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CROSS NEWS LETTER LTD.NO.68(1985)

PAGE TWO

APRIL 9, 1985

TAURUS RESOURCES LTD.(TRU-V)

104P

012

BANK DEBT TRANSFER ARRANGED - CYANIDE CIRCUIT - Melvyn M. Raha, president of Taurus Resources Ltd. has announced
INSTALLATION COMPLETE WITH SUCCESSFUL TESTING completion of contract for the transfer of the \$3,000,000 debenture from
the bank to United Hearne Resources Ltd. This transfer will improve
the company's financial condition and increase its flexibility.

Installation of the cyanide circuit has been completed at the Taurus Resources Ltd. concentrating plant, located 5 miles southeast of Cassiar, northern B.C. The circuit has the capacity to process about 15 tons of flotation concentrates per day. The plant, following the recent installation of new ball mill, now has a rated capacity of 300 tons per day to produce about 15 tons of flotation concentrates per day. Testing of the cyanide circuit has been successful in achieving the 85% to 88% designed gold recovery. Approximately 340 tons of concentrates have been processed through the new circuit in the test phase.

Mining plans have been developed to cut operating costs from approximately \$80.00 per ton to about \$50.00 per ton by reducing development work to a minimum. The mine currently has ore reserves estimated at 60,000 tons grading between 0.20 and 0.25 oz. gold per ton. It is planned to mine and process at a rate of about 160 tons per day starting April 8, 1985.

By including the gold recovered from the processing of the flotation concentrates, it is calculated that, in four months' operation from August through November, 1984, mine and mill production provided a positive cash flow. With the new ball mill and the cyanide circuit installed increased gold production is assured, the president stated.

Taurus recently received regulatory approval to issue up to 350,000 shares at 74.1¢ each to United Hearne Resources Ltd. in settlement of \$261,507.33.

TAURUS RESOURCES LTD. (TRU-V)

SABLE RESOURCES LTD. (SAE-V)

Jan 18, 85 GCNL

CYANIDE CIRCUIT TO OPERATE FEB. 1, 1985 - Melvyn M. Rahal, president of Taurus Resources Ltd., has reported that the AND INCREASE NET BACK ON GOLD RECOVERED. The cyanide circuit is now being installed at the Taurus concentrating plant five miles outside of Cassiar in northern B.C. Feb. 1, 1985 the circuit will start operating to process about 400 tons of float concentrates now in stockpile. The circuit has been designed to process only the product from the flotation circuit or about 15 tons per day. The plant has operated at 150 tons per day for the last year at a feed grade of 0.24 to 0.25 oz. gold/t with some periods of much higher grade as the mining moved from area to area. Overall, the plant recovered about 92% of the gold in the ore. Of the total, 55% of the gold was recovered in the jig concentrate and the balance in the flotation concentrate. The flotation concentrate was shipped to Montana for smelting and, after freight and recovery charges, Taurus received payment for about 55% of the value of the gold in the concentrate. This payment would require at least 90 days to settle after the concentrate left the mine. With the cyanide plant, \$600,000 will be added to annual revenues by the installation of the new circuit. It has been estimated at \$120,000 capital cost and is expected to be completed under budget. The cyanide plant is expected to recover between 85% and 88% of the gold in the flotation concentrate.

A new ball mill has been installed in the plant increasing the rated capacity to 300 tons per day. The primary and secondary crushing plant processes the 150 tons required per day in 1.5 to 2 hours per day and is expected to provide 300 tons crushed in about 4 hours.

The mining and milling operation at the Taurus plant was suspended Nov. 30, 1984 and is expected to resume Feb. 1, 1985 or March 1, 1985 provided a gold price of \$320 to \$330 U.S. can be predicted. Mr. Rahal stated that those are the prices needed to provide a reasonable return. "If we get those prices or it looks like prices will be close to those levels then we will resume mining and full operation. Last year, with the various difficulties, the mine almost broke even on an operating cash flow basis. With the improved plant and some good grades, 1985 could see some good profits," he said. In the mines there are between 8,000 and 10,000 tons of broken ore grading about 0.25 oz. gold/t which will facilitate resumption of operations.

Sable Resources recently reported assay results from the 1984 drilling program on the Quartzrock Creek property adjoining the Taurus mine. (See GCNL No. 8, January 11, 1985, page one for detail). The program is calculated to have drilled proven about 10,000 tons grading 0.25 oz. gold/t, including some much better grade material, such as 1.6 oz. gold/t across 16 feet. It is anticipated that at least a portion of this ore will be available to the Taurus plant about mid-summer.

104P012 - CORNUCORIA

N GOLD MINING INDUSTRY NEWS / MARCH 30, 1984 / PAGE 5

Taurus encounters new high grade gold zone

CASSIAR, British Columbia—Good news from Taurus Resources Ltd.! Their producing gold mine near Cassiar, British Columbia has been boosted in potential by the announcement of a newly encountered gold zone.

President of Taurus, Melvyn M. Rahal, has announced that this new zone has gold values up to 0.5 ounces per ton and that the width is mineable. Furthermore, noted Rahal, drifting along this new structure has progressed over 100 feet with continuous free gold present. One of these samples, he

noted, taken over three feet at the face has assayed out at 5.5 ounces of gold per ton.

This vein structure has an indicated drift of over 800 feet and Rahal suggested that the recent results indicate a substantial improvements in ore grades may be in the offing for Taurus.

Rahal also said that cross-cutting to a drill-indicated structure to the south with a drill-indicated ore grade of 0.4 ounces of gold per ton is continuing and is expected to intercept that vein. ✕

Apr 22/87 **TAURUS RESOURCES LTD. GCNL #77**
NEW GOLD DISCOVERY MAY - Taurus Resources Ltd. has
LEAD TO DOUBLE THROUGHPUT reported recent work at the
104P014 (5E) mine 5 miles east of
Cassiar, B.C., has uncovered a new zone of mineralization
which has been exposed for more than 200 feet in length
north-south and has a drill indicated dimension of 200
feet east-west with a 6 foot mining width. Many assays
within this zone have exceeded 1.00 oz. gold/t. Work
continues in the area to define grade and tonnage, but
at the present time, the area remains open and no
estimate of total tonnage can be made. It is
anticipated that when mined, an average diluted grade of
0.5 oz. gold/t will be processed through the mill. At
0.5 of gold per ton, this will be twice the historical
grade produced at the Taurus mine.

The Taurus Gold Mine has been in production for 1
years. Current reserves are 60,000 tons of proven ore
at 0.25 oz. gold per ton. The above discovery has not
been included in these reserves.

The company has recently announced a flow-through
share private placement of \$500,000 which is to be used
outside of the current mine area. Many good ore
showings presently exist and it is intended to develop
these further. With additional developed reserves, it
is anticipated to double the mill capacity to 300 tons
per day.

NMINER 17 MAY 1984

Taurus Resources says underground mine development has encountered a new type of gold mineralization at its Cassiar, B.C., mining operation. It's the form of massive pyrite and the gold-bearing mineralization has been found at three separate locations. The mineralization appears to be associated with a major thrust fault believed to be a main control for ore deposition.

The company says previous diamond drilling indicated this new zone to be as high as 0.6 oz. gold per ton over six feet. Limited production from here at the moment has dramatically increased mill heads and Taurus predicts gold output in

May will total 1,500 oz. compared to 1,200 during April. The company adds that good progress is being made in expanding the mill to 300 tons per day. The program should be completed by the end of June.

Cornucopia
104P/5E
(104P 012)

GCNL #187 27 SEPT 1985

TAURUS RESOURCES LTD. (TRU-V) CORNUCOPIA

104P/5E (104P 012)

GOLD PRODUCTION RATE - Gold production was 1,180 oz. in August, 1985 at the mine of Taurus, 5 miles southeast of Cassiar, B.C. **& RESERVES INCREASED** Production was at a rate of about 150 tons per day with the 4,300 tons processed during the month having an average grade of 0.3 oz. gold/t with the last week's production grading 0.554 oz. gold/t. Recovery was 98%. With an additional ball mill recently installed, the plant has a rated capacity of 300 tons per day.

Melvyn M. Rahal, president of Taurus has reported that, after installing a cyanide circuit at a cost of about \$150,000 in April, production in the five months ending Aug. 31, 1985 amounted to 4200 ounces of gold from approximately 20,000 tons grading 0.21 oz. gold/t. September production is currently forecast at about 4,500 tons of ore grading 0.3 oz. gold/t. Earlier the company had reported production of 800 oz. gold in July, 1985. This production is providing a positive cash flow which is being used: one, to reduce trade creditor liabilities of about \$1,000,000; two, develop additional working places for future production and three, build some cash reserve toward continued exploration.

The company recently raised \$150,000 by way of a private placement of 187,500 shares with warrants at 80¢ each. These funds have been and are being used to explore the eastern extension of the producing veins across a fault. Several holes drilled in 1981 across the fault encountered five intersections which assayed: 0.88 oz. gold per ton across 0.4 feet, 2.72 oz across 2.7 ft., 3.696 oz across 1.6 ft., 0.136 oz. across 3.8 ft. 0.261 oz. across 1.12 ft.

New holes in this area, 150 feet east of the fault, have confirmed and extended these old values with three intersections of 3 to 3.5 feet each assaying: 0.45; 0.50 and 0.38 oz. gold/t.

These intersections are at 550 to 600 feet from the collar or about 250 feet below surface at the 3,400-foot level which is the lowest current production level in the mine. The new tonnage will add to currently estimated reserves of 60,000 tons grading 0.2 to 0.25 oz. gold/t.

On the Snowy claims 1 mile east of the mine workings, an old showing carried veins from 4 to 4.5 feet wide assaying 0.1 to 0.22 oz. gold/t. Four holes in this area intersected 3 veins of the same grade and width. It is planned to collar an underground drift on these veins within the next few weeks and drift for at least 250 feet along the veins.

As a result of the conversion of the 2,800,000 Class B shares to A shares, United Hearne holds about 35% of the 8,000,000 issued shares of Taurus. As well, United Hearne holds Taurus bank debts of \$2,100,000 plus accrued interest recently purchased from the bank for \$800,000 cash. (See also some detail in GCNL No. 68, p2, April 9, 1985)

Scottie, Taurus, not equal situations

I am trying to determine the relative worth of Scottie Gold Mines and Taurus Resources, both trading on the VSE. On the basis of the information I have, they appear to be of equal worth, but the market price is very much different.

Your comparison and evaluation would help me in making future comparisons.

A.G., Mile House, B.C.

After a comparison examination of both companies you will see that in fact **Scottie Gold Mines and Taurus Resources** are not similar situations.

Scottie's main asset is its gold mine near Stewart, B.C., which went into production in 1981 at a cost of approximately \$17 million.

In the 1982 annual report, the company said that the mine operated consistently near its 200-ton-per-day rated capacity with recovery rates near 90%.

The mine produced 25,000 of gold during the fiscal year ended Sept.

30, 1982, from 49,000 tons of ore at a cost of \$404 per oz. of gold. Scottie expects to produce 50,000 oz. of gold this year. As of Mar. 31, 1982, Scottie had reserves of 175,000 tons with an average grade of 0.75 oz. gold per ton.

Taurus has a 100% interest in a gold mine near Cassiar, B.C., which went into production on Aug. 14, 1981. Up to Sept. 4, 1982, that mine produced 36,297 tons of ore grading 0.22 oz. gold per ton and as of Dec. 31, 1981, reserves totalled 61,100 tons grading 0.31 oz. gold per ton. In 1983, Taurus began a mill expansion program which will see the mill capacity increase from 150 to 300 tpd.

As you can see, there is a marked difference between reserves and grade at each mine. We can also try to estimate the gross revenue from gold production using our figures. If Scottie produces 50,000 oz. gold in 1983 as the company estimates, this would generate about \$25,000,000 in revenues assuming \$500 per oz. for gold. This is a lot higher than the \$5,500,000 in revenues which the Taurus mine would produce from sale of approximately 11,000 oz. of gold at \$500 per oz.

As of Aug. 25, Scottie traded in the \$7 area and Taurus around \$1.80 per share and this difference in share price probably reflects the difference in reserves, grade, and future earning potential for each company.

There are many other factors which determine a company's share price, such as the debt situation, amount of shares issued, working capital, and of course, the price of gold.

By the way, did you note a recent news item in our columns disclosing that the powerful **Goldcorp Investments** is acquiring a position in Scottie, taking down 200,000 units at a price of \$6.75 per unit "to finance exploration and development of additional ore reserves at the Summit Lake gold mine."

MINER 1 SEP 79 83

104B/1E (104B 074)

104P/5E (104P 012)

104B/1E, W

GCNL #25 6 Feb 84

TAURUS RESOURCES LTD.

104P/5E (104P 012) CORNUCORIA

NEW HIGH GRADE GOLD - Melvyn M. Rahal, president, announces that Taurus Resources Ltd.,
ZONE IS ENCOUNTERED a producing gold mining company, has encountered a new high grade gold zone at its Cassiar, B.C. location carrying ore grade values of more than 0.5 oz. of gold per ton over mining widths. Drifting along this new structure has progressed over 100 feet with continuous free gold present. One of the samples taken over 3 feet at the face assayed 5.5 oz. gold per ton. This vein structure has an indicated drift length of over 800 feet. Mr. Rahal comments that the results indicate a substantial improvement in ore grades may be expected from the Taurus operation.

Mr. Rahal also reports that cross-cutting to a drill indicated structure to the south, with drill-indicated ore grade of 0.4 oz. per ton is continuing and is expected to intercept that vein this week.

MINER 16 JUNE 1983

United Hearne plans bid

United Hearne Resources says it intends to tender one half share of United Hearne for one share of **Table Mountain Mines**, a Vancouver-based company. United Hearne plans to acquire up to 65% of the outstanding shares of Table Mountain, says Michael Schaffer, United Hearne president.

Mr. Schaffer says the acquisition will increase the company's potential for high grade gold reserves in the Cassiar, British Columbia, area, where United Hearne's subsidiary, **Taurus Resources**, currently operates.

He said the offer will be made through a formal prospectus.

104P/5E
(104P 012)

Cornucopia,
Taurus, Hanna

INTER. PROS. + DEV. MAG.
MAY/JUNE 1983

Taurus Resources Ltd. VSE-TRU

Taurus President Melvyn Rahal has announced that the major components have been purchased to expand the Taurus gold mine operation in Cassiar B.C. to 300 tons per day by July '83. A decline to provide access to the new lower 3,375 level is nearing completion and drifting on the 3,500 and 3,600 levels is opening the veins indicated by 1982 drilling. The decline cross cut a zone containing visible gold. Wall samples assayed 0.34 ounces gold over 45 feet with a best section over 20 feet averaging 0.66 ounces gold. This mineralization appears to be the feeder system for the overlying quartz vein. This vein has been drilled easterly 150 feet with results of 0.76 ounces gold over 2 feet and 0.31 ounces gold over 3.7 feet.

Calaveras has acquired, subject to regulatory authorities approval, 100% interest in 16 contiguous claims in the Cameron Lake-Rowan

Lake area of Ontario about 55 miles southeast of Kenora. Gold occurrences have been noted within the pyroclastic sedimentary belt of altered zones that extend throughout the property. Trenching shows promising gold values, best average 0.2 ounces per ton over 7.0 feet.

CORNUCOPIA, TAURUS,
HANNA

104P/5E
(104P 012)

104P/5E
104P 012
NMINER 17 FEB 1983

Taurus Resources says work is well under way towards expanding the production rate at its Cassiar, B.C. gold mine. About half of the necessary equipment has been purchased and development work is proceeding underground to meet the proposed production rate of 300 tons per day, notes Melvyn M. Rahal, president. The increased capacity should be in place by mid-year and Taurus concludes a recent diamond drilling program "indicates reserves sufficient to sustain the larger operation."

The original mill was built large enough to accommodate a doubling of the production rate and the expansion program largely involves construction of a fine ore bin, addition of another ball mill plus a few flotation cells. He adds that the budget for the mill expansion is \$250,000 and the company has about \$1 million in receivables some of which will be used for the work.

Taurus acquired control of the mine late in 1982 when **United Hearne** backed out after incurring "various trade debts in connection with the property." At the time, Taurus said it would "endeavour to arrange for the satisfaction of the debts" through a convertible debenture and Mr. Rahal explains "the majority of Hearne's creditors have accepted the debentures."

CORNUCOPIA, TAURUS, HANNA

GCNL #87 5 MAY 1983

TAURUS RESOURCES LTD.

104P/5E
104P 012

CORNUCOPIA, TAURUS, HANNA
UNITED HEARNE RESOURCES LTD.

CASSIAR GOLD PLANT

CAPACITY INCREASE UNDERWAY

- Taurus Resources Ltd. has reported to United Hearne Resources Ltd. on the gold mine operations near Cassiar, B.C. Plans to expand the mine operation to 300 tons per day are proceeding satisfactorily. The major components for the mill expansion have been purchased and installation should be completed by early July, 1983.

A decline to provide access for the new lower 3375 level is nearing completion and drifting on both the 3500 and 3600 levels is opening up veins indicated by the 1982 surface drill program. Assays along the wall of the decline averaged 0.34 oz. gold per ton over 45 feet with the best section averaging 0.66 oz. gold/t over 20 feet. This vein has been drilled 150 feet further east with results of 0.76 oz. gold/t over 2 feet and 0.31 oz. gold/t over 3.7 feet.

United Hearne owns 2,891,126 Class B, non-voting shares of Taurus, being all of the Class B shares. Taurus also has outstanding at present 3,579,405 Class A shares, which shares are listed for trading on the Vancouver Stock Exchange and NASDAQ.

NM INER 21 OCT 82

Taurus acquires United Hearne mine

VANCOUVER — Taurus Resources has taken over control of **United Hearne's** gold property near Cassiar, B.C., after that company "had incurred various trade debts in connection with the project." As a result Taurus now owns it outright. According to Melvyn M. Rahal, Taurus president, essentially the same staff are in place at the mine. It is currently operating at 150 tons per day, about one-third higher than previously.

He explains that Taurus is now in the process of completing a \$700,000 financing and most of this will be used for exploration work to expand and possibly upgrade the existing two years of reserves believed to average 0.28 oz. gold per ton. The drilling will probably try to locate new reserves at depth since this is the area with the greatest potential, he adds.

The rise in gold prices has helped the operation since the takeover and Mr. Rahal claims the mine actually turned a profit for the last three months. Of particular concern to management is a reduction in downtime in the mill. As a result, the

company has increased its inventory of spare parts.

Mr. Rahal says that even though Taurus isn't legally responsible to the trade creditors for payment of United Hearne's debts "it will endeavour to arrange for the satisfaction of the debts." In order to do this, Taurus wants to issue 10% debentures for which the principal would be convertible into Class A common shares at \$2 in the first year and \$3 during the remaining four years.

Cornucopia, Taurus,
Hanna
104P/5E
104P 012

GCNL #242

17 DEC 82

NO. 242 (DECEMBER 17, 1982)

104P/5E

104P 012

United Hearne Resources Ltd. have transferred their 60% interest in the Cassiar, B.C.

Hearne Taurus gold mining project to Taurus Resources Ltd. for 2,891,126 Class B shares of Taurus which are to be created pursuant to a reorganization of that company's share capital.

In settlement of \$182,416 of debt, United Hearne are to issue a total of 89,408 shares to 7 creditors.

Directors' options to buy a total of 237,500 shares at \$1.32 per share, good through 16 Aug 87, have been granted to Michael A. Schaffer as to 100,000, Leonard Drabkin 40,000, Paul S. Flaxman 30,000, James R. Billingsley 22,500, George R. Brazier 22,500 and Stafford Kelly 22,500.

For services rendered, United Hearne have granted non-transferable warrants to John Campbell to buy 22,500 shares at \$1.32 each through 15 Aug 83, and to each of M.H. Myerson & Co. and RSL Corporation to buy 25,000 shares at \$2 U.S. per share through 30 Sep 83.

United Hearne have entered agreements to sell by way of private placement with 11 buyers a total of 75,000 units at \$2 U.S. per unit comprising 1 share and 1 warrant, which warrant is exercisable for one year to buy 1 share at \$2.25 U.S.

2

GCNL #241 15-12-80 UNITED HEARNE RESOURCES LTD. 104P/5E 104P 012
TWO GOLD MINES ARE BEING - With financing commitments for \$2,000,000 approved by a major
PREPARED FOR PRODUCTION Canadian bank, United Hearne Resources Ltd. president R.W.Falkins
reports on progress towards production of 2 gold mines.

The first 5 leach pads, which have a capacity of 1200 to 1500 tons, are completed and the carbon absorption plant and ancillary equipment are virtually complete at the company's Costa Rican gold mine. Work will continue there until a 10-day shut-down for Christmas. The plant and mine should be in operation at 1500 tons per day during the first few weeks of January. Construction has started on the second line of leach pads which will bring the operation to 3000 tons per day early in the year.

Near Cassiar in northern B.C., at the Taurus gold mine, owned 60% by Hearne, mill foundations and steel work are completed and contracts for mill equipment are being negotiated. The second level decline has been collared and will be driven 125 feet below the first production level. F

GCNL #182 23 SEPT 81 TAURUS RESOURCES LTD. 104P/5E (104P 012) F
PROCESSING OF GOLD ORES- Mel Rahal, president of Taurus Resources Ltd., has reported that
IS NOW UNDERWAY the Hanna Gold Mine, six miles south of Cassiar, B.C. has completed
the tune-up period in the 100-ton per day capacity concentrating
plant. The mine and plant owned 60% by United Hearne Resources Ltd. and 40% by Taurus
Resources Ltd. started operation on August 14, 1981. In a recent seven days of operation the
plant processed ore at the rate of 120 tons per day with a head grade of 0.38 oz. gold per
ton. P, R

During the period the plant had some minor mechanical tune-up problems and the plant is expected to operate at a rate of 125 to 150 tons per day in the future. Reserves at the property were calculated at 440,000 tons of 0.42 oz. gold per ton in all categories. Since that calculation, extensive exploration has been carried out with encouraging results.

NO.83(1982)
APRIL 30, 1982

GCNL #83 30 APR 82 UNITED HEARNE RESOURCES LTD. 104P/5E 104P 012
PRESIDENT APPOINTED - United Hearne Resources Ltd. directors have elected John K.Campbell,
a recently appointed director, to replace the late R.W.Falkins as
president. A member of a Vancouver law firm, Mr.Campbell practices in the security and
resource fields and has broad experience in business associated with the mining industry
in Canada, U.S.A. and Ireland.

Work on the expansion of production at the Santa Clara gold mines in Costa Rica is proceeding as planned and the Taurus gold mine near Cassiar, B.C. is producing more than 100 tons of ore per day.

(1)

GCNL #13 18 JAN 1985

TAURUS RESOURCES LTD. (TRU-V)

SABLE RESOURCES LTD. (SAE-V)

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Cornucopia
104P/5E
(104P 012)

104P/5E (104P 011) MARK 3, HIGH GRADE

GCNL #68 9 APRIL 1985

TAURUS RESOURCES LTD. (TRU-V)

CORNUCOPIA

104P/5E (104P 012)

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GCNL #128 4 JULY 1985

TAURUS RESOURCES LTD. (TRU-V)

104P/5E (104P 012) CORNUCOPIA

EXPLORATION FUNDS SECURED - Taurus Resources Ltd. has entered into an agreement with Angus J. MacPhail, G. Robert Fay, and D. Grant MacDonald as to \$50,000 each to provide tax flow-through funds for exploration purposes. The amount of \$150,000 has been subscribed and has been allocated to diamond drilling and surface exploration of the company's Cassiar, B.C. gold property. The flow-through shares will be issued with the provided discount from the closing price of \$1.00 and will carry a warrant to purchase an additional share for one year at the appropriate price. The sale is subject to regulatory authority.

1

NO.137(1982)
JULY 19, 1982

GCNL #137 19 JULY 82

104P/5E

104P 012

TAURUS RESOURCES LTD.

UNITED HEARNE RESOURCES LTD.

**OPERATING PROBLEM AND MANAGEMENT CHANGE
PROPOSAL OUTLINED IN MEETING NOTICE**

Mel Rahal, president of Taurus Resources Ltd. states in a July 12, 1982 letter to shareholders that the primary crusher at the company's 40% owned Harna Gold Mine, located six miles south of Cassiar, B.C. has posed considerable problems. The mill is capable of continuous 150-ton per day operation. However, the limiting factor has been the crusher. Average through-put during the past six months has been approximately 100 tons per day. The grade of ore processed has also been lower than anticipated but improvement can be expected.

The agreement with United Hearne Resources Ltd, has been restructured, subject to various approvals. United Hearne Resources has agreed to transfer its 60% interest in the mining project to Taurus. Taurus will assume full responsibility for the management and operation of the mining project, effective June 30, 1982. Taurus will create and issue 2,891,126 non-voting class B shares, convertible into class A voting shares at any time, to United Hearne in consideration of the 60% property interest. The class B shares are to be non voting and non convertible until June 30, 1985. There currently are 2,891,126 common shares of Taurus now issued. In effect, subject to all approvals, United Hearne will receive 50% of the issued shares of Taurus for its 60% interest in the operation.

During the 12 months ended Dec. 31, 1981, Taurus Resources received \$211,008 in new funds through the return of deferred expenditures and spent \$1,228,512, of which \$1,000,000 was to the joint venture at the mine, and ended the period with a working capital of \$74,009. The joint venture has bank loans, as at Dec. 31, 1981 of \$2,750,000.

Nominees for directors of Taurus at the annual meeting to be held 2:00 p.m., Aug. 3, 1982, in the Hyatt Hotel, Vancouver, B.C. are: M.M. Rahal, president and owner of 413,000 shares or 14.28% of the issued shares; Carl K. Johanson, 2,500 shares and Robert J. Mistal 2,200 shares.

GCNL #207 28 OCT 82

104P/5E

104P 012

Taurus Resources Ltd., by 30 Jun 82 agreement will acquire United Hearne Resources Ltd.'s 60% interest in the Hearne/Taurus mining project near Cassiar, B.C., there-
CORNUCOPRIA by raising Taurus' interest to 100%. For the Hearne interest, Taurus will issue Hearne 2,891,126 Class B common shares which will be non-voting until 30 Jun 85 and be convertible into the Taurus' existing common shares to be redesignated Class A after that date.

GCNL #13 20 JAN 1983

TAURUS RESOURCES LTD.

104P/5E 104P 012

**CONCENTRATE CAPACITY AT GOLD
MINE IS BEING DOUBLED TO 300/DAY**

- Expansion of the gold concentrating plant at the Taurus Resources Ltd. is now underway. By mid 1983 the plant capacity will have been increased from the present 150 tons per day to 300 tons per day. The company has purchased the bulk of the necessary equipment for the expansion and is completing the detail engineering drawings. The expansion was initiated to increase effectiveness of the plant and reduce per ton operating costs. In addition the expansion was prompted by the success of the recent diamond drilling program which indicated sufficient additional reserves to warrant the program.

The company has concluded the financing for the work.

The property is located five miles southeast of Cassiar, B.C.

Cornucopia, Taurus,
Harna

Hearne properties appear winners

THE NORTHERN MINER January 28, 1982

By David Duval

VANCOUVER — There should be a good encyclopedia on mining. In that event, two highly respected and knowledgeable members of Vancouver's mining community would probably be major contributors.

We're speaking about Robert Falkins and Hector Waller, two affable professionals with decades of experience, who are still "climbing mountains" (and tunnelling through them as well).

Both are involved in two gold mining operations — each of which is on its way to becoming a winner — at opposite ends of the continent. And, only when you consider the locations, is the versatility of these gentlemen most evident.

The Canadian operation, situated near Cassiar in northern B.C., is an underground hardrock mining proposition while the open pit project in Costa Rica, Central America, involves a gold-bearing laterite deposit with heap leaching as a recovery method.

United Hearne Resources acts as operator for the Cassiar property which was optioned from Taurus Resources three years ago. Both are VSE listings and their interest is split 60/40 with Hearne holding the lion's share.

Somewhat discouraged by recent gold prices, Mr. Falkins, United Hearne president, remains optimistic about future prices. In an interview with The Northern Miner he predicted that "gold will improve in the second quarter." And he contends the Taurus mine "will be going for a long time." This statement was reinforced later when he admitted a doubling of mill capacity was planned in the future.

Operating at 100 tons per day, that rate is two-thirds of capacity, even though the mill actually achieved 150 tons in the past. For the most part it's simply a case of not being able to supply enough ore, something which will be resolved once underground mining is more advanced and the usual startup problems are overcome. Millheads are currently averaging 0.45 oz. per ton.

Future expansion

The mill structure is large enough to facilitate future expansion and obviously a great deal of forethought went into the decision to "over-build" the plant. Basically, any expansion would involve adding a few more jigs and flotation cells.

The production decision was made on the basis of 60-70,000 tons

of proven reserves grading 0.45 oz. gold, and even though previous studies suggested mining larger tonnages at a lower grade, United Hearne decided to proceed on a small tonnage basis.

Another 700,000 tons averaging approximately 0.35 oz. gold is thought to exist in all other reserve categories at present.

Clearly, a major factor in the mine's viability was the location. Despite being in north-central B.C. the property literally straddles the Stewart-Cassiar highway and the availability of power, a major consideration for any new mine, didn't pose too much of a problem.

Taurus Resources picked up the property after Newconex Canadian Exploration, a wholly-owned subsidiary of Goldfields Mining and Industrial of London, England, dropped it. Earlier, a company noted for manufacturing headache tablets

even took a crack at the property, said Mr. Waller.

The work Newconex and others completed, however, later proved invaluable in assessing the feasibility of the operation. In total, their work was probably worth about \$2 million, a major cost benefit.

Entry to the mine is via two adits, one of which is a decline. Six "significant" veins are known to exist, all minable by low-cost open and shrinkage stope mining. Some low-grade material occurs between these veins, which in many cases would reduce the effect of straight waste dilution.

Nice new ore

Mr. Waller states the company is running into "nice new ore" in the eastern and northern portions of the mine where one diamond drill hole returned 0.55 oz. gold across six feet. And it's still wide open to the east, north and at depth also, he adds.

About 50% of the precious metal occurs as free gold and the balance is associated with easy to distinguish sulphide material.

Two concentrates are produced, with jigs accounting for 60% and the balance from flotation.

According to Mr. Falkins, United Hearne had to go into debt in order to develop the mine and the initial payback period was expected to be 11 months following startup last summer. That assumption was made on \$US500 gold, substantially higher than exists today. Consequently the payback period will take longer, he admits.

Meanwhile, at the Santa Clara gold mine in Costa Rica, Mr. Waller says the company is into "an ideal leaching situation." With reserves of five million tons grading a nice 0.06 oz. gold per ton, and the possibility of a further six million tons "on the other side of the creek," at a similar grade, future profitability seems assured.

Politically stable

Costa Rica is politically stable, according to Mr. Waller, and the tax environment is better than Canada or Mexico for that matter. The government seems intent on attracting foreign investment in order to diversify its economy which essentially is agricultural. Typical of small countries, it has balance of payments problems because of oil imports.

The mine operates year-round and no drilling and blasting is required since the ore occurs as a laterite. Fairly high grade for a leaching operation (mine run is 0.063 oz. gold with minor silver), the recovery rate has now been increased to 77%, and future improvements are expected.

Clay bearing material, which caused serious problems in the past, will now be handled by a new carbon and pulp circuit to recover the gold. And Mr. Waller gives high praise to Witteck Development of Toronto, and its president Margaret Witte (formerly with the Ontario Research Foundation) for the better results.

He says the mine is making money and future plans call for expanding the production rate to 2,000 tons per day from cash flows. Canadian Barranca is also participating with a 40% interest.

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104P 012

CAPACITY PRODUCTION NOW ANTICIPATED - Mel Rahal, president of Taurus Resources Ltd., has reported FOLLOWING SLOW START UP PERIOD that the concentrating plant on the Hanna Gold Mine property located six miles south of Cassiar, B.C. experienced primary crushing problems in the start up period which began Aug. 17, 1981. Many repairs have been necessary but it now appears that repairs have been effective and production should increase to projected levels. The plant has a designed capacity of 125 to 150 tons per day.

The Canadian Imperial Bank of Commerce has provided the joint venture with a bank loan of \$2,150,000 and an operating line of credit of \$600,000. At this stage, the bank loan has been totally drawn down and approximately half of the operating line has been expended.

The mine and plant are owned 60% by United Hearne Resources Ltd. and 40% by Taurus Resources Ltd.

During startup, development ore with grade averaging 0.3 oz. gold per ton has been used almost exclusively. The mill is now running smoothly and better grade ore from the underground mining will be processed. Recently, ore taken exclusively from the stopes was processed through the mill and averaged 0.8 oz. gold per ton.

Mr. Rahal stated that the recently concluded diamond drilling programme, which was designed to prove ore grade veins along strikes as well as to depth, has been evaluated and the results are considered very encouraging.

TWO NEW DIRECTORS ARE APPOINTED - R.W. Falkins, president of United Hearne Resources Ltd., PROGRESS ON PROPERTIES REPORTED announces that Robert Adamson, P.Eng., and John Campbell have been appointed as directors. Mr. Adamson, a geologist and partner in the mining consulting firm of Dolmage Campbell, Associates (1975) Limited, has had broad experience and senior management roles in major mining programs in western Canada, the U.S.A., Mexico, Peru and Chile. Mr. Campbell is a member of a Vancouver law firm and has a broad experience in the mining business, having served on various corporate boards.

Mr. Falkins reports progress at the company's two new gold mines recently brought to production. In Costa Rica, production at the Santa Clara gold mine involves open pit mining with recoveries by heap leaching. A new addition of a carbon-in-pulp plant and additional 45-50,000 ton leach pads now under construction will increase the capacity to 3,000 tons per day by mid-1982. Near Cassiar in northern B.C., the Hearne Taurus gold mine is now up to production averaging in excess of 100 tons per day at the average projected grade of 0.40 oz. gold per ton.

Elsewhere, the second phase of a major exploration program on the London Silver claim group in the Slocan area of south central B.C. will start in May. United Hearne own over 1,000,000 of the 1,695,000 shares of London Silver Corporation outstanding at 31 Dec 81. In the Highland Valley copper area in southern B.C., the company's Barnsley claims are favourably located on the Lornex fault. Mr. Falkins says that exploration will start with geophysical surveys as soon as weather conditions permit.

JULY 10, 1981

TAURUS RESOURCES LTD.

UNITED HEARNE RESOURCES LTD.

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GOLD PRODUCTION EXPECTED TO - Mel Rahal, president of Taurus Resources Ltd., in a recent START NEAR THE END OF JULY report reviewed progress at the Hanna gold mine six miles south of Cassiar, B.C. The mine is adjoining the Erickson Creek 50% gold mine of Nu-Energy and close to the prospects being developed by Plaza and Cusac Industries. The Hanna mine has been under exploration and development over the last 15 years and is now owned 60% by United Hearne Resources Ltd. and 40% by Taurus. Earlier exploration work provided reserve calculations of 440,000 tons grading 0.42 oz. gold/ton in all categories. These reserves were developed by several thousand feet of workings several years ago when the values were too low, indicated to be erratic and with limited potential. The more recent workings, which include a new 1,200-foot long lower level decline, have doubled the backs from 150 to 300 feet with the new level, suggested good depth potential, some higher grade sections and a mining width of plus or minus four feet can be expected. The current exploration and development work has resulted in an ore stockpile on surface of some 6,000 tons probably grading 0.50 oz. gold per ton before dilution.

As the mining is proceeding, the final installations are being made in the concentrating plant which will have a capacity of 100 tons per day when it starts operation near the end of July. Drifting on the No.1, No.2 and No.3 veins on the lower level has developed 66,000 tons of ore. The grade in the No.3 high grade vein is 0.7 oz. gold per ton over mining widths. The continuation of this grade to depth is considered to have a good potential. The extension of the veins some 1,800 feet to the west is also considered to be good since the recent work on the Plaza property indicates that the same veins carry values on that property.

Financing from Canadian Imperial Bank of Commerce provided \$2,000,000 for mine and mill completion as well as an operating line of credit of \$600,000. Mr. Rahal said expansion of the mill is now being considered to process what appears to be a large amount of lower grade ore. The economics would be achieved by much lower mining costs. Widths of 20 to 30 feet have been encountered of what would be economic ore.

As at 31 Dec 80, Taurus reported expenditures for the year of \$221,096 on exploration and development, \$84,731 on administration, and working capital of \$1,099,616 at the end of the period when there were 1,445,563 shares issued.

MINER .17 SEPT 81

United Hearne Resources President R. W. Falkins says in an interim report that late deliveries of equipment, leaching and staff problems, and one of the wettest periods in history led to delays in construction of facilities at its Santa Clara gold mine in Costa Rica. However, heap

leaching is now under way and ore grades are equal to or better than drill indicated reserves, and metal recoveries are good.

The underground development program on Hearne's Taurus Gold Mine near Cassiar in northern B.C. is continuing on two levels. He notes late deliveries of equipment held back the original production schedule for its 100 ton per day mill which is now in production.

The 3,600 ft. level underground was advanced 432 ft. in the first half this year, and the 3,500 ft. decline level was advanced 1,786 ft. Ore grade was comparable to that encountered by diamond drilling.

Proven and potential reserves at the Taurus mine are believed to be 300,000 tons of 0.4-0.45 oz. gold per ton. The ore zone is open to the east and at depth. Taurus Resources (VSE) has a 40% interest in the mine.

HANNA, CORNUCOPIA

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N MINER
9 JULY 81

68 The president of United Hearne Resources has informed The Northern Miner its Taurus gold property in the Cassiar region of northern B.C. will begin production in mid-July. R. W. Falkins said all milling equipment has been delivered, noting plant capacity could be doubled to 200 tons per day through the installation of another ball mill and additional flotation cells.

The second-level decline, driven on the vein, has been in ore since the beginning, he reports, and grades are averaging 0.60 oz. gold per ton — somewhat higher than the first level drive. Two raises have also been completed, both of which encountered some very high grade sections. However, grades in these raises have been "cut" to 0.75 oz., he points out.

With gold prices on the decline the payback period for the operation will be approximately one year. Mr. Falkins believes the gold price has bottomed out with some improvement expected in the next few months.

Production problems at United Hearne's 60%-owned Santa Clara heap leaching property in Costa Rica have pretty well been overcome. Much of it was associated with the channelling of leach solutions through gold-bearing material on leach pads. United Hearne has begun pelletizing the material to alleviate these problems.

The first gold bullion is expected to be produced in mid-July, according to Mr. Falkins.

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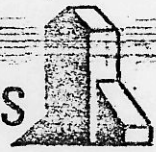
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11 JUNE 1981

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Report from Vancouver

United Hearne developing gold mines



By David Duval

After expenditures of slightly over \$3.5 million United Hearne Resources' Santa Clara gold mine in Costa Rica began production at 1,500 tons per day in the first quarter of this year. A 3,000 ton leaching and carbon absorption plant appears feasible in the future. One year's ore supply is available in the open pit before any more stripping has to be done, the company reports.

United Hearne will own an 85% interest until all its costs have been recovered reverting to a 60% interest and up to a 10% management fee thereafter. At that point, the split will be 60/40 with Canadian Barranca, less management fees.

R. W. Falkins states in the annual report that Hearne's Taurus gold mine Cassiar, B.C., will be put into production as soon as possible at

100-150 tons per day. The prospect has proven reserves of 66,000 tons grading 0.47 oz. gold per ton and potential exists for several hundred thousand tons laterally and at depth, he concludes.

All the mill buildings have been completed and development work underground has commenced. Initially, higher grade ore from the #3 vein on both the 3600 and 3500 ft. levels will be mined to maximize profits. Total production costs will likely approach \$4.1 million and a payback period of 10 months is expected.

Shipments from the London Ridge property near Trail, B.C., to Cominco's smelter netted the company \$226,000 during 1980. The ore averaged 33.5 oz. silver per ton and a new company has been formed to develop the property. Hearne has a substantial share position in this company which plans an extensive exploration and development program including diamond drilling, underground development and geophysical work in 1981.

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United Hearne Resources has recommended heap leaching at its Santa Clara gold mine in Costa Rica, according to R. W. Falkins, president. Sufficient ore has been exposed by stripping to last for approximately one year.

A new leaching technique is being studied to improve gold recovery from the caly-type ore, and consideration is also being given to expanding production capacity to 3,000 tons per day or more, he says.

Production is scheduled for late June at Hearne's Taurus gold mine in northern B.C. The mill has been completed and the necessary equipment purchased for startup. Development work is continuing underground and the program has confirmed the potential west of the 3,600 ft. level workings.

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104P 012

FILE

GCNL #128

3-07-80

UNITED HEARNE RESOURCES LTD.

PROGRESS REPORTED ON - R.W.Falkins, president, reported at the annual meeting of United GOLD & SILVER PROPERTIES Hearne Resources Ltd. on 27Jun80 that results obtained from the large drilling and underground program started last year on the Taurus gold mine in the Cassiar district, B.C., in which United Hearne owns 60%, have been excellent. Reserves proven to date are 30,000 tons of 0.45 oz.gold per ton. The potential exists to add an additional 15 to 20,000 tons of 0.3 to 0.4 oz. ore with further drifting. Projecting to 500 feet below this level (there is drill information to 400 feet) the potential within the mine area explored to date is 6X50,000=300,000 tons of 0.4 to 0.45 oz.gold ore.

Mr.Falkins said the opportunity to expand this tonnage adjacent to the present workings appears good and the large quartz vein north of the mine and the Snowy Creek showings provide additional potential which will be explored this summer. Company consultant, R.Trenaman, P.Eng., of Trenaman Spencer Consultants, has recommended that a minimum 100 tons per day mill be constructed. Discussions with government and environmental departments will be started immediately. United Hearne's construction of its 3,000-ton per day gold recovery plant in Costa Rica is progressing well after delays in permits, etc., were granted. It is hoped construction will be completed by September 30.

Mining on a contract basis has started on the London Ridge silver property in the Slocan district, B.C. A large geochemical silver anomaly will be tested by drilling this summer.

Western Miner / Oct. 80

Roy Fr., Thrush.

104P/SE

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**United Hearne plans production
from BC gold mine by 1981**

United Hearne Resources (60%) and Taurus Resources (40%) expect production from their gold property near Cassiar BC by early 1981. The companies will spent \$2-million on a 150-ton mill and underground developments. The property has proven reserves of over 300,000 tons grading 0.45 oz/ton gold. The zone is still open to the north and west, the company reports.

Taurus plans program on Cassiar prospect 104P/50

VANCOUVER — Taurus Resources intends to carry out phase one of a recommended program on its Cassiar gold prospect, five miles east of Cassiar, B.C.

The program, consisting of geological work, bulk sampling and 1,000 ft. of diamond drilling, is estimated to cost \$116,160.

An underwriting netting \$135,000 will be used to fund the work. Repayment of current liabilities will account for a further \$17,943 and \$879 will be held for working capital. N Miner, 10/5/79 p3

GNL #199 15-10-80

TAURUS RESOURCES LTD. 104P 012 104P/5E

CASSIAR GOLD MINE PROPERTY REVIEWED - Shares of Taurus Resources Ltd. effective 17Sep80 were no longer in primary distribution following exercise

of the warrant to purchase 25,000 shares at \$4.40 by Canarim Investment Corp. CORNUCOPIA F, R
Taurus Resources' property consists of 60 mineral claims and units located near the producing Nu-Energy Mine, 6 miles southeast of Cassiar, B.C. United Hearne Resources Ltd. optioned a 60% interest in this property in July, 1979 and to date has spent \$550,000 on the first and second stages of exploration and development. Taurus must contribute 40% of costs over \$400,000 to retain its interest.

Work in Stage 1 included geological mapping, extensive surface trenching, rehabilitation, of most of the extensive underground workings, a test mining program totalling 184 ft. of underground drilling and raising, and surface diamond drilling of 3,205 ft. All field work was under the direction of R.Treneman, P.Eng. Stage 2, at a cost of \$10,000, includes additional drifting and raising of 1,000 ft. as well as underground diamond drilling.

Reserves proven to date are 30,000 tons of 0.45 oz. gold per ton. The potential exists to add an additional 15 to 20,000 tons of 0.3 and 0.4 oz. ore with further drifting. Projecting to 500 feet below this level (there is drill information to 400 feet) the potential is 300,000 tons of 0.4 and 0.45 oz. gold ore. Additional possibilities exist to increase these tonnages. E.N.Rahal, president of Taurus, stated that a tonnage rate of 200 tons/day could be supported at \$300 gold if the tonnage figures are doubled to 50,000 tons "firm" and 50,000 tons "potential".

There are a number of promising gold occurrences elsewhere on the property. Company consultant, R.Treneman, P.Eng., has recommended that a minimum 100 tons per day mill be constructed.

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United Hearne Resources' president R. W. Falkins says the first five leach pads and virtually all the carbon absorption plant have been completed on the company's Costa Rican gold mine. The plant is expected to be in operation at 1,500

104P / 5E 104P 012

tons per day in early January. A second line of leach pads now under construction will raise the operation's capacity to 3,000 tons per day.

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At the Taurus Gold Mine in northern B.C., which is owned 60% by Hearne, the mill foundations and steel work are completed and contracts for mill equipment are being negotiated. The second level decline, scheduled to be driven 125 ft. below the first production level, has been collared.

Financing commitments for \$2 million have been approved by a major Canadian chartered bank, he reports.

GCNL #150 03-08-79

UNITED HEARNE RESOURCES LTD.

1048/SW

DEAL MADE ON OLD HANNA - United Hearne Resources Ltd. has announced development programs
GOLD MINE AT CASSIAR, B.C. underway on presently held properties and a new property acquisition.

Wright Engineers are in the final stages of the feasibility studies on the Santa Clara gold mine in Costa Rica with its proposed 3,000 ton per day open pit operations. At this time, three Wright Engineers and a metallurgist are on the property finishing a sampling program. A most important new process in heap leaching of clay type ores has been discovered and preliminary studies to increase percolation rates for heap leach ore have indicated that a dramatic increase in the rate could be obtained on Santa Clara ore. The new agglomeration techniques would allow 90% recovery in 24 hr. Further large-scale testing has become necessary.

A letter of intent has been signed whereby United Hearne earns a 60% interest and Taurus Resources Ltd. maintains a 40% interest in 29-claim The Old Hanna gold mine, 5 miles east of Cassiar, B.C., near the Nu-Energy mine. The property has numerous surface veins unexplored by 3,000 feet of underground workings and 2,800 feet of underground diamond drilling. The veins vary in width from a few inches up to 20 feet. Approximately 83,000 tons of proven ore is in place and ready for mining at an average grade of 0.72 oz. of gold per ton. Other vein zones have been located on surface, one such vein 4,500 feet NW of the adit assayed 0.35 oz. gold per ton over a width of 7.8 feet. Fine visible gold was noted in another quartz vein 8,800 feet east of the adit. Of more immediate importance is a vein located on the boundary of claims Copco No's 4 and 6 which on surface assayed 3.30 oz. gold over a four foot width. This latter vein would be exposed early in the driving of the proposed low level adit. An exploration program has been started which includes surface and underground diamond drilling, test mining of existing underground veins, and two raises to surface, trenching and engineering studies.

The agreement is that United Hearne spend a minimum of \$150,000 in 15 months and \$250,000 in the next 15 month period to earn its 60% interest. From that point costs are to be borne on a 60-40% basis.

NO.150(AUGUST 3,1979) Owned, published and copyrighted by George Cross News Letter Ltd.

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GCNL #190 02-10-79 UNITED HEARNE RESOURCES LTD.

THREE PROJECTS PROVIDING ENCOURAGEMENT - R.W.Falkins, president of United Hearne Resources Ltd. has reported encouraging results on the company's three main projects. The Santa Clara gold property in Costa Rica awaits completion of final metallurgical tests on the large scale modified heap leach being run by Ontario Research. He says that if this final test of one half a ton is comparable, a very low capital cost of plant and low operating costs will be obtained.

The Taurus Resources project, previously called the Hanna Gold Mine, on which the company holds an option to earn a 60% interest, an exploration program budgetted at \$150,000, has been underway for a month. Bulldozer trenching has located a number of previously unknown veins. Sampling of these has yielded good values. F
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The present underground workings total over 4,000 feet of adit and crosscut. The 36-400 raise from 3,600-foot level to surface has been completed and throughout the vein is well pyritized. Between 45 and 53 feet, impressive amounts of visible free gold have been encountered. A great number of veins have been exposed in the underground workings and their extent and continuity are being explored by diamond drilling and raising. A second raise has been started 500 feet south on a separate vein from the first raise just completed.

The main adit on the 1307 vein previously indicated 150 tons per vertical foot with an uncut assay grade of 0.82 oz. gold per ton over a width of three feet. Values in silver have averaged 0.5 oz. per ton.

The first shipment of 275 tons of development ore from the London Ridge property, located 10 miles west of New Denver in the Slocan district of B.C., averaged 30.45 oz. silver per ton. The shipment netted 7,767 oz. silver after deducting freight and treatment costs. An additional 203 tons are now at the Trail smelter awaiting processing and 300 tons are in the process of being trucked from the property. 82F/13F
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GCNL #222 19-11-79

UNITED HEARNE RESOURCES LTD.

104P 012

104P/5E

PROGRESS REPORT REVIEWS - In a Nov. 15, 1979 news release R.W.Falkins, president of United Hearne Resources Ltd., reviews progress on the company's three properties. On the Santa Clara gold property in Costa Rica leaching research has shown better than 80% recovery in 36 hours using a 6 foot layer of ore in a contained space. The company proposes to start construction of a 500 tons per day pilot plant and continue additional leach testing on site. When the pilot plant works to expectations an expansion to 3,000 tons per day will be undertaken. Ore reserves have been calculated at 4,041,200 tons grading 0.051 oz. gold/t using a cutoff of 0.015 oz. gold per ton. The ore zone is open to extensions to the north and west.

United Hearne has an option on a 60% interest in the Taurus gold mine near Cassiar, B.C., close to the producing Nu-Energy 50% interest in the Erickson Creek Gold Mine. United Hearne has just completed spending \$190,000 confirming results of work done in 1961 to 1963. Results are summarized, "Ore above the 3600 level developed by existing drifts is 16,000 tons grading 0.55 oz. gold/t with minor amounts of silver. It has a gross value at present prices (\$385 U.S.) of \$4,000,000. This ore would be classified as probable. Approximately 30% of this material containing 50% of the gold could be mined selectively at an average grade of better than 1 oz. gold/t. Drifting out projected veins on this level should increase this reserve to 25,000 tons at 0.5 oz. gold/t and a gross value of \$4,700,000 at present prices. Additional underground drilling below the 3,600 level where high grade has been indicated, has a good chance to increase the reserve to at least 50,000 tons, having a gross value approaching \$11,400,000 at present prices. This latter tonnage would be classified "Drill probable".....Additional possibilities exist to increase these tonnages." F
R

A tonnage rate of 200 tons per day could be supported at \$300 gold if the tonnage figures are doubled to 50,000 tons 'firm' and 50,000 tons 'potential'.

The second stage of exploration is now underway at a cost estimated at \$310,000. It is to include 1,000 feet of drifting, raises and underground diamond drilling. It will take about four months to complete.

NO.222(NOVEMBER 19,1979) + GEORGE CROSS NEWS LETTER LTD.

The company's net income for the first half of 1979 was \$6,299,679, or \$1.15 a share, down from income of \$8,328,133, or \$1.51 a share, for the first half of 1978. In the first quarter of the year, results continued to be affected by the strike which ended Jan. 15. The reduction in earnings was primarily due to lower volume of Clinton Creek fibre sold.

Earlier in the operation's life, waste rock was rejected at the pit. Now 20% of rock is rejected in the concentrator and 80% goes on to be dried, stored and milled into nine separate fibre classifications. Spinning fibre is the highest quality and is taken off early in the milling process. Ore must therefore be treated carefully until it passes from the initial mill screen where spinning fibre is lifted off by an aspirating hood.

pallets in the new 10,000-ton capacity warehouse that was started in 1978 and finished this year. Containers holding 20 tons of fibre are shipped by B train to Stewart and Vancouver. Cassiar Asbestos' warehouse in Vancouver is being phased out and most orders will eventually be filled directly from Cassiar. Allowing for periodic surges in inventory, the new warehouse will probably average about 6,000 tons between 400 and 430 tons of fibre are shipped daily.

To ensure a ready supply of power, five engine bays have been added to the powerhouse: two are in operation, one was in the process of being installed and two more will come on stream. The additions will bring the number of engines to 13, one a 1,000 kw Mirrlees and the rest 1,200 kw Ruston and Hornsby. The five additional engines are from the Clinton Creek operation. Only six

United Hearne can earn interest in Taurus Resources' gold claims

diamond drilling, test mining of known underground veins, two raises to the surface, trenching and engineering studies, has been started on the property.

Work has begun on the Panama claim in the company's London Ridge silver group near New Denver, B.C. An underground development program which includes raising and drifting to extend the known ore on the third level will continue until around October. Ore from drifting and raising will be shipped to the Trail smelter for processing.

avid C. Cook, Cassiar mill superintendent, in new fibre warehouse.

Formerly the Hanna gold mine, the property has about 3,000 ft. of underground workings by means of one adit and numerous unexplored surface veins, according to R. W. Falkins, United Hearne president.

Estimated tonnage in the main adit area is 150 tons a vertical ft. with an uncut grade of 0.82 oz. of gold over an average width of three ft.

A new program which includes