issue by Corona.

The proposed arrangement, approved in principle by the boards of both Stikine and Prime, is subject to approval by Corona's board, regulatory approval, and approval by shareholders of Prime and Stikine. The companies anticipate that the plan of arrangement will be submitted to shareholders by the end of July.

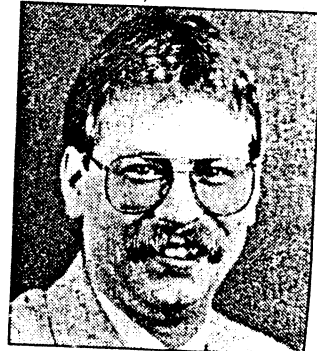
existing directors of Prime including well known promoter and mine financier, Murray Pezim.

A separate company holding Prime's existing portfolio of managed companies — dubbed "Son of Prime" by Pezim — will also be

GRAND



Jocelyn Gagnon



Allen Walsh

No place on earth is too rugged

No destination too remote for a Weatherhaven Shelter

- Complete shelter solutions for remote areas
- Durable and well suited to all harsh environments, from the Arctic to the Antarctic
- Unmatched for portability and ease of use
- A wide variety of styles and models, including sleeping, cooking, shop shelters, etc.

Pictured here, perched high on a cliff in the mountains of British Columbia, is one of our camp installations. All the comforts of home heating, plumbing, cooking, sleeping, even hot shower were designed by Weatherhaven

Weatherhaven Resources

metre wide mineralized ledge ran the entire length of seven claims" for an estimated strike length of 300 metres. Tunnelling was performed on the claims and values for Ag, Cu, Au and Pb were reported.

The Canyon Creek prospect (Minfile #098) occurs adjacent to the extreme southwestern corner of the property. It consists of two showings known as the Black Bear and Daily Boy. The showings consist of mineralized quartz veins, occurring either along the selvage of a diorite porphyry dyke, or within silicified and hornfelsed sediments which are disseminated with pyrite and on weathering are covered by a crust of dark brown limonite.

The assessment records indicate that Granduc Mines Ltd. conducted an airborne electromagnetic and magnetic survey over McQuillan Ridge in 1968. This survey covered the Cook property east of the Unuk River.

1989 Exploration Program

The 1989 property exploration program consisted of helicopter-supported reconnaissance prospecting, geological mapping and geochemistry (lithochemical, stream silt and heavy mineral sampling). Areas of known mineralization and gossanous staining were investigated and sampled. The primary objective of the 1989 program was to investigate the three showings reported on the property.

1048 Extensive investigation of the area in the vicinity of the Fewright (6-Mile) Cu-Ag-Au-Pb Showing (Minfile #097) during the 1989 exploration program did not locate any old workings or mineralization. This showing location is believed to be misplotted although it is shown as occurring near the northwestern corner of the Cook 4 claim. The Black Bear and Daily Boy showings (Minfile #098) are plotted as occurring adjacent to the southwestern corner of the Cook 3 mineral claim. Investigation of the southwestern corner of the property located a number of quartz veins. Grab samples collected here failed to yield any anomalous geochemical results.

A number of iron-stained areas were noted in the westernmost portion of the Cook 3 and 4 claims. One of these areas, located on the Cook 4 claim, was investigated and weak Pb and Zn mineralization was found occurring in cherty silty sandstone. Coincident limonitic staining associates

George Cross News Letter

"Reliable Reporting"

NO.79(1989)
APRIL 25, 1989

NO.79(1989)
APRIL 25, 1989

WESTERN CANADIAN INVESTMENTS

GEDDES RESOURCES LIMITED (GDD-T)

DRILL INDICATED RESERVES, EXPECTED TO DOUBLE
77,000,000 TONS AVERAGING 2.4% COPPER
0.082 OZ. SILVER/T, 0.007 OZ. GOLD/T, 0.08% COBALT

The Windy Craggy property, one of the largest massive sulphide deposits in Canada, owned by Geddes Resources is located at 4,500 feet elevation in northwest corner of B.C., north of the Alaskan panhandle, 40 miles west of the Haines highway, about 120 miles southwest of Whitehorse, Yukon. The property is 100% owned subject to no royalty or other interests. Falconbridge holds a 22.5% interest in net proceeds from production after capital payout. The company has scheduled completion of a production feasibility study by Dec. 31, 1989 at a projected exploration expense during 1989 of \$11,200,000 of which 50% has been funded. The study will consider a 15,000 to 20,000 ton per day operation at a capital cost in the range of \$350,000,000 - \$400,000,000.

The outstanding feature of the Windy Craggy massive sulphide body in addition to the established size is the geological mineralized potential in the 200,000,000 ton plus range potential.

THE THREE OUTSTANDING FEATURES FROM A RECENT VISIT TO THE DEPOSIT ARE:

- 430 FEET OF 2.34% COPPER IN MASSIVE SULPHIDES OF CHALCOPYRITE, PYRRHOTITE AND PYRITE ALONG THE 9877 NORTH CROSSCUT
- THE ECONOMIC IMPORTANCE OF THE HIGHER COPPER GRADE SECTIONS WITHIN THE DEPOSIT
- THE PLANNED ROAD ACCESS ROUTE, 65 MILES, TRAVERSE TYPICAL MOUNTAINOUS TERRAIN WITH WIDE OPEN VALLEYS AND ONLY 4 MILES OF GLACIER

The access road will have nothing unusual in its construction through the valleys in the mountains. The proposed route ranges from 1,200 to 4,600 ft. elevation, with much of the route following a 2,500 foot contour. This contour leads to just below the toe of the glacier, 4 miles from the portal. This glacier covers a portion of the deposit. The present camp is at 2200 feet elevation, 11 km from the mine portal. There is only one relatively major river crossing requiring a 700 foot bridge span. There are a number of profitably operating mines with much more difficult and expensive access. One of the special considerations for the mine will be the upgrading of the existing 4 miles of glacier road. The engineers suggest that by laying a fairly wide layer of base rock several feet thick, to insulate the glacier from thawing, that an all weather main haulage road can be achieved with only slightly more than normal mountain road maintenance. The development plan calls for building the concentrator and permanent camp at or near the portal at 4,500 feet elevation with service over the glacier for camp, mine and mill. The road access would be supplemented by the present 3,000 foot airstrip now capable of handling, 3 ton payload DC-3 aircraft. It is intended to extend the air strip to 4,500 feet to accommodate 22 ton payload Hercules aircraft.

-CONTINUED ON PAGE TWO-

+ NO.79 (APRIL 25, 1989) + OWNED, PUBLISHED AND

IMPERIAL METALS CORPORATION (IPM-V.T.M)

IMPERIAL REALIZES CASH GAINS - Harry P. Sutherland, vice president, finance reports that Imperial Metals Corporation has sold 701,000 shares of its affiliate Anglesey Mining plc. (AYM-LONDON). This cash transaction will result in a net gain of \$1,100,000 to Imperial in its first fiscal quarter. Imperial intends to maintain its 34.4% interest in Anglesey, which is valued at \$17,400,000 or \$1.02 per Imperial share based on recent London Stock Exchange trading prices. Anglesey is sinking a shaft at its Parys Mountain property in North Wales. The Parys Mountain deposit contains mining reserves of 5,284,000 tons grading 6.04% zinc, 1.49% copper, 3.03% lead, 2.02 oz. silver/t and 0.013 oz. gold/t.

PIONEER METALS CORPORATION (PSM-V.T)

EXPLORATION RESULTS - Robert D. Willis, president of & RESERVES REPORTED Pioneer Metals Corporation reports that the Premier gold project is currently in the start up phase with initial production planned for May 1, 1989. The 40% owned Premier Gold project is located 9 miles north of Stewart, B.C. Westmin Resource owns 51% and is operator. Canacord Resources Inc. (CQO-T) owns a 9% interest. Pioneer expects the project to reach commercial production levels by September 1989. At 2,200 tons per day, average production for the first four years of full production should be 77,000 ounces gold and 900,000 ounces silver.

In the initial 1989 drilling program a total of 6,017 feet were drilled in 16 holes and covers a section between the 609 and 46 zones where underground reserves are being developed. Results of this drilling indicate a zone of alteration hosting the gold and silver mineralization often well defined by a zinc and lead halo. The most significant intersection is DDH 526, which cut 27.9 feet of 0.24 oz. gold/ton and 1.05 oz. silver/t. Other interesting intersections are:

HOLE	INTERVAL, FT.	LENGTH	OZ. GOLD/T	OZ. SILVER/T
523	129.3-142.4	13.1ft.	0.226	0.15
524	211.9-215.8	3.9	.261	1.34
	233.6-244.1	10.5	.153	.23
526	330.2-367.1	27.9	.237	1.05
527	183.1-188.0	4.9	.133	.67
528	167.0-175.8	8.8	.105	.29
529	227.0-279.2	52.2	.055	.14
incl.	234.9-240.1	5.2	.270	.39
532	126.6-132.8	6.2	.022	3.87
535	396.0-470.8	74.8	Scattered Values	
incl.	396.0-422.2	26.2	.087	.37
536	471.1-494.1	23.0	.069	.25

ORE RESERVES TO DATE AT THE PREMIER GOLD PROJECT

GEOLOGICAL RESERVES	IONS	OZ. GOLD/T	OZ. SILVER/T
Premier-Glory Hole Zone	7,025,905	0.067	2.54
Hope	5,510	.099	3.00*
Power	110,200	.078	3.98
46 (u/g)	199,516	.318	1.39
Northern Light (u/g)	66,722	.061	1.96*
602 Zone	458,778	.188	.83
609 Zone	354,092	.170	.53
Big Missouri	3,967,300	.076	.74*

MINEABLE RESERVES	IONS	OZ. GOLD/T	OZ. SILVER/T
Premier Open Pit	4,500,000	0.063	2.34
Big Missouri	1,857,000	.091	.67

* Also moderate base metal values.
COPYRIGHTED BY GEORGE CROSS NEWS LETTER LTD. +

PROPERTY VISITS

GRANDUC ROAD LOG

On Aug. 14th Bob Lane and I examined exposures along the Granduc Road between Stewart and the Tide Lake airstrip. The 1988 SEG guide was used. On Aug. 17th Bob Lane participated in a field trip along the same route led by Bob Anderson (GSC), as part of the Stewart mini-conference.

SUMMIT LAKE AREA

On AUG. 15th Bob Lane and I examined excellent exposures between the Granduc Road and the drained (dumped) Summit Lake.

BIG MISSOURI-PREMIER [MI 104B046 and 054]

On Aug. 16th, Bob Lane and I participated in tours led by Shawn Dykes and Alf Randall. We traversed from east to west across (up section) the complete section on Big Missouri. We examined the recently mined out S-1 pit and the 'disastrous' Dago pit (problems with carbon associated with graphitic argillite). Westmin has since received tentative approval to mine the Province East zone which will involve approx. 120,000 tons. Unlike the S-1 and Dago ore zones, which had 'enough' carbonate to act as a neutralizer, the Province zones have a higher potential for ARD/AMD (sulphide content). At Province East the company plans to essentially mine the top of the ridge about 6m in depth, thereby removing part of the potential problem.

Westmin has traced the Groundhog Marker (Dillworth Rhyolite) for > 16km in a N-S direction from the Martha Ellen zone (northern Big Missouri) southwards through Premier. They hope that this Dillworth rhyolite in the footwall at Big Missouri is equivalent to the rhyolite at Premier (i.e. an Eskay Creek type massive sulphide zone might lie up section to the west).

Operating costs are currently US \$370/oz Au equivalent. Unfortunately the silver recovery is only 40%. Hopefully, this operation will continue on a positive trend now. The addition of the Silver Butte property later this fall will enable Westmin to mix higher grade ore, and should have a very positive influence.

PORTER IDAHO [MI 103P089]

On Aug. 17th, Dave Lefebvre and I traversed the ridge to the NW of the old workings and examined drill core (Teck - circa 1985), and dumps. The base-metal bearing quartz veins in pyroclastic volcanics have very narrow alteration halos (quartz-sericite). They are Tertiary in age (cf. lower-mid Jurassic deposits, eg. Premier). There is an obvious mining heritage potential (buildings); MEMPR and Tourism should be working together on such 'heritage' projects throughout the Province. The most recent exploration program (Teck) could have cleaned up better.

RED MTN. - WILLOUGHBY [MI 103P253 and 103P006]

On Aug. 23rd I visited Bond Gold's Red Mtn. and Willoughby properties. Bond/Lac have been deliberately and unreasonably secretive about this project ever since issuing an exciting press release on both projects late last August. Officially, they are paranoid over the claim tenure system in its present state (eg. disputes at Eskay Creek). After considerable attempts/negotiations, I was allowed on the property for a single day, the only other 'outsider' other than one of the individuals from whom some of the claims were optioned.

I am sworn to secrecy for about another month, at which time some 'basic' info may be released. A confidential report will be prepared in the meantime. This area already has produced significant results and the potential is great.

George Cross News Letter

NO.56(1989)
MARCH 21, 1989

PIONEER METALS CORPORATION (PSM-V,T)

104B 054

PUFFY LAKE MINING & MILLING - Shareholders rights which SUSPENDED FOR 2/ 3 MONTHS expired Feb.14,1989 raised net proceeds of \$8,630,275 for Pioneer Metals. These funds provide the capital, operating and exploration cost requirements for: the 40% owned Premier gold mine at Stewart, B.C.; the 50% owned Stibnite gold mine in Idaho; and the 1989 exploration for the Bonito gold/silver project in New Mexico. (SEE GCNL No.40, p.1 27Feb89 for rights offering details).

Pioneer president Robert D. Willis said the Puffy Lake gold mine in north central Manitoba continues to run at an operating loss. Lack of sufficient underground development ahead of active stopes has resulted in 500 tons per day of stope ore and 300 tons per day of development ore being co-mingled to provide sufficient mill feed. The plant has a designed capacity of 1,000 tons per day. This has contributed to lower than expected mill feed grade. Operating costs per ton milled have been as predicted. But, without sufficient stope ore, the mine has continued to operate at a loss.

The company plans to eliminate the loss at Puffy Lake gold mine by shutting down the mine and milling for 3 to 4 months to develop an optimum operating plan.

The company's 40% owned Premier gold mine is on schedule to start operations in late April 1989 and reach commercial production levels by September. Average total production for the first 4 years of full production should be 77,000 oz. gold and 900,000 oz. silver. Capital costs on completion are expected to about \$88,000,000. As part of the exploration program on the lower levels of the Premier ore body, new development work is planned in 1989 to access higher grade areas below the pit.

GP ;

Here are 104B updates that I've collected over the years. Does George need some of this info? How about the other areas your babysitting?

82M

REA GOLD CORPORATION (REO-V,T;REOGF-Nasdaq)

SAMATOSUM EXPLORATION BUDGET - Minnova Inc. 70% has & CONSTRUCTION PROGRESS REPORTED notified Rea Gold 30 and a 5% NSR, that

exploration budget for the Samatosum property, 28 mi northeast of Kamloops, B.C. will be \$1,000,000. Of total, \$800,000 is required for about 50,000 feet of diamond drilling, and \$200,000 for geological mapping and geophysical and geochemical surveys. The drill will test a possible 2 km strike length of the Samatosum horizon, targets within the barite and SMS zones and zinc anomaly. Further work will be done to extend 1988 drilling program along strike to the northwest the Rea Horizon. A small program of one or relatively deep holes, ranging from 800 to 1,000 meters will test the entire mineralized package from the footwall to the Rea hanging wall rocks. The geological, geophysical and geochemical surveys will be conducted over the eastern portion of claim HN-1, to extend coverage to the limestone contact. The first phase with a budget of \$200,000, started on March 12, 1989. It consists of 10,000 feet of diamond drilling in holes and will include two deep holes designed to increase geological understanding of the deposit. Four holes to test targets within the previously drilled barite zone.

Good progress is being maintained with continuing development and construction of the 500 ton per day mill and ancillary facilities. Completion of construction and initial mill tune-up is scheduled for the latter part of June. Work on the open-pit started in the first week of March and stripping will start in April. To date, the project is on schedule and below the budget estimate of \$32,200,000.

BETHLEHEM RESOURCES CORPORATION

(BTH-V,T;BTHMF Nasdaq)

POSITIVE FEASIBILITY - Henry G.Ewanchuk, president states
STUDY EXPECTED SOON in the Bethlehem Resources

Corporation report for the quarter ended Jan.31,1989, that the up-dated feasibility study now being prepared on the AM Breccia copper-gold deposit, 30 miles east of Hope, B.C. is expected to show the deposit is economic at current metal prices. The report is being prepared by Wright Engineers Limited as an update of a positive report prepared in 1966 and will include revision of the process flow sheet to include modern technology and a review of the underground mining methods as well as updating capital and operating costs. The report is scheduled to be completed in early May 1989. The most significant result obtained from the 1988 drilling program on the AM breccia zone was 1.65 oz. silver/t, 1.56% copper, 0.064 oz.gold/t over 109 feet in drill hole GCS88-04. Exploration for the 1989 program of \$400,000 will include surface geological mapping, detailed geochemistry, and surface rotary drilling.

Drilling will follow up in 1989 on two holes, C-88-RH-2 which cut 100 feet assaying 0.082 oz.gold/t and C-88-RH-9 which cut 30 feet assaying 0.136 oz.gold/t on the Bannack property near Butte, Montana. Cyprus Metals Co. is the operator of this project and holds an option to earn a 60% interest leaving Bethlehem with 20%. (SEE GCNL NO.61, 30Mar89 for recent results on this property.)

In January, the company took an option to earn a 55% interest in the 3,850 acre Horn Silver property in southwestern Utah. The first phase program of data compilation, surface and underground mapping, sampling and geophysical surveying is underway.

During the six months ended Jan.31,1989, Bethlehem had revenues of \$565,016, expenses of \$549,825 for a net income of \$15,191 and ended the period with working capital of \$6,382,533 when there were 14,264,071 shares issued. The company is continuing to seek exploration and acquisition opportunities.

TENAJON RESOURCES CORP. (TJS-V)

ESSO TO SELL 50% - Esso Minerals Canada has advised OF SB PROPERTY Tenajon Resources Corp. that it has sold its 50% interest in the SB property to Homestake Minerals, subject to Tenajon's right of first refusal to purchase the interest on similar terms. Tenajon is presently evaluating the terms and has 60 days from the date following the notice in which to advise Esso of its intentions regarding the first refusal. The SB property is located 19 miles north of Stewart, B.C. (SEE GCNL NO.37,P.1,22FEB89 FOR DETAIL).

10413/150

Daly - Alaska
104B01

Silver Spur Resources Inc SS
Shares issued: 1,750,001 Jan 19 close: \$0.46
News Release . . . \$150,000 to be spent on Stitt property in 1989.

Mr Milan Mezihorak reports:

The company has awarded a contract for the 1989 geological exploration of the Stitt property to Searchlight Consultants Inc.

The 31 claim property is located 9 miles west of Kirkland Lake, Ontario. Shaft sinking and drifting carried out on the property between 1915 and 1932 revealed the existence of quartz veining hosting gold mineralization. Assay values up to 4.84 oz/ton gold were reported across 5-12 inch veins.

Work performed by Silver Spur and its joint venture partner, Whiskey Creek Resources, in 1988 included IP resistivity surveys and diamond drilling. The geophysical surveys outlined 7 anomalies. One of the weakest geophysical anomalies corresponds with a vein structure north of the shafts. Exploration of this north vein gave surface samples of 0.356 oz/ton gold. Assays of 0.567 oz/ton gold across 2.5 to 3 feet were obtained from shallow drill holes. The strongest geophysical anomaly, defined near the eastern end of the baseline, has yet to be tested. This target offers excellent exploration potential.

A total of \$150,000 will be spent on the property in 1989. This program will focus on exposing and tracing the north vein, both east and west of the shafts, together with defining the strongest of the geophysical anomalies outlined in 1988. This program will consist of IP resistivity surveys, trenching and diamond drilling, and is expected to be completed by the end of February 1989.

Skukum Gold Inc SKV
Shares issued: 2,980,442 Jan 23 close: \$3.20
Acquisition

The VSE has accepted for filing documentation with respect to the acquisition of a private company whose assets consist of 1,853 mineral claims located in the Yukon Territory, 1,000,000 shares of Omni Resources and 500,000 shares of Berglynn Resources. Consideration paid was 1,500,000 common shares of the company. The transaction was non-arms length.

The VSE has also accepted for filing documentation with respect to an acquisition of a property in the Whitehorse mining division. Consideration consists of payments totalling \$40,000 and the property is subject to a 2% net smelter return.

Sooner Energy Corporation SGY
Shares issued: 4,143,480 Nov 1/88 close: \$0.04
Filing Statement

The VSE has accepted for filing the company's filing statement dated January 16 1989 which discloses the following:

On November 10 1988 Sooner's wholly owned subsidiary, Anadarko Energy Corporation filed a petition in bankruptcy pursuant to the chapter 7 of the US bankruptcy code in the US district court for the western district of Oklahoma. The petition was filed because Anadarko was unable

to reach a settlement with Continental Illinois National Bank and Trust Company of Chicago, as administrator for the Federal Deposit Insurance Corporation, with respect to a loan to Oklahoma Warrior Drilling Corporation, an affiliate, in which Anadarko owned 18.3% interest. This loan, which had a balance of \$7,045,870 was guaranteed by Anadarko and certain other parties. On April 23 1988 a judgment was rendered against Anadarko and the other guarantors in the amount of \$7,056,870 which judgment was appealed on July 7 1988. Anadarko has abandoned this appeal as a result of the bankruptcy petition.

As a result of Anadarko's chapter 7 petition the company will write off its net investment in Anadarko which will result in a loss of approximately \$155,000 including approximately \$88,000 in advances that are considered uncollectible.

As a result of Mr Carl Kenrick's personal involvement with the bankruptcy proceedings due to his personal guarantee of the Anadarko loan, Mr Kendrick has resigned as president and a director of the company and has been superseded in this capacity by Mr Joe Rogers, the former assistant secretary of the company.

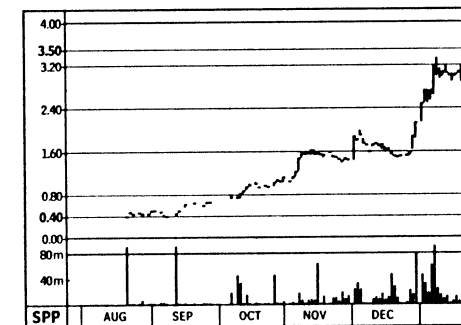
Resume Trading

Effective at the opening January 24 1989, trading in the shares of the company will resume.

Spectra Ventures Ltd SAV
Shares issued: 3,208,611 Jan 23 close: \$0.44
Shares for Debt

The VSE has accepted for filing documentation with respect to the issuance of 134,681 shares to three creditors to settle \$33,670.13 outstanding debt.

St. Philips Resources Inc SPP
Shares issued: 3,210,465 Jan 23 close: \$3.50



News Release . . . Two private placements proposed

Mr Charles Raymond reports:

The company is proceeding with two brokered private placements through Canarim Investment Corporation Ltd.

The first private placement is for 250,000 units at \$1.52 per unit, each unit comprising one share and one six-month warrant exercisable at \$1.75 per share. The commission is 5%.

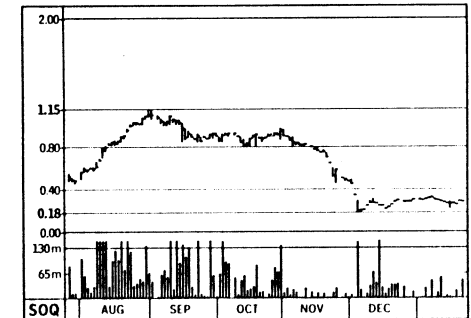
The second private placement is for 300,000 units at \$2.65 per unit, each unit comprising one

share and one six-month warrant exercisable at \$3.00 per share. The commission is 12%, payable in shares.

The proceeds of the second private placement will be used to acquire a private placement in Athabaska Gold Resources Ltd consisting of 700,000 units at \$1.10 per unit. Each unit will be comprised of one share and one six-month warrant exercisable at \$1.15 per share.

The remaining proceeds of the private placements will be used for working capital.

Star One Resources Inc SOQ
Shares issued: 4,537,867 Jan 23 close: \$0.28



News Release . . . Long description of disappointing results

Mr Bruce Cosgrove reports:

Further to the company's news release in the Stockwatch dated January 18 1989, the assay data from the 1988 exploration program on the Mineral Hill property has been received.

DALY ALASKA ZONES

The Daly Alaska area extends approximately 5200 ft into BC, encompassing zones 1 through 5 inclusive. Gold bearing geochemical anomalies have been traced from the Premier gold project in Stewart, BC over the border to the Mineral Hill property in Hyder, Alaska in these zones.

Zone 1 is a geochemical gold bearing anomaly 200 ft wide and 1300 ft long. Soil samples assayed as high as 0.029 oz/ton Au with trench samples being assayed at 0.18 oz/ton Au and 33.0 oz/ton Ag.

Drilling of this zone consisted of five holes. Difficulties were encountered in determining the dip in both the surface mineralization and the local rock formations. Consequently the results were inconclusive since the mineralization was not intersected. However, significant sulphides in cherty tuffs were intersected in these holes and a dioritic dike contact was recognized as has been typical with the Premier gold project.

The best results of these holes were encountered in hole 88-D4 at hole depth 80.8 to 81.5 ft, which assayed at 0.14 oz/ton Au, 1.2 oz/ton Ag and 1.74% Zn. A previously driven 250 ft adit was located directly under this area and remains to be sampled.

Zone 2 is north of and parallel to the geochemical anomaly drilled on the Daly Alaska grid and is a second gold/silver geochemical anomaly varying 250 ft to 400 ft wide and at least 3200 ft long. Gold assays from the soil samples were as

high as 0.041 oz/ton with several others above 0.016 oz/ton. This zone is targeted for the next drilling program.

In addition to the above mentioned anomaly, at least three more anomalous zones (zones 3, 4 and 5) lie to the north and east extending to the Premier gold project. A 300 ft adit has been discovered driven directly under one of the anomalies. Several diamond drill targets have been planned for the 1989 exploration program.

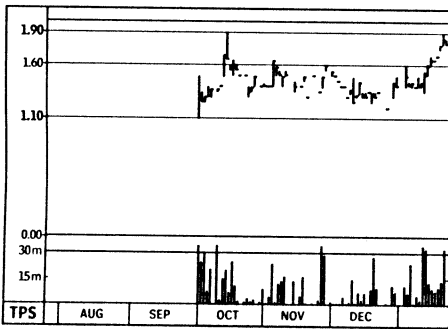
The diamond drill cores, which are currently under snow, will be completely re-assayed when conditions permit. Only the sulphide zones were assayed in 1988 and emphasis will concentrate on the siliceous zones.

The company is awaiting the interpretation of the most westerly geochemical grids known as the Hobo zone.

Strike Energy Inc SEN
Shares issued: 3,382,988 Jan 23 close: \$0.95
Pool, Escrow Release

The VSE has been advised that 404,742 shares have been released from pool restrictions.

Trans Rampart Industries Ltd TPS
Shares issued: 3,791,431 Jan 23 close: \$1.80



Halt Trading

Effective at 8:18 a.m., January 23 1989, trading in the shares of the company is halted at the request of the company, pending an announcement.

Members are prohibited from trading in the securities of the company during the period of the halt or until further notice.

News Release . . . \$675,000 private placement and \$600,000 convertible debenture proposed
Mr Ernest Yin reports:

A private placement has been arranged in the amount of \$675,000. The company will issue a total of 450,000 units at \$1.50 per unit, each unit comprised of one common share and 1/3 of a share purchase warrant, entitling the holder thereof to subscribe for an aggregate of 150,000 shares, exercisable at \$1.50 to January 19 1990.

The company as also agreed to issue convertible debentures with a five year maturity carrying a fixed rate of 10% payable monthly, for a principal amount of \$600,000 convertible in whole or in part as follows: up to January 19 1990 into 400,000 shares at \$1.50 per share; up to January 19 1991 into 342,857 shares at \$1.75; up to January 19 1992 into 300,000 shares at \$2.00;

up to January 19 1993 into 266,667 shares at \$2.25; up to January 19 1994 into 240,000 shares at \$2.50.

The debenture shall include a detachable warrant entitling the holder to purchase 400,000 shares of Trans Rampart at \$1.75 per share up to July 19 1990.

Subscription funds will be used for general working capital purposes.

Resume Trading

Effective at 12:30 p.m., January 23 1989, trading in the shares of the company will resume, an announcement having been made.

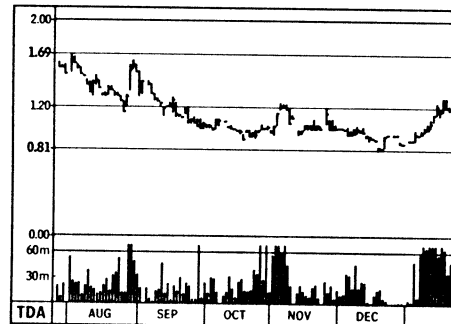
Triple Star Resource Corp TSR
Shares issued: 2,642,413 Jan 20 close: \$0.46
Pool, Escrow Release

The VSE has been advised that 231,250 shares have been released from pool restrictions.

True North Film and Video Prod Inc TNF
Shares issued: 6,491,506 Jan 23 close: \$0.58
Intent to Sell

The VSE has been advised that Robert Billian has filed notice on January 20 1989 of intention to distribute up to 100,000 shares of the company from its holdings of a control person.

Tundra Gold Mines Limited TDA
Shares issued: 21,019,022 Jan 23 close: \$1.15



News Release . . . Assay results from McKenzie Break; update from Lamaque project

Mr Albert Applegath reports:

Diamond drill hole No. MC-89-24 on the McKenzie Break property, near Val d'Or, Quebec has intersected several zones:

HOLE	FROM	TO(FT)	WIDTH(FT)	OZ/TON AU
24	73.0-	76.0	3.0	0.28
	85.0-	87.7	2.7	0.07
	121.0-	126.0	5.0	0.07
	131.0-	133.0	2.0	0.03
	159.0-	164.0	5.0	0.15
	264.8-	266.4	1.6	1.80
	384.0-	386.0	2.0	0.10
	396.0-	397.0	1.0	0.55
	408.0-	410.0	2.0	0.06
	417.0-	420.0	3.0	0.05
	426.0-	429.0	3.0	0.05

Assay results are awaited from three additional holes.

Two drills are presently detail drilling the 2400 ft MP zone from north to south along strike.

DDH No. MC-89-24 drilled at -80 degrees

below hole 21 intersected several zones as follows:

HOLE	FROM	TO(FT)	WIDTH(FT)	OZ/TON AU
23	23.0-	25.0	2.0	0.06
	93.0-	95.0	2.0	0.12
	212.5-	216.5	4.0	0.07
	276.0-	281.0	5.0	0.08
	377.8-	379.0	1.2	0.05
	457.0-	460.0	3.0	0.58
	563.0-	566.4	3.4	0.06
	568.8-	573.8	5.0	0.09
	577.8-	580.3	2.5	0.06

Two drills are currently operating.

LAMAQUE PROJECT, QUEBEC

Two drills are presently working on the No. 4 plug. One machine is continuing to drill the eastern extension of the plug to a depth of 3000 ft. At the present time the first hole (DDH T-89-02) of the 1989 program on the east side plug is at a depth of 1527 ft in diorite.

The second machine is working on an eleven hole phase I program (9200 ft) on the west side of the plug. The holes are designed to intersect the up dip section of the No. 4 plug between surface and the 700 ft level. The 11 hole program will drill off an area 300 by 300 ft on 100 ft centers. The first hole T-89-01 collared on the diorite plug confirming the magnetic anomaly and the diorite coming to surface. DDH 89-01 is at 846 ft and assays are expected this week. A third machine will be starting up on the western extension of the No. 4 plug by January 25 1989.

Acquisition

The VSE has accepted for filing documentation with respect to an option for a 100% interest on 17 mineral claims in the Courville township, Quebec. Consideration will be payments totalling \$14,060 and 25,000 shares of the company.

U.S. Long Distance Corp USL
Shares issued: 14,716,968 Jan 23 close: \$0.45
Options Applied For

Directors and employees have applied for options on 200,000 shares at \$0.62 expiring December 21 1991.

Unilens Optical Corp UOC
Shares issued: 6,392,131 Jan 23 close: \$4.10
Private Placement

The VSE has accepted for filing documentation with respect to a private placement of 300,000 shares at \$3.80 per share to two places.

Midland will receive a 5% finder's fee.

Telephone and Address Book
Listed companies can put their message in the Stockwatch telephone book. To draw attention to your company, call (604) 684-5586 and ask for Stockwatch advertising.

SUMAC VENTURES INC. (SSV-V)

PROPOSAL TO CREDITORS PLANNED - Fred W. Clark, director reports that cash flow

of Sumac is insufficient to meet accounts payable and a proposal to creditors is being prepared. The proposal must be approved by 50% of creditors representing 75% of the dollar value. If the proposal is not accepted by the creditors, the company will be in bankruptcy. The company's secured creditor is offering to postpone its rights under the terms of the debenture for 1 year, to Dec.31, 1989, subject to acceptance of the proposal by the preferred and unsecured creditors.

Based on current metal prices, management is of the opinion that sufficient quantities of gold and silver can be recovered from the partially processed heap leachable mine tailings at the Union mine, 45 miles north of Grand Forks, B.C. to satisfy the requirements of the proposal. However, another production season is required to extract the gold and silver so that the company can regain solvency. During 1988, there were 60,000 tons of tailings loaded on six heaps, to produce revenues of \$659,804 to Oct.1,1988. About 20,000 tons of tailings are stockpiled and about 5,000 tons remain on the old tailings pile. (SEE GCNL NO.208 and 160 for more detail).

104B 054

CANACORD RESOURCES INC. (CQD-T)

LOAN AGREEMENTS REPORTED - Murray Pezim, chairman reports that Prime Capital Corporation has agreed to loan Canacord Resources up to \$5,000,000, subject to regulatory approval, to help finance its 9.9% share of the capital costs of developing the Premier gold project, near Stewart, B.C. To date, Prime has lent Canacord some \$3,550,000. Prime shall be granted a debenture as security for the principle amount of the loan, which will operate as a first charge on all of the company's property and as a first fixed charge on the company's interest in the Premier gold project, for granting warrants to Prime to purchase up to 2,000,000 shares of Canacord at 35¢ by 9Dec93. Prime may not demand repayment of the loan before Dec.9, 1989.

Canacord has been negotiating a credit facility to finance its entire share of the capital of developing the Premier gold project with Barclay's Bank of Canada which, subject to closing, would provide Canacord a credit facility of up to \$8,500,000. Prime has tentatively agreed to act as guarantor for Canacord.

GWR RESOURCES INC. (GWQ-V)

COPPER-GOLD ZONE ENLARGED - GWR Resources Inc. reported that soil samples from recent work on the Miracle claims, near Lac La Hache, B.C. have returned values of 0.1% to 0.21% copper over a 700 foot length. Three areas have been located containing 0.1% to 0.21% copper; associated gold values are up to 300 parts per billion gold. Preliminary drilling located 60 ft. of 0.23% copper. Gold values at surface of 0.685 oz. gold/ton over 1.6 ft. with grab samples of 1.13 oz.gold/t over 1.6 feet appear to flank a possible copper-gold porphyry in strongly alkalic and pyritic volcanics.

GWR is coordinating exploration in the area with several junior companies where similar results have been obtained with up to 0.25% copper and 0.06 oz.gold/t in soils. The project covers some 15,500 acres.

White Geophysical Inc. has been retained to compile all project data for a \$5,000,000 joint venture proposal.

George Cross News Letter

NO.12(1989)
JANUARY 18, 1989

CHENI GOLD MINES LTD. (CZG-V,T)

GOLD-SILVER BARS - Paul Girard, president, reports
AT LAWYERS that Cheni Gold Mines Ltd.
poured its first dore bar on
Jan 89 at its Lawyers gold-silver property in the
Toodoggone area, north-central B.C., 250 miles north of
Smithers. To date, more than 100 pounds of bullion have
been produced containing 52 ounces of gold and 1,389
ounces of silver. The mining and milling operations are
in the final stage of commissioning, less than 19 months
from start of access road construction in June 1987.

The mine is expected to produce an average of
40,000 ounces of gold and 1,000,000 ounces of silver
during the next seven years at least.

Ore reserves in all categories are currently
estimated at 1,938,000 tons grading 0.198 oz.gold/t and
7.09 oz.silver/t. A 3,000-foot diamond drilling program
will start this week to test the depth extension of the
AGB zone below the 1700-level.

To provide additional working capital a loan of
\$5,325,000 has been arranged from the majority
shareholder, Cheni S.A.

CHAPLEAU RESOURCES LTD. (CHI-V)

UNDERGROUND WORK PROPOSED FOR BLACK BEAR - Chapleau

Resources Ltd.

was recently able to access the ore zone in the newly
discovered Black Bear adit on the Keen Group, located at
Keen Creek, near Kaslo, B.C. The adit is 20 meters in
length, with a 14 meter long cross-drift to the east,
also exhibits a raise to a stoped out upper level. The
cross-drift ended in ore grade material. Following are
composite assays taken from the end of the cross-drift:

	<u>OZ.GOLD/T</u>	<u>OZ.SILVER/T</u>	<u>LEAD</u>	<u>ZINC</u>	<u>CADMIUM</u>
Grab Samples (3)	0.008	2.19	3.73	12.72	0.206
Chip Samples (4)	.004	1.64	2.63	6.35	.094

Plans are being formulated for rehabilitating the
Black Bear, and extending the cross-drift to the east in
order to drill the ore intersection from underground and
to take a bulk sample of ore.

A total of 2,416 feet of diamond drilling has been
completed on the Keen group. The program identified two
major shear zones, the "16 to 1" and Last Chance shears,
both of which have old workings associated with them.
Mineralization was encountered on both shears.

The company is presently evaluating the results of
the drill program, and a report with recommendations for
1989 is expected by month end.

STAR ONE RESOURCES INC. (SOQ-V)

1988 EXPLORATION REVIEWED - William A. Travnik, pre

reports Star One Resour---

Inc. has completed the 1988 exploration program on the
5.35% owned Mineral Hill property, which consists of
3000 acres on the Alaska side of the border and 800
acres on the B.C. side of the border, immediately west
of and adjacent to the Premier gold project, 18 km north
of Stewart, B.C. The 1988 exploration program, which
included geochemical surveys outlined 10 gold, silver,
copper, zinc and lead anomalous zones. The average of
twelve 5 ft. trenching samples on the southern end of
the Shasta grid on an anomaly extending 600 ft. in
length and up 200 ft. in width was 0.076 oz.gold/t, 8.84
oz. silver/t, 1.363% lead and 2.95% zinc. Three holes
drilled in this area carried minor gold values, with one
intersection returning 0.11 oz.gold/t over 3.5 ft.; the
entire cores will be reassayed as only the sulphide
zones were assayed and Westmin has advised that gold
values are encountered in siliceous and quartz carbonate
stringers. Two diamond drill holes are planned for 1989
to test an anomalous zone of at least 300 ft. wide and
1200 ft. long on the northern end of the Shasta grid.

TECHNIGEN CORPORATION(TGP-V;TGPAF-Nasdaq) has purchased
a 100% interest in the TRAC 1 to 5 mineral claims, 90
units near Cache Creek, Kamloops mining division, B.C.,
for the issuance of 50,000 Class "A" shares to one
individual. A program of further geochemical sampling
and drilling is planned to start in the spring of 1989.

Iskut River Area

The Iskut River area was explored by more than 30 companies spending in excess of \$15 million. Drill programs were completed by sixteen companies (see Table 1; 22-37). Exploration was typically focused on gold in veins and shears with associated quartz, carbonate, sulphides or chlorite and hosted by Triassic Stuhinni or Jurassic Hazelton Group volcanics and sediments.

Alteration zones with widely spread anomalous gold, copper and sometimes molybdenum values were also tested by Skyline Explorations Ltd., Keewatin Engineering Inc. and Meridor Resources Ltd. for high-grade gold zones. Initial results suggest these zones are weakly mineralized, porphyry-style deposits with limited potential for high-grade mineralization. Replacement mineralization is being investigated by several companies following the success of Gulf International Minerals Ltd. on the McLymont Creek property. Drilling intersected intense silicification in a Permian crinoidal limestone with patchy pyrite, magnetite, specular hematite, barite, chalcopyrite, sphalerite and galena. Mineralization over widths of metres to tens of metres has been identified. One of the better intersections averaged 0.36 per cent copper, 22.6 grams silver and 13.8 grams gold per tonne over a width of 5.2 metres.

Approximately 40 kilometres to the southeast, Echo Bay Mines Ltd. drilled the Q17 vein on the Doc property (49). Hosted by Mesozoic sedimentary rocks, the mineralization is similar to that found in the Iskut River area. Current reserves on the Q-17 and six other veins are 425 890 tonnes grading 9.26 grams gold and 44.9 grams silver per tonne.

The Geological Survey of Canada is currently mapping the Iskut River 1:250 000 sheet to provide a much needed updated regional map.

Sulphurets Area

Silver-gold deposits hosted by volcanic and sedimentary rocks of the Jurassic Hazelton Group were the target for exploration companies in the Sulphurets and Stewart areas. Typically these deposits are quartz veins and siliceous breccias containing tetrahedrite, pyargyrite, proustite and electrum.

In the Sulphurets area Newhawk Gold Mines Ltd. continued its exploration on the Sulphurets property (42) with extensive drilling and underground drifting on the West zone. Results included a spectacular intersection in the new U.T.C. zone of 408 grams gold and 1570 grams silver per tonne over 9.1 metres. (see Table 3 for reserves). Immediately west of the Sulphurets property, Western Canadian Mining Corp. (39) drilled a porphyry copper-gold prospect and estimated reserves of 60 million tonnes of 0.84 per cent copper, 0.34 grams gold and 2.05 grams silver per tonne. Catear Resources Ltd. and related companies drilled the Mount Madge (40) properties in the area.

To the north, near Tom McKay Lake, Calpine Resources Ltd. (38) discovered the new #21 gold zone, an alteration zone roughly conforming to a contact between felsic volcanic breccias and clastic sediments. The high-grade mineralization occurs with massive realgar, stibnite and orpiment. Other sulphides including sphalerite and galena occur as disseminations and lenses within the alteration zone. Hole CA88-6 intersected 29.1 metres of 25.0 grams gold and 37.7 grams silver per tonne.

Current geological mapping at 1:50 000 scale by the British Columbia Geological Survey Branch is providing a very necessary database for exploration companies working in the area. Research results from his work in the Stewart area has shown that many of the gold deposits can be related to one epoch of mineralization of Jurassic age. Several researchers from the Geological Survey of Canada, including Bruce Ballantyne and Rod Kirkham are working on geochemical and ore deposit research in the Sulphurets area.

Stewart Mining Camp

In the Stewart Mining camp Westmin Resources announced production plans for its Silbak Premier (48) and Big Missouri (45) deposits (see Development Projects). Exploration included underground geological mapping and drilling at Silbak Premier and surface drilling on the High Ore (Woodbine) (47) property and Big Missouri deposit. Esso Minerals Canada carried out major exploration programs on the Silver Butte (44) and Indian (46) veins. Esso Minerals followed surface intersections on the high sulphide Facecut-35 zone with

underground drilling and completed extensive drilling on the new low sulphide Kansas zone intersected in only one hole in 1987.

Northeast of Stewart several companies explored the Knip (50), Todd Creek (51), AM (52) and Joutel (53) for deposits similar to the high-grade mineralization mined at Silbak Premier. Immediately north of Stewart the Dunwell mine (54) was rehabilitated and diamond drilling indicated there is depth potential for the quartz-sulphide vein. On the nearby Glacier Creek property (55), Morocco Explorations Inc. drilled three holes.

A recent University of British Columbia Master's thesis by D. Brown on the Silbak Premier property and surrounding area is an extremely useful reference for the Stewart area.

Portland Canal Area

Favourable Hazelton Group lithologies extend southward from Stewart into the Portland Canal area, although the deposits are typically silver-lead-zinc veins or conformable sulphide horizons. At the Georgia River property (56) Avatar Resource Corporation drilled the northerly-trending main vein to test the precious metal mineralization with associated base metal values.

Cominco Ltd. continued its exploration program on the Anyox property (57) with drilling in the Bonanza and Hidden Creek areas targeted on volcanogenic massive sulphides near the sediment-volcanic contact. Hidden Creek produced 24 million tonnes grading 1.5 per cent copper, 0.17 gram gold and 10.3 grams silver per tonne. Immediately to the east Pacific Geo-Rock Exploration Ltd (58) completed surface exploration and drilling on quartz veins which were mined for flux for the Anyox smelter.

In the Alice Arm area, Richmark Resources Ltd. explored the Tidewater property (59), a molybdenite occurrence. All 1979 and 1980 drill-core pulps were re-assayed which revealed geochemically anomalous gold values. The subsequent drilling program intersected polymetallic mineralization at depth.

At the north end of the Kitsault valley, Cominco Ltd. (60) continued to explore for silver along a shear zone with sparse sphalerite and pyrite mineralization.

Prince Rupert Region

A high proportion of the companies exploring in the Prince Rupert region carried out major programs. On Dunira Island (61) several holes were drilled by Orequest Consultants Ltd. to test for massive sulphide potential. The area lies within the Alexander terrane which hosts the Windy Craggy and Greens Creek volcanogenic massive sulphide deposits.

Immediately south of Prince Rupert on Porcher Island, Cathedral Gold Corporation completed an extensive drilling program on the old Surf Point and Edey Pass mines (62) increasing the known reserves to 565 173 tonnes grading 6.85 grams gold per tonne. The mineralization is auriferous pyrite in quartz veins and shears hosted by a quartz diorite stock. On Princess Royal Island another past gold producer, the Surf Inlet mine (64), was also attracting attention with underground rehabilitation and drilling by Surf Inlet Mines Ltd.

On Banks Island, Hillsborough Resources Limited (63) drilled one hole on the Kim low-grade gold zone and another on the Discovery zone high-grade gold skarn. On the south side of the Khutze River Freemont Gold Corporation (65) drilled a quartz vein containing gold in pyrite and chalcopyrite.

Terrace-Kitimat Area

In the Terrace area Terracamp Developments Ltd. (66), Univex Mining Corporation (68) and Castello Resources Ltd. (67) examined gold occurrences with old underground workings. The mineralization is typically quartz veins with associated sulphides.

Toodoggone River Area

In the Toodoggone River area the mineral deposits are porphyry deposits, skarns and mesothermal to epithermal veins. Initial exploration in the area was directed towards the porphyry deposits; however, during the past ten years numerous gold-silver epithermal veins have been identified. The veins are hosted by Triassic Takla Group and Early Jurassic Toodoggone volcanics which are equivalent to the Hazelton Group. J. Clarke of McGill University has recently shown that the veins are restricted to the first stage of volcanism in the Toodoggone volcanics and therefore exploration can be targeted at the stratigraphy at or below this level. Major northwest-trending faults appear to be important in localizing the mineralization. Although overall activity levels in the Toodoggone were down from 1986 and 1987, total exploration expenditures exceeded \$6 million with more than 25 companies working in the general area. Cheni Gold Mines Inc. continued preproduction work with plans for startup in early 1989.

In the northern part of the Toodoggone area, Energex Minerals Ltd. continued work on the AI property (69) with drilling on the BV, Bonanza, Ridge, Bingo and Thesis II zones to increase reserves (see Table 3) and to search for extensions of known zones. For the first time since Kidd Creek's work in 1984, Energex Minerals Ltd. explored the JD property (70) carrying out a major trenching program to test a low-angle fault with associated gold mineralization. Manson Creek Resources Ltd. drilled seven holes on the Mets property (71) to increase the ore reserves established in 1987 (see Table 3). Cyprus Metals (Canada) Ltd. continued drilling on the Moosehorn property (72) testing two zones on either side of the Toodoggone River near Moosehorn Creek.

South of the Toodoggone River, Sutton Resources Ltd. (73) drilled the Main Zone to test it at depth and along strike. Encouraging values were intersected including 5.05 grams gold per tonne over 10.7 metres in hole

Roundup 89
core shaft

89/02/08

SILVER BUTTE PROPERTY - SUMMARY

The Silver Butte Property is located 25 kilometres north of Stewart, British Columbia. The Property consists of one crown grant, three reverted crown grants, and one twelve-unit modified grid system claim. Tenajon Resources and Esso Minerals Canada are currently exploring the Property under terms of a 50:50 joint venture agreement; Tenajon is operator and Esso is providing technical assistance.

The Silver Butte Property is underlain by upper Triassic to Lower Jurassic Hazelton Group rocks which consist of partially subaerial andesitic to dacitic, calc-alkaline volcanics, coeval intrusions, and interbedded sediments (Alldrick, 1988). Relatively massive, fine-grained andesite, the major host to mineralization in the Stewart Camp, is the main unit on the Property. It is underlain by east dipping or complexly deformed black argillites and siltstones and is overlain by medium to coarse-grained andesites thought to be an extrusive equivalent of the Premier Porphyry. At Silver Butte, mineralized zones are generally found below this upper contact although hydrothermal alteration penetrated to upper stratigraphic levels. Megacrystic, two-feldspar Premier porphyry intrudes strata on the north and east side of the Anomaly Creek Fault; its genetic relation to the mineralization is not clear.

Three major, subparallel, moderately west-dipping, post-mineral faults, the Anomaly Creek, Gully and North Gully Faults, cut the main target area on the Property into three west-dipping stratigraphic slices. Displacements probably involved right lateral oblique slip movement. Right-lateral movement has also been noted on moderately northwest and north-dipping faults that cut the Facecut/35 Zone which has

also been offset an unknown direction and distance by the Anomaly Creek Fault. These features are thought to represent a smaller segment of a regional right-lateral strike-slip shear regime which has either been tilted east or had a significant west driven thrust component. North to north-northwest trending fold axes add support to this scenario and to the likelihood of a similar-trending fold axis between the Silver Butte and Big Missouri properties as well as on the ridge above the Kansas Zone.

Four mineralized zones have been discovered on the Silver Butte Property. Two, the Facecut/35 and Kansas Zones, are relatively well drill defined whereas, the West Kansas and Anomaly Creek Zones were discovered late in the 1988 program and are consequently not well defined. Except for the Facecut/35 Zone, mineralization is largely blind although zones are marked at surface by quartz-carbonate veins and stockworks which cut pervasively altered andesites. Alteration consists of inner quartz-sericite assemblages which are commonly bounded by chlorite-bearing assemblages. These give way to k-feldspar-dominant alteration assemblages at depth. The upper limit to the mineralized zones might coincide with this change from sericite-chlorite to k-feldspar-dominated alteration.

High sulphide, base-metal-rich gold mineralization of the Facecut/35 Zone and low sulphide, gold-rich mineralization of the Kansas Zone are the two major types of mineralization on the Property. Mineralized zones are cut by at least two stages of veins which are dominated by quartz. Siliceous breccias consist of quartz-k-feldspar assemblages and are a common feature in and peripheral to gold mineralization.

The attitudes of the zones are variable although gross dimensions are similar. The Facecut/35 Zone strikes 350 degrees and dips 80 degrees east. It is about 150m long, 2 to 12m wide and extends 100m to the 750m level where it is offset by the Anomaly Creek Fault. The zone has been defined by 35 diamond drill holes and two crosscuts. The highest precious metal values were noted in the 35 crosscut where a 12m interval assayed 28.5 g/t Au (uncut) and 88.4 g/t Ag.

The Kansas Zone is located 150m south of the Facecut/35 Zone, between the Anomaly Creek and Gully Faults. The zone dips about 30 degrees east and measures about 200m long and between 1.5 and 13.25m thick; significant gold values extend about 102m down-dip. Fourteen diamond drill holes currently define the zone; 71.1 g/t Au (uncut) and 84.5 g/t Ag over 5.2m is the highest grade intersection.

The West Kansas Zone is located west of the Kansas Zone and the Gully Fault. It has been tested by five drill holes over a 170m strike length although significant values are confined to 2 intersections. This includes one spectacular intersection that contains centimetre size aggregates of visible gold and runs 93.9 g/t Au (uncut) and 50.5 g/t Ag over an apparent true thickness of about 5.5m. The zone strikes north-south and dips 60 degrees west.

The Anomaly Zone is situated 250m northeast of the Kansas Zone and occurs east of the Anomaly Creek Fault. Two diamond drill holes have tested the apparently steeply-dipping zone over a strike length of about 70m. The most significant intersection is 16.9 g/t Au (uncut) and 7.5 g/t Ag over an apparent true thickness of 2m.

Ron Britten
Walter Melnyk

George Cross News Letter

NO. 37(1989)
FEBRUARY 22, 1989

TENAJON RESOURCES CORP. (TJS-V)

104 B 150

RESERVES AND TWO - Donald A. McLeod, president of
NEW ZONES REPORTED Tenajon Resources Corp. reports that
results have now been compiled from
the 1988 drilling programs on the SB property, 19 miles
north of Stewart, B.C. The project is a 50/50 joint
venture with Esso Minerals Canada Limited. In the
latest program, 15 surface drill holes were completed on
the Kansas zone and 36 underground diamond drill holes
were completed on the Face Cut/35 zone.

Esso Minerals has estimated that probable and
possible reserves on the Kansas and Face Cut/35 zones
total 308,000 tons with an average uncut grade of 0.505
oz.gold/ton and 1.07 oz.silver/t; with individual assays
cut to 1 oz.gold/t, the gold grade is 0.351 oz.gold/t.
Both zones are open along strike and at depth.

Surface diamond drilling on other areas of the
property has identified two new zones of mineralization,
the West Kansas and Anomaly zones. The 1989 program is
expected to emphasize development of these two new zones.

HOLE	INTERVAL, FT	WIDTH	OZ. GOLD/T	
88-38	129.9-143.0	13.1 ft	0.290	'lies parallel to and
88-40	158.5-165.5	7.0	.508	'west of the Kansas zone.
88-42	19.7- 30.1	10.4	.270	'A surface hole, reported
88-44	309.4-315.9	6.5	.440	'last fall, was the first

-----'hole to intersect the
zone and returned a 20.0 foot intercept grading 2.749 oz.
gold/t uncut, and 0.426 oz.gold/t, cut to one ounce.
Hole 88-44, reported above, is the second hole drilled
on this zone. Four surface holes were drilled to test
for a possible parallel zone to the West Kansas zone.
Three of the four holes intersected mineralization in a
new zone called the Anomaly zone.

Tenajon, as operator, is preparing a major explor-
ation program for the coming year. Details of the
program will be reported once the budget is approved, and
work is expected to begin as soon as conditions permit.
(SEE GCNL No.212, p.1, 3Nov88 for previous article).

POLESTAR EXPLORATION INC. (PSE-V)

HOUSTON METALS CORP. (HML-V)

KETTLE RIVER RESOURCES LTD. (KRR-V)

JOINT VENTURE FORMED - Polestar Exploration Inc. has
reached an agreement on the L
copper-gold deposit near Greenwood, B.C. with c
Kettle River Res.(51%) and Houston Metals Corp. (49%)

Polestar can earn a 51% interest in the
venture by spending certain funds on exploration a
completing a feasibility study to put the property
production. Kettle River and Houston then have
option to contribute 49% of the necessary funds
reduce a 16% interest. Polestar may finance
production to earn 84% interest.

Previous reserve estimates by several consi-
groups in the sixties and seventies vary widely
1,500,000 tons upward grading about 1% copper and
oz.gold/ton. Gary Giroux of Montgomery Consultant
been retained to provide an accurate geostatistical
analysis of the deposit. Research is also
conducted to develop the most efficient extraction
techniques so that the various silicate gangue minerals
can be utilized in industrial applications.

B.C. MINISTRY OF ENERGY, MINES & PETROLEUM RESOURCES

CANADA ENERGY, MINES & RESOURCES CANADA

ISKUT RIVER ROAD - Thurber Consultants Ltd. of Vancouver
TO BE STUDIED has been selected to lead a \$750,000
study of potential resource
access in the remote Iskut River area in northern
B.C. The study is being funded jointly by the Canadian
Mineral Development Agreement and by a number of
companies active in the area.

Approximately 200 km of routing will be studied
find the most economical and environmentally sound
into the resource-rich region. Under investigation
options along the Iskut Valley from Highway 37 north
Quinn Lake to the area near Johnny Mountain where
Skyline Explorations Ltd. gold mine opened last year
where other properties are being intensively explored.
Recommendations are also expected on the best options
access from the Iskut Road into the Unuk River valley
through the Craig River valley to the Alaska boundary.

104 B 150

9.

9 104 B 150

Once booming Stewart has sense of permanence

104B054
GENERAL

Newcomers to the mining/investment scene learn soon enough that one of North America's major gold mining plays is underway 550 miles north of Vancouver, in the Stewart area of Northwestern British Columbia. But they may not know that this is not the first boom the area has experienced.

By 1990 the Stewart/Iskut River area is expected to produce 250,000 ounces of gold from at least three mines. And prospectors in the area will tell you the 150 mile-long highly mineralized structure that extends from the old Silbak Premier Mine to North American Metal's Golden Bear Mine may well contain total reserves in excess of 10 million ounces.

But back before the turn of the century mining men knew something was afoot in the area. In fact Stewart at one time boasted a population of 10,000 people.

Serious prospecting in the area began in the last years of the nineteenth century, and by 1910 many of the known mineral occurrences on both sides of the B.C./Alaska border had been discovered. In those years Stewart was booming, and west coast newspapers often published exaggerated accounts of the discovery of "a mountain of gold" in the area.

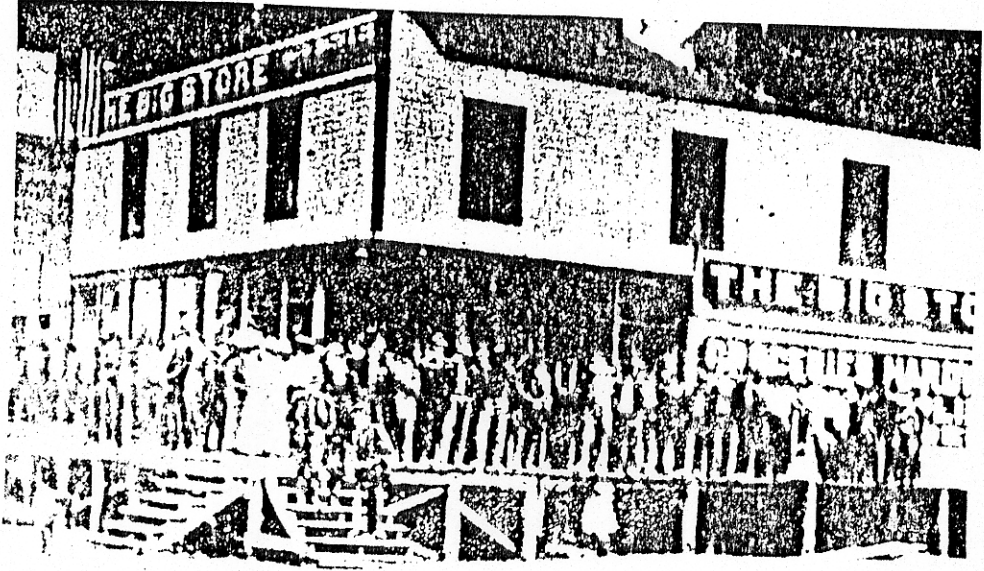
In the spring of 1898, 64 prospectors from Seattle landed at the headwaters of the Portland Canal to search for placer gold diggings. Most prospected nearby creeks, but without much luck. In 1903 the first claims on Glacier Creek were staked and brothers Robert and John Stewart arrived. They also staked several locations as well as the present townsite of Stewart. On March 19, 1906 the Stewart Land Company was officially incorporated.

While prospecting and development of nearby properties carried on, transportation difficulties held back growth in the area until 1910. Then MacKenzie, Mann and Company announced they would build a standard gauge railway from Stewart through the Bear River mineral zone, the Nass River timber and agriculture lands, then into the Ground Hog coal fields and on into the Peace River wheat belt.

Immediately the tent town of Stewart boomed. People of all walks of life arrived from around the world. Prospectors swarmed through the hills and townspeople worked around the clock building homes, stores, hotels, and a hospital.

1910 was an exciting year for Stewart and, as the boom continued, everyone enjoyed employment and big money, while businessmen found a ready market for their wares and services.

Over the years transportation difficulties, the 1929 stock market crash, the great depression and World War II conspired to thin out Stewart's once thriving population. The final blow came in 1953, when the Premier mine ran out of ore and, after paying out \$21 million in dividends over the years, finally closed down leaving Stewart a virtual ghost town.



Citizens take to the boardwalk during Stewart's Dominion Day celebrations, 1911.

NM
Mar. 13/89

The Northern Miner

March 13, 1989

Pegasus Gold increases stake in Pioneer Metals

U.S. gold producer Pegasus Gold (TSE) has further increased its equity position in Pioneer Metals (TSE).

With the acquisition of 296,504 additional units that became available through the additional subscription privilege of a recent Pioneer rights offering, Pegasus' equity investment in Pioneer currently amounts to 1,818,494 shares or about a 7.98% interest. The units represent 296,504 shares of common stock and a like number of warrants that entitle Pegasus to acquire an additional 148,252 Pioneer shares.

Pegasus also holds a \$12 million (C) convertible debenture issued by Pioneer which is convertible into Pioneer common stock at \$4 per share. The financing was primarily used for Pioneer's additional capital costs at the 40%-owned Premier Gold project in British Columbia being brought into production by operator Westmin Resources (TSE) this spring.

Assuming full conversion of the debenture and the exercising of all warrants, Pegasus' equity position in Pioneer would amount to 5,314,591 shares or about a 20.21% position.

Correction

The tonnage range given for the sulphide lenses on the Cominco/Redfern Tulsequah Chief project was misstated (N.M., Mar 6/89). In fact, the sulphide lenses ranged from 50,000 to 400,000 tons.

Corona takes write-down on Nickel Plate project

Consolidated earnings of \$26.5 million (16¢ per share), before unusual and extraordinary items, on operating revenues of \$187.5 million were reported by Corona Corp. (TSE) for the 15-month period ending Dec 31, 1988.

The company has also declared it will pay its first dividend, 5¢ per share, to holders of common shares.

The earnings do not include contributions from the Williams mine at Hemlo which is the subject of a legal dispute between Corona and Lac Minerals. The Supreme Court of Canada has yet to hand down a decision.

Corona, created in 1988 through the amalgamation of five companies, decided last year to bring its fiscal year in line with the calendar year; previously, the company used a year-end of Sept 30.

After unusual and extraordinary items, the company reported a loss of \$82 million for the 15-month period.

Corona last year revised ore reserves at its Nickel Plate gold mine in British Columbia; because of the revision, Corona has declared

a write-down of \$108 million.

The company says the new carrying value of its Nickel Plate investment, \$51 million, represents the estimated depreciated cost of the capital assets built under the original feasibility study.

Vancouver Stock Exchange

Houston Metals gained 1¢ to 32¢ after announcing a name change, consolidation of its share capital and debt settlement. The company says its polymetallic Silver Queen mine project near Houston, B.C. still has good exploration potential despite a recent negative feasibility study.

Calpine Resources gained 19¢ to \$2.60 in active trading over our report period. Investors appear to be bullish on the Eskay Creek project in British Columbia where the latest holes returned 113.2 ft of 0.440 oz gold and 3 oz silver and 39.4 ft of 0.987 oz gold and 1.06 oz silver. Calpine's partner, Consolidated Slikine Silver also moved ahead, gaining \$1.18 to \$13.68.

Prime Resources, which recently declared its intent to acquire all Calpine's shares, dropped 70¢ to \$4.05.

Tenajon Resources moved ahead a nickel to \$1.05 after announcing geological reserves for its road-accessed SB project near Stewart, B.C. Suntac Minerals, also a Northair Group associated company, was ahead a dime to 80¢. The company is exploring the old Polaris Faku mine in northern British Columbia for its production potential.

Skyline Gold dropped a further 50¢ to \$6.25 on light volume. The company is continuing discussions with majors in an effort to find a joint venture partner for its B.C. gold mine.

Mine opening spurs exploration in Stewart-Sulphurets camps

VANCOUVER — The big news this year for the Stewart Sulphurets region in northwestern British Columbia will be the official opening this spring of the 2,200-ton-per-day Premier Gold mine, a venture involving Westmin Resources (TSE) with 50.1%, Pioneer Metals (TSE) with 40%, and Prime Capital's Canacord Resources (TSE) with a 9.9% interest. Tournigan Mining Explorations (VSE) has a 5% net profits interest after payback of pre-production expenditures.

Accessible by gravel road from Stewart, this \$88 million open pit operation is expected to have an average annual output of about 77,000 oz gold and 890,000 oz silver in its first four years.

With diluted mineable reserves of 6.5 million tons grading 0.063 oz gold and 2.34 oz silver per ton at the Silbak Premier mine and 1.9 million tons of 0.091 oz gold and 0.67 oz silver from the Big Missouri (both former producers), the combined project has a 10.5 year mine life, with good potential for further reserves.

Immediately west of and adjacent to the Premier Gold mine, Star One Resources (VSE) is continuing exploration work on its 3,800-acre Mineral Hill straddling the B.C./Alaska border. The company said its 1988 work program identified over 20 different mineral bearing areas and confirmed the property's "similarity in geology and style of mineralization" to the Premier Gold property.

Tenajon Resources (VSE) will continue as operator of work programs on its accessible and 50%-owned SB property located near Westmin's Premier Gold project. According to Bruce McLeod, Tenajon's project manager, the 1989 program will include a comprehensive surface drilling program to outline the Kansas and West Kansas zones

with additional drilling to prove up reserves on the Facecut and 35 zones.

While Tenajon is planning additional underground work on the 35 zone where it encountered high grade values in gold, silver, copper, lead and zinc last season, it's also looking to carry out an underground program this year on the Kansas zone after the surface drill program. McLeod said the Kansas and recently-discovered West Kansas zones contain high grade precious metal mineralization (predominately gold), unlike the Facecut and 35 zones which have significant base metal mineralization with the precious metals.

"The Kansas zone appears to be very extensive and is the most important target of the program," said McLeod, who added that the company hopes to bring the project to the pre-feasibility stage by the end of its 1989 program.

In the past several months, an area to the east of Stewart has received considerable attention, particularly since Sierra Madre Resources (VSE) of the Prime Group optioned the Croesus property from Teuton Resources (VSE). Teuton has about 150-sq-mi of ground in the region acquired over time since the early eighties.

Previous work on the 11,000-acre Croesus property located 25 miles east of Stewart has indicated a potential for massive sulphide deposits. For example, chip sampling on the north side of a creek returned assays of 8.1% copper over a 14.8 ft width, while two zones of base and precious metals mineralization were discovered south of the same creek. A grab sample from the lead-zinc zone assayed 2.1% lead, 9.1% zinc, 1.45 oz silver and

0.020 oz gold; a second returned 1.9% lead, greater than 10% zinc, 1.58 oz silver and 0.052 oz gold:

A copper-gold zone was found some distance away and chip sampling across a 26.6 ft width of the zone averaged 8.7% copper, with one sample also running 0.658 oz gold across 8.9 ft. The 1989 program is aimed at identifying additional polymetallic volcanogenic mineralization.

Bond Gold (TSE) is also reported to be looking for similar targets on ground it has either acquired or staked in the immediate area.

Largely fueled by the availability of flow-through financings in recent years, an exploration boom has advanced to the less accessible Sulphurets camp, which represents the northward extension of the historic Stewart gold-silver mining camp known since the turn of the century.

Newhawk Gold Mines (TSE) is at the formal feasibility study stage with its 60%-owned Sulphurets project, a joint venture involving Granduc Mines (TSE) with a 40% interest. More geologically complex than originally believed, with less than ideal logistics, the project has reported reserves for the West Zone (all categories) of 854,072 tons grading 0.354 oz gold and 22.94 oz silver. In 1988, the company discovered the UTC zone by surface diamond drilling which may have additional reserve potential, as may other known mineralized systems still being explored during the summer seasons on the large 35-sq-mi property. Underground drilling is planned to further test the UTC zone which is located adjacent to the West zone.

Newhawk, owned about 41% by Corona Corp. (TSE), has awarded

10413 054
10413

10413

10413

Silbak Premier
Big Missouri
Silver Butte/SB

NM Special
Feature Exploration
889,
Mar. 6/89 Cont.

the feasibility study to Cominco Engineering which has considerable experience in the design and engineering of northern Canadian mines. The study is based on a proposed 300 to 400-ton-per-day operation and is expected to be completed shortly.

Catear Resources (VSE) has an extensive ground position in the Sulphurets camp although most of its recent efforts have been to develop its 100%-owned Goldwedge property which is completely surrounded by Newhawk's Sulphurets property. The company has been operating a small 50-ton-per-day mill which it plans to upgrade by the addition of flotation and other milling equipment. The Goldwedge project is reported to have 40,000 tons of proven ore reserves grading 0.825 oz gold, with reserves in all categories of 319,000 tons at 0.80 oz per ton.

Due west of the Brucejack Lake area in the Sulphurets camp (50 miles northwest of Stewart), Prime's Sierra Madre has optioned Teuton Resources' Max property which hosts the Max deposit reported to contain 12 million tons of iron-copper mineralization grading 45% iron and 0.75% copper. The 1989 program is aimed at evaluating the gold potential of the skarn-hosted deposit on the Max property.

Prospects and deposits with porphyry copper affinities and significant gold values received considerable attention in northwestern British Columbia, spurred no doubt by improving base metal prices.

In the Sulphurets camp, **Western Canadian Mining Corp. (VSE)** will be the operator of extensive exploration programs planned to establish proven and probable reserves

at the recently-discovered Kerr porphyry copper-gold deposit. (Although northwestern British Columbia is well known for its copper potential, the project was discovered during a gold exploration program.)

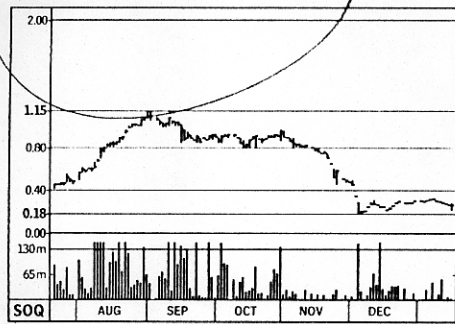
This near surface, bulk tonnage project is 70%-owned by **Sulphurets Gold Corp. (VSE)**. The partners have inferred reserves of some 66 million tons with an average grade of 0.86% copper and 0.01 oz gold. The ore forming minerals are chalcopryite with lesser chalcocite, tennantite and bornite occurring as disseminations and veinlets in a quartz pyrite-sericite schist. Controls to the mineralization are as yet poorly understood.

Echo Bay Mines (TSE) completed a \$2.5-million work program late last year on the Doc gold property in the Sulphurets camp after optioning the property from **Magna Ventures (VSE)** and **Silver Princess Resources (VSE)**. Of 32 holes drilled on the Q17 and other vein structures, 13 intersected high grade gold over narrow vein widths while others returned low grades or did not intersect vein material. For 1989, Echo plans a 2-phase surface exploration program to test other veins and anomalies on the 18,000-acre property, to be followed by diamond drilling contingent upon the success of the surface work.

Granges Exploration (TSE) plans to spend \$1 million per year for the next three years on exploration of a vast 100,000-acre land package in the Sulphurets camp adjoining the Newhawk/Granduc project to the south and the Eskay Creek project in the north. Granges can earn a 50% interest from **Cove Resources (VSE)** and several associated companies acting as a syndicate. With Granges' excellent track record in exploration to date, this large scale effort should be one to watch.

10/13

Star One Resources Inc SOQ
 Shares issued: 4,537,867 Jan 17 close: \$0.27



News Release . . . 1988 exploration program at Mineral Hill completed

Mr William Travnik reports:

MINERAL HILL PROPERTY

The company has completed the 1988 exploration program on its Mineral Hill property immediately west of and adjacent to the Premier gold project (proven 10,240,835 tons at 0.072 oz/ton Au and 1.95 oz/ton Ag). There is a general similarity in geology and style of mineralization between Premier and Star One's claims.

The Mineral Hill property consists of 145 claims (3000 acres) on the Alaska side of the border and 16 claims (800 acres) on the BC side. Over 20 different areas have been prospected and recognized as mineral bearing areas. The 1988 exploration program, which included geochemical surveys outlined 10 gold, silver, copper, zinc and lead anomalous zones. The gold geochemical data has been plotted on grids, the results of which are significant and encouraging.

SHASTA (SULPHIDE CREEK) AREA

Extensive mapping, VLF-EM, magnetometer, IP and geochemical surveys were conducted on the southern area revealing a geochemical gold anomaly extending 600 ft in length and up to 200 ft wide. Several anomalous gold values from soil samples were as high as 960 ppb (0.028 oz/ton). The average of 12 five ft trenching chip samples are as follows: 0.0756 oz/ton Au; 8.84 oz/ton Ag; 1.363% Pb; 2.49% Zn.

The initial drilling was conducted on the Shasta grid with the first two holes directed at surface showings. These holes were misdirected from the showings while a third hole was drilled parallel to another surface showing which assayed 0.595 oz/ton Au. In addition, a significant sulphide horizon was intersected and the cores were assayed at 0.11 oz/ton over a width of 3.5 ft. All holes drilled carried minor gold values.

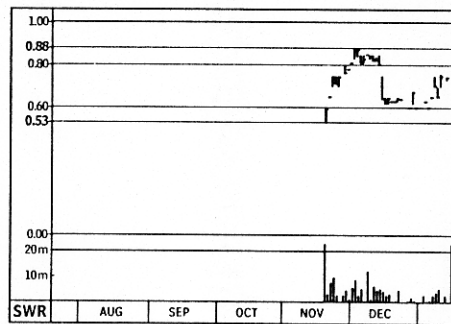
In the northern portion of the Sulphide Creek grid a second large anomalous zone was exposed. This zone is at least 300 ft wide and 1200 ft long. Soil values as high as 0.015 oz/ton were recorded. The observed mineralization in this area consists of fracture type indicating an open pit type of deposit. Two diamond drill holes are planned for the northern portion of the Shasta grid in the 1989 exploration program.

Star One plans to reassay, upon the recommendation by Westmin, the entire cores of

the previously drilled cores on the southern portion of the Shasta grid. Initially only the sulphide zones, now considered secondary targets were assayed. Typical to the Stewart area gold values were encountered in the siliceous and quartz carbonate stringers. Electrum is common in the stringers and these were ignored on the original assays.

Star One is awaiting interpretation of the gold anomalous areas discovered by airborne survey on the northern region of the property directly adjacent to the Premier gold project open pit.

Stonewall Resources Inc SWR
 Shares issued: 1,389,001 Jan 17 close: \$0.65



News Release . . . Distribution rights acquired for Ondulform products

Mr R. DeSequera reports:

The company has entered into agreements to represent an Italian roofing products firm and to act as agent for a German hospital development firm.

Stonewall has acquired the rights for exclusive distribution of Ondulform products in North America, the right of first refusal to manufacture these products in North America, and the right of first refusal to distribute Ondulform in countries other than West Germany, Belgium, Austria, Turkey and Italy. A British Columbia numbered company 356429 BC has assigned these rights for the issue of 100,000 common shares of Stonewall and a reserve for issuance of 400,000 earn-out shares to be issued on the basis of one share for every \$0.70 of cash flow from operations. The agreement is subject to regulatory approval. Ondulform products are owned by RCP (SRL) or Rubano, Padova, Italy and are currently only marketed in those countries identified in the distribution exclusions. Stonewall expects to commence distribution in BC immediately.

Stonewall has also acquired the right to act as agent to represent Hospitalia International GmbH of Frankfurt, Germany, in Canada and can represent proposed projects in other countries to Hospitalia. Hospitalia is a major international firm specializing in the planning and development of hospitals on a turn key basis with emphasis on furnishing, installation and maintenance of hospital equipment. The right is being assigned by 356429 BC Ltd for the issue of 100,000 common shares of Stonewall and the reserve for issuance of 700,000 earn-out shares to be issued on the basis of one share for every \$0.70 of net cash flow from operations. The agreement

is subject to regulatory approval.

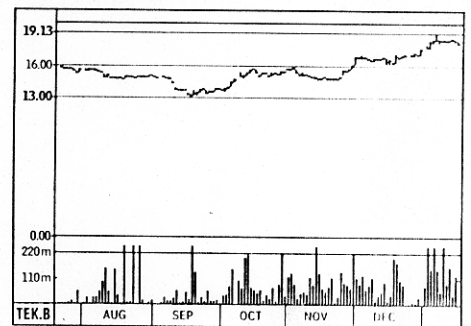
Mr Thomas Eleizequi, a real estate developer is joining the board of directors of Stone will represent the interests of 356429 which is owned by family members.

Stonewall has completed its work program joint venture property, the Rambler located near Princeton, BC. The geologic is expected this week.

Suneva Resources Ltd
 Shares issued: 3,658,677 Jan 17 clc
Change Name, Roll Back Shares

See International Suneva Resources L New Listing

Teck Corp TEK.B
 Shares issued: 68,457,298 Jan 17 close: \$18.25

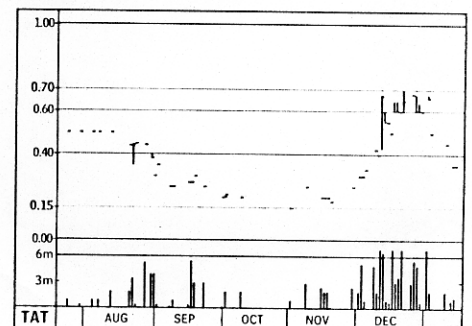


News Release . . . TSE approves purchase of Golden Knight and Trilogy shares

Mr D.A. Thompson reports:

The Toronto stock exchange has accepted notices of intention, filed with the Toronto stock exchange on January 12 1989 to purchase common shares of Golden Knight Resources and Trilogy Resource Corporation. Under these notices, Teck Corporation may purchase up to a maximum of 1,649,061 common shares of Trilogy Resource Corporation and 581,500 common shares of Golden Knight Resources, representing less than 5% of the issued and outstanding common shares of these respective companies, during the period commencing on January 19 1989 and ending April 19 1989.

Trans Atlantic Resources Inc TAT
 Shares issued: 2,470,400 Jan 16 close: \$0.35



BULLETIN

STAR ONE RESOURCES INC. • VSE-SOQ • 100, 878 CAMBIE STREET • VANCOUVER, B.C. • V6B 2P6 • (604) 681-8994

MINERAL HILL PROPERTY HYDER, ALASKA AND STEWART, B.C.

The Mineral Hill Property is located in Southern Alaska within ten kilometers of the small towns of Hyder, Alaska and Stewart, B.C.

The property, comprised of 127 claims and its surrounding mineral district, has been intermittently explored for gold and silver since the early 1900's.

During that time, numerous mineral occurrences and deposits have been discovered and several have been mined, notably The Premier, Big Missouri and Scottie Gold, all in B.C. Today the Stewart-Sulphurets-Iskut Gold camp is again active, with considerable exploration underway. Two of the closest old producers, Premier (immediately adjacent) and the Big Missouri 1 km north, are being developed for production as "The Premier Gold Project", where \$80,000,000 (Cn) is being spent to mill 2,000 tons of ore per day.

The district is situated along the contact area between Coast Plutonic Complex to the West and Mesozoic volcanic and sedimentary units to the east. Faulting is intense.

The Mineral Hill property is underlain, predominantly, by andesite tuff units and lesser Siltstone members of the Unuk River Formation. Tertiary and Jurassic intrusive bodies are present on, and, to the west of the property. The eastern andesite tuff unit is host to the Premier deposit (about a kilometre to the north) and the Big Missouri deposit. The western andesite tuff units hosts the Scottie Gold deposits. Mineral deposit models based on these three main producers in the district are applicable and favourably to the Mineral Hill property.

STAR ONE'S consulting geologists report: "... There are at least 17 mineral occurrences on the property, most reported to have trenches and adits on them. The host rocks, intrusive, structure, widespread gold-silver occurrences, nearby location of the Premier deposit, and potential for at least three mineral deposit type (models), make the Mineral Hill property highly prospective for gold-silver deposits. It is concluded that the property merits extensive detailed exploration."

STAR ONE RESOURCES INC., a V.S.E. traded company, trading symbol SOQ. STAR ONE RESOURCES has a 12-G exemption for U.S. stock distribution.

INTERNATIONAL ROCK ENGINEERING LTD., Vancouver, B.C.

The property is located in southeastern Alaska near the head of the Portland Canal. It is within ten kilometers of the small towns of Hyder, Alaska and Stewart, B.C. The towns are serviced by air and water from Prince Rupert, B.C. and Ketchikan, Alaska, and are connected by road to Highway 16 in central B.C.

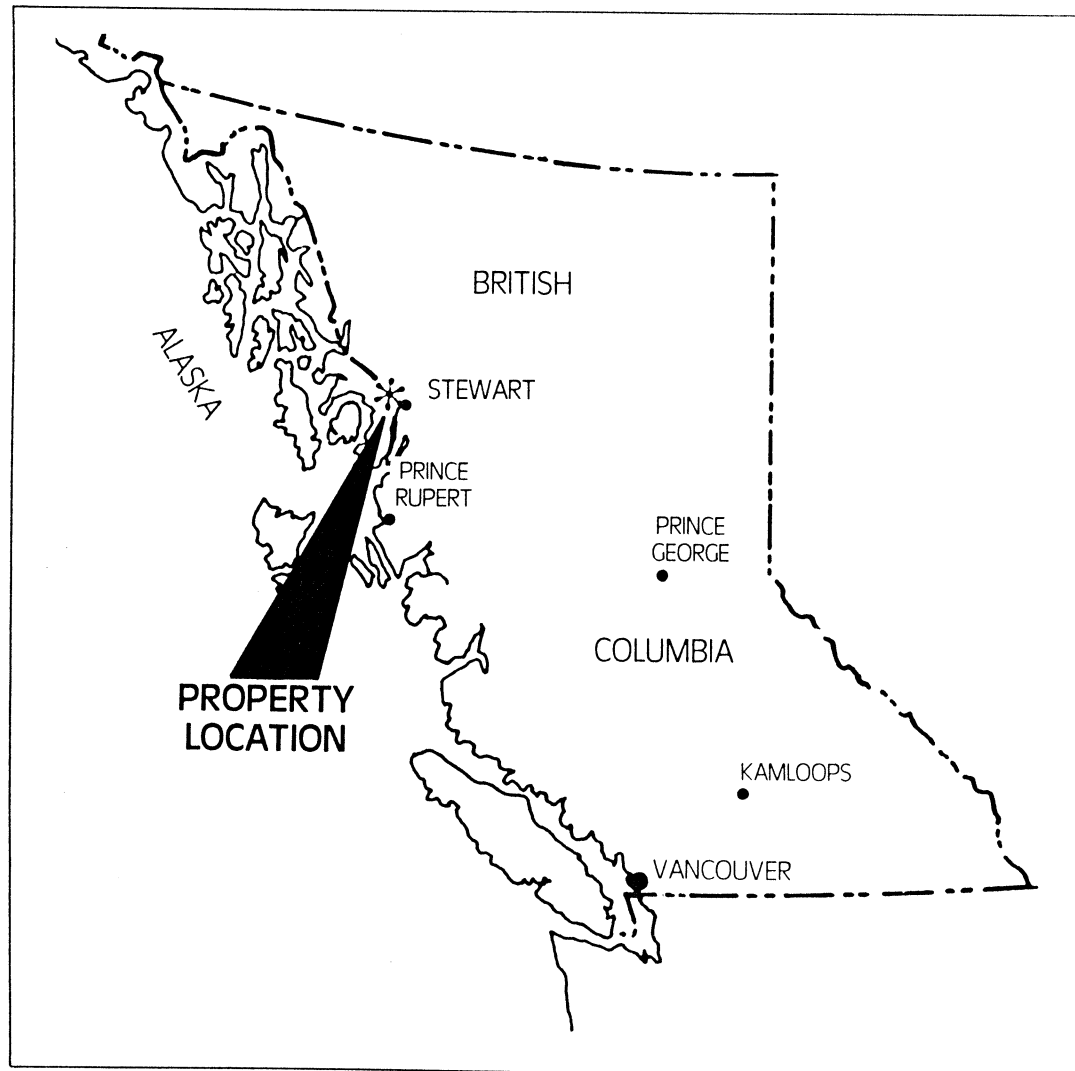
SUMMARY AND RECOMMENDATIONS

OWNER/OPERATOR

PROPERTY MANAGER

LOCATION AND ACCESS

**STAR ONE
RESOURCES INC.,
MINERAL HILL
PROPERTY -
LOCATION MAP
HYDER, ALASKA**



HOLDINGS

The property consists of 127 located Federal and State Mineral Claims that cover an area of approximately 1,000 hectares (2,470) acres).

**AREA AND
PROPERTY HISTORY**

Mineral exploration in the Stewart-Hyder area began in 1898 when a party of adventurers from Seattle arrived seeking placer gold deposits, which they believed would be as plentiful as those of the Klondike gold fields in the Yukon Territory. Although their discovery did not result in the expected find of placer gold deposits, they did discover mineralized float and vein material. Further endeavors eventually lead to the discovery of vein occurrences.

Activity in this area was sparse and little attention was exercised up until 1909. It was at that time a minor prospecting staking rush took place. It was not until 1917, however, that the area was officially termed and realized as a significant mineral district. In that year some rich silver mineralization was formed on the Canadian side of the border and in 1918 the first commercial deposit, the Premier Mine was discovered, also on the Canadian side.

Since 1918, precious metals production has been obtained from more than fifty properties in the Stewart-Hyder area with active production to date. Metals of significant value from these properties are gold, silver, copper, lead, zinc and tungsten.

REGIONAL GEOLOGY

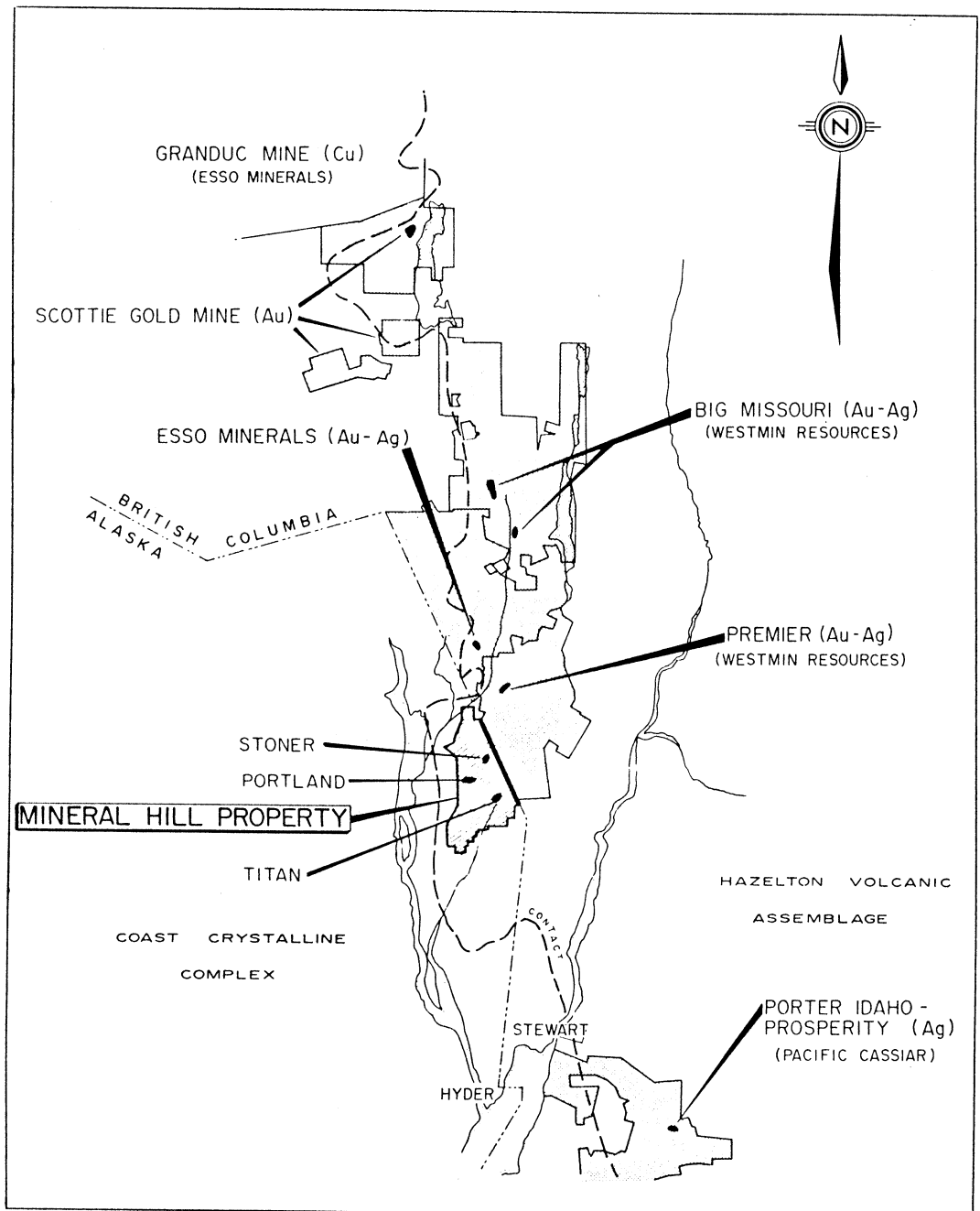
The Stewart-Hyder mineral district is situated along the contact between the Coast Plutonic Complex to the west and Mesozoic volcanic and sedimentary units to the east. The oldest rocks in the district are Hazelton Group volcanic elastics and sedimentary strata of Upper Triassic to Middle Jurassic age.

Two ages of intrusive rocks are present in the Stewart-Hyder area. The older represented by the Texas Creek Batholith, a granodiorite body is situated west of the Salmon River. The younger intrusive, termed the Hyder Quartz Monzite Suite, occur as smaller stocks and dykes within the volcanic and sedimentary units, and is a larger stock mostly within the Texas Creek Batholith.

MINERALIZATION

There are more than 1000 precious metal occurrences in the district, including several producers. Most are simple quartz-breccia and transitional vein replacement systems which contain irregular lenses and shoots of sulphide mineralization. The primary sulphide minerals are pyrite, galena and sphalerite, with accessory gold and silver minerals. Native gold, electrum and gold are locally important.

**STAR ONE
RESOURCES INC.,
MINERAL HILL
PROPERTY
CLAIM MAP —
HYDER, ALASKA
AND STEWART, B.C.**



CONCLUSIONS AND RECOMMENDATIONS

The Mineral Hill Property of **STAR ONE RESOURCES INC.**, is an excellent prospect for gold-silver mineral deposits. It is a large property containing numerous mineral occurrences in favorable geological settings.

The eastern third of the property is underlain by the host unit for the Premier and Big Missouri Mines, contains at least two mineral showings, is traversed by two major faults and contains two areas of positive electromagnetic and low resistivity response.

It is concluded that the Mineral Hill property merits extensive detailed exploration for gold-silver deposits, and the following two-stage exploration program is proceeding:

Stage I (1983) \$435,000)

*geochem and geo physical surveying to investigate and develop known mineral occurrence data

Stage II (1988) \$800,000

*trenching, diamond drilling, access road building

FOR FURTHER INFORMATION PLEASE CONTACT

WILLIAM A. TRAVNIK, P.Eng.
President

STAR ONE RESOURCES INC.
Suite 100 - 878 Cambie Street
Vancouver, B.C. V6B 2P6
(604) 681-8994

"All numbers and figures are as of date of printing."