

NMINER 16 DEC 82

**PLAZA MINING CORPORATION****For Sale By Tender**

Thorne Riddell Inc., Receiver Manager of Plaza Mining Corporation (Plaza) is offering for sale by tender, separately by parcel, or en bloc, the assets of the corporation which has been engaged in the mining and milling of gold and silver ore near Cassiar, B.C. The following listing of the major asset groups is provided for general information and does not necessarily follow the parcelling of assets for the purpose of sale.

- A. Table Mountain group of mineral claims
- B. Quartzrock Creek group of mineral claims
- C. Mineral claims in the Skeena and Cariboo mining divisions
- D. Stockpiled ore at Table Mountain
- E. 150 ton per day jig and floatation concentrate gold recovery plant
- F. Mobile equipment
- G. Other assets

Sealed tenders marked "Tender - Plaza" will be received by the Receiver Manager until 11:00 o'clock in the forenoon on the 31st day of January, 1983.

All tenders must be accompanied by a certified cheque for 15 percent of the tendered purchase price which will be returned if the tender is not accepted or which will be forfeited if the tender is accepted and the sale is not completed by the purchaser.

The highest or any tender will not necessarily be accepted. All tenders are subject to the terms and conditions of sale which shall form part thereof. Terms and conditions of sale by tender and further details are available from the undersigned.

Thorne Riddell Inc.,  
Receiver Manager,  
2500 - 1177 West Hastings Street,  
Vancouver, B.C. V6E 2L9

Robert J. Cobb or  
James R. Thomson  
(604) 685-3511

Wildcat, Ted  
Vollaug  
104P/9W  
104P 019

## Total Erickson completes major program

VANCOUVER — A major exploration program has been completed at Total Erickson Resources' Cassiar, B.C., gold property. And with the company's new process plant now in operation, production from the Erickson mine during 1987 is expected to be 300 tons per day at 0.4-oz gold. 104P019 (4E)

Significant additions to the ore reserves have been made in three areas of the 10,000-ft-long Vollaug vein this year, says the company. The G-H zone has been extended along strike to more than 1,650 ft and the western portion is still open to extension beyond the last two holes. They returned 0.45 oz gold and 1.9 oz silver across 11.5 ft and 0.33 oz gold and 0.41 oz silver over

5.9 ft.

This year's drill program has also expanded the Troutline No 2 zone where Hole 86-613 returned 3.6 ft of 0.9 oz gold and 4.9 oz silver. That hole was intended to confirm block integrity for mining purposes.

The 850-ft-long ore shoot was recently extended by more than 165 ft when it was cut by an underground exploration drift. At that point the vein was 2.6 ft thick and averaged 0.6 oz gold per ton. This ore shoot is open to further extension, says Total Erickson. A new ore shoot has been outlined in the Troutline No 3 zone with good results reported over widths of 1.6 to 4.9 ft. Gold values ranged from 0.31 oz to 0.55 oz.

At least six new gold veins were discovered on the Cusac property which Total Erickson describes as "geologically complex." Further work is planned on these discoveries in 1987. In the meantime, mining on the Eileen vein is consistently averaging above 0.6 oz gold per ton.

GCNL #109 8 JUNE 82 PLAZA MINING CORPORATION 104P/4W 104P 019

NEXT IMPORTANT DATE IN REFUNDING - Terry McMullen, C.A. of the firm Ernst & Whinney Inc. is trustee for an offer of settlement made to the creditors of Plaza Mining Corporation and signed by Jimmy John, president of Plaza Mining Corporation. The offer states that all claims of ordinary creditors shall be paid in full within 60 days from the date upon which Court approval of the proposal was obtained. The Court approved the proposal May 21, 1982 which puts the day of payment July 20, 1982. Payment could be made any day prior to July 20, 1982 that the funds might be in place and the trustee and the company decide to make the payment.

Jim Thompson of Thorne Riddle Inc. is the receiver manager of Plaza Mining and had called for bids for March 31, 1982 on the claims, stockpile of ore and the 150-ton per day jig and flotation concentrate gold recovery plant, plus mobile equipment. Apparently, no action has as yet been taken as a result of the bids.

The proposal contemplates the payment of all of the debts, which exceed some \$5,000,000, and the provision of additional funds. The additional funds are to be used to continue exploration, place the mine in production and continue the company's activities in other areas. Jimmy John stated that if all of the project is completed a total of \$10,000,000 would be raised and that a portion of the additional funds will be available for other projects. The Plaza Mining property is located near Cassiar, B.C. (See some previous detail in GCNL No. 67, page two, April 6, 1982 and No. 12, page two, January 19, 1982.)

NO. 144(1982)  
JULY 28, 1982

GCNL #144 28 JULY 82 PLAZA MINING CORPORATION 104P/4W 104P 019

IMPORTANT DATE IN REFUNDING - The Court approved proposal to pay all creditors 100% on the \$1.00 by Plaza Mining Corporation with the proceeds from a new financing proposal had a July 20, 1982 deadline for the payment. The payment was not made on July 20, 1982, and negotiations are proceeding in an effort to determine when the funds might be available. If it can be determined that the funds might be available on a given date, then an application could be made to the Courts for the establishment of a new payment date. Terry McMullen, C.A., of the firm of Ernst & Whinney Inc. trustee for the offer of settlement confirmed that meetings are planned for this week with a Court appearance anticipated in the next two weeks.

See GCNL No. 109, June 8, 1982, page two, for some of the background on the Plaza offer to creditors and funding proposal to resume production at the company gold mine and concentrating plant located near Cassiar, B.C. WILDCAT, TED, VOLLAUG

(6)

N MINER 28 JAN 82

Falling metal prices and the subsequent decline in investor interest on the Vancouver Stock Exchange are beginning to produce casualties among junior companies listed here.

Now in the first stage of receivership, Plaza Mining's debt load of approximately \$4 million proved too difficult to service from less than expected cash flow derived from its underground gold mining operation near Cassiar, B.C.

And with the sour market in Vancouver the chances of "recapitalizing" the company, which Plaza Managing Director, Hans Hartwig, believes is possible, seem remote.

Based on a gold price of \$C500 per oz. Plaza optimistically estimated a daily profit of \$12,000 based on a 120-ton mining operation with mill heads averaging 0.5 oz. gold per ton.

The company was put into receivership Dec. 14, 1981, after the Bank of Montreal called a loan it made to Plaza amounting to approximately \$400,000. The Northern Miner gathers. Thorne Riddell of Vancouver was appointed receiver at that time.

Robert J. Cobb, Thorne Riddell vice-president told this reporter that their assessment of Plaza's debts is approximately \$4 million and he admitted not knowing the value of the company's tangible assets at Cassiar since they are only worth basically what people will pay for them. Unless Plaza comes up with some money, Thorne Riddell could begin soliciting offers for these assets beginning this February, says Mr. Cobb.

Plaza has been under a cease trading order since last November and prior to this had raised over \$3.6 million in equity capital through the VSE. One million shares were sold at \$4 each, most of which was believed pumped into the property.

With the security banks require when loaning money, there probably won't be much left for the small investor if Plaza does go under. Also, when trading was halted Nov. 23, 1981, the company's share price had dropped to 70¢.

One company which could benefit from the situation is United Hearne Resources (see separate story). It has a producing gold mining operation near Plaza. Assuming the equipment is compatible, potentially some of Plaza's mill could be used for future expansion plans at United Hearne.

WILKAT\*TED\*  
VOLL AUG 104P/4W  
104P 019



NO.9(1982)  
JANUARY 14, 1982

GCNL #9 14 JAN 82 PLAZA MINING CORPORATION

104P/4W 104P 019

RECEIVER APPOINTED - Plaza Mining Corporation shares were suspended from trading on the Vancouver Stock Exchange on Nov.27,1981 at the company's request. Share trading had been halted Nov.23,1981, pending clarification of the company's financial situation. Jim Thompson of the firm Thorne Riddell Inc., 1177 West Hastings St., Vancouver, B.C. (604)685-3511 has been appointed trustee in bankruptcy.

See GCNL No.216, page two, Nov.12,1981, for a story dealing with the start of production at the company's gold mine near Cassiar,B.C.,and the 100 ton per day capacity plant just then completed construction.

WILDCAT, TED, VOLLAUG

NO.10(1982)  
JANUARY 15, 1982

GCNL #10 15 JAN 82

Plaza Mining Corporation - CORRECTION - Jim Thompson of the firm of Thorne Riddel Inc. has been appointed as receiver manager by the B.C.courts of Plaza Mining Corporation. The company is not in bankruptcy as was wrongly reported in GCNL No.9, page three, Jan.14,1982.

GCNL #12 19 JAN 82 PLAZA MINING CORPORATION

NO.12(1982)  
JANUARY 19, 1982

SENIOR FINANCING PROPOSALS ARE BEING CONSIDERED TOWARD REOPENING OF GOLD MINE & MILL - Jimmy John, president of Plaza Mining Corporation, has confirmed that Jim Thompson of the firm of Thorne Riddel Inc. has been appointed by the courts as receiver manager. He stressed that the company is not in bankruptcy as was wrongly reported in GCNL No.10, Jan.10,1982.

VOLLAUG

The mine and 150-ton per day capacity concentrator at the company mine near Cassiar, B.C. ceased operations on January 14,1982. In the period since the start of the tune-up period on Aug.17,1981, the plant has processed approximately 10,000 tons grading about 0.45 oz.gold per ton. Gold recovery started at about 73% and increased to 83% to 84% in the final operating days. He said, "The average recovery for the period is estimated at 85%. The best daily operation was at 140 tons in 24 hours. In the end we were satisfied that the plant was well designed, could and did operate well. The gold produced from the operation is in the process of being sold and should generate some \$500,000."

Mr.John pointed out that there is some 7,000 tons of broken ore up the hill at the mine ready to be shipped to the plant for processing. The grade of this ore is probably 0.5 oz.gold per ton. Several proposals have been made for senior financing to: pay current debts, provide the working capital for processing the broken ore and further funds for the exploration and development of the extensions of the known ore zones.



12 DECEMBER, 1981

# Island investors drop bundle on mine shares

By Al Forrest

Hundreds of Victorians have suffered losses, at least on paper, ranging from \$100 to \$400,000 after investing in a Victoria company, Plaza Mining Corporation.

The stock sold at \$4 a share just before it was listed on the Vancouver Stock Exchange.

Fuelled by rumors it would open in the \$10 to \$12 range, all 1 million shares were sold at the \$4 price tag.

But in fact it opened at \$2.50 and moved steadily down, although it briefly reached \$3.40 in wildly fluctuating trading.

The company ran into debt and president Jimmy John requested that the stock be suspended until new financing could be arranged.

John, a former stock salesman with a Victoria firm, was not available for comment, but a director, Hans Hartwig, who was recently promoted to managing director, said an attempt will be made to get the stock listed again soon.

"We don't know when this will be," he said.

"I have to complete some studies on our financial situation and then I may be able to make an announcement to the shareholders.

"It's true we ran out of money. But what company hasn't nowadays? We are trying to arrange the new financing."

Hartwig would not comment on a report that the debt was in the range of \$2 million.

"I'm still trying to sort out how much the company owes. I don't think anyone knows for sure," he said.

"A letter will be going out to shareholders as soon as we have all the information."

Plaza operates a gold and silver mine six kilometres southeast of Cassiar. It began production in August. The mill is rated at an initial rate of 120 tons of ore per day.

Plaza also holds a 45 per cent interest in Cusak Industries Ltd., which is adjacent to the company's Cassiar property.

The company held its first shareholders' meeting in September at the University of Victoria.

Its shareholders include a cross-section of Victorians, including wage-earners as well as prominent citizens.

One shareholder, Saanich Ald. Geoff Vantreight, said he is confident the company's executive officers will be able to raise the additional financing needed to get the stock listed again.

"This could happen as early as two or three weeks, I understand," he said.

(Hartwig agreed it could happen that quickly in theory but it was too early to be able to say if financing could be arranged quickly. Until this is known, no application could be made to have the stock reinstated).

The last recorded price of the \$4 stock before it was suspended was 70 cents. It had slipped as low as 65 cents in the final days.

VOLLANG WILDCAT, TED

~~104P/4W~~ (104P 019)

GCNL #216 12 NOV 81

PLAZA MINING CORPORATION

104P/4W 104P 09

GOLD MINE STARTS PRODUCTION - Hans Hartwig, vice president, announces that Plaza Mining Corporation's gold mine near Cassiar, B.C., is now fully operational and has milled approximately 5,500 tons of ore averaging 0.5 troy ounces of gold per ton with lesser values in silver and lead. The mill treats 100 tons of ore per day and recovers 85 to 90% of the gold. As of Oct 25, 81 total production from 5,344 tons of ore milled amounted to 2,234 ounces of gold contained in flotation and jig concentrates or in the circuit.

Plaza's engineering consultants, Trenaman Spencer and Associates (TSA), estimate that there are 13,000 tons of stockpiled and fully developed ore currently available for milling. Each two weeks of normal production generate about \$275,000 of net smelter returns. The 13,000 tons of ore are expected to generate \$3,700,000 of net smelter returns. Related operating costs and overhead are estimated at \$2,100,000 so that these proven reserves are expected to generate \$1,600,000 of net cash flow. At the milling rate of 100 tons per day, the 13,000 tons of ore will be exhausted by the end of February, 1982. There is excellent potential on Table Mountain to develop additional ore reserves. Geologist Bruce Spencer reported on 7 Oct 81: "On Table Mountain, the Vollaug vein has been explored along a 3,500-foot length by trenches and shallow drill holes. This work has firmly established 75,000 tons of ore and it is expected that an additional 25,000 tons will be discovered by further exploration and development in this area. The area explored to date represents 15% of total area on Plaza Mining Corp. claims which cover on strike and down dip extensions to the Vollaug vein. If the mineralization persists on the unexplored portions with similar characteristics to that of the explored area then the potential ore reserves on this property are some 600,000 tons of 0.5 oz. gold/ton."

Mr. Hartwig reports that Plaza must spend about \$700,000 for underground development before additional ore can be made available to the mill. The company are seeking financing to resolve a projected deficit and to develop the additional ore reserves.

MINING REVIEW SEPT/OCT 1981

Plaza Mining Corporation's new 200 ton-per-day mill is now producing more than 70 ounces of gold concentrate daily. In case you haven't heard of the company before, don't be surprised. The company was formed early last year when it took over the interests of Plaza Resources Ltd., which included the Table Mountain and Quartzrock Creek properties about 10 miles south east of Cassiar, B.C.

The asset base of the company includes the mill (which has the crushing capacity to eventually double its throughput), more than \$2-million worth of heavy equipment, and other potential properties in the Lower Mainland, the Cariboo and the Queen Charlottes.

Plaza President Jimmy John reported that the proven and probable ore reserves are now estimated to be 75,000 tons, grading .44 oz. of gold per ton. Recent diamond drilling on Table Mountain's Vollaug vein has shown significant gold values over a 2,400-foot strike length, with assays as high as 2.14 oz. over 3.8 feet.

The company has a 45-percent interest in the Table Mountain Joint Venture with Cusac Industries Ltd., of Vancouver. Plaza will be milling the ore from this venture, which has produced some high grade of more than 2 oz. per ton.

Since April, 1980 the company has prepared a prospectus, which was approved by the B.C. Securities Commission on May 20, 1981, and on August 20 was listed for trading on the Resource Board of the Vancouver Stock Exchange.

Engineers. Roland Trenaman and Bruce Spencer of Trenaman, Spencer and Associates, were

hired in April 1980 to manage the company's Cassiar operations for a three-year period. To date, the mining has been open pit, but a decline has been started for underground mining from the Vollaug vein.

"The Plaza concept of acquisition, strategy and action has brought the company to its present solid financial position," John said. "There is still capital expenditure involved in furthering our operations, but we now have a cash flow with the mill in operation."

In 1980, 27 holes were drilled for a total of 6,700 feet and so far this year there has been 12,544 feet drilled. The mill turned over on August 17 and is now operating at 120 tons per day, producing 875 oz. of gold from 1,500 tons of ore averaging .65 oz. per ton with recoveries improving to greater than 90 per cent.

WILDCAT, TED  
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NU-ENERGY DEVELOPMENT CORP. LTD.    TABLE MTN. MINES LTD.    CUSAC INDUSTRIES LTD.

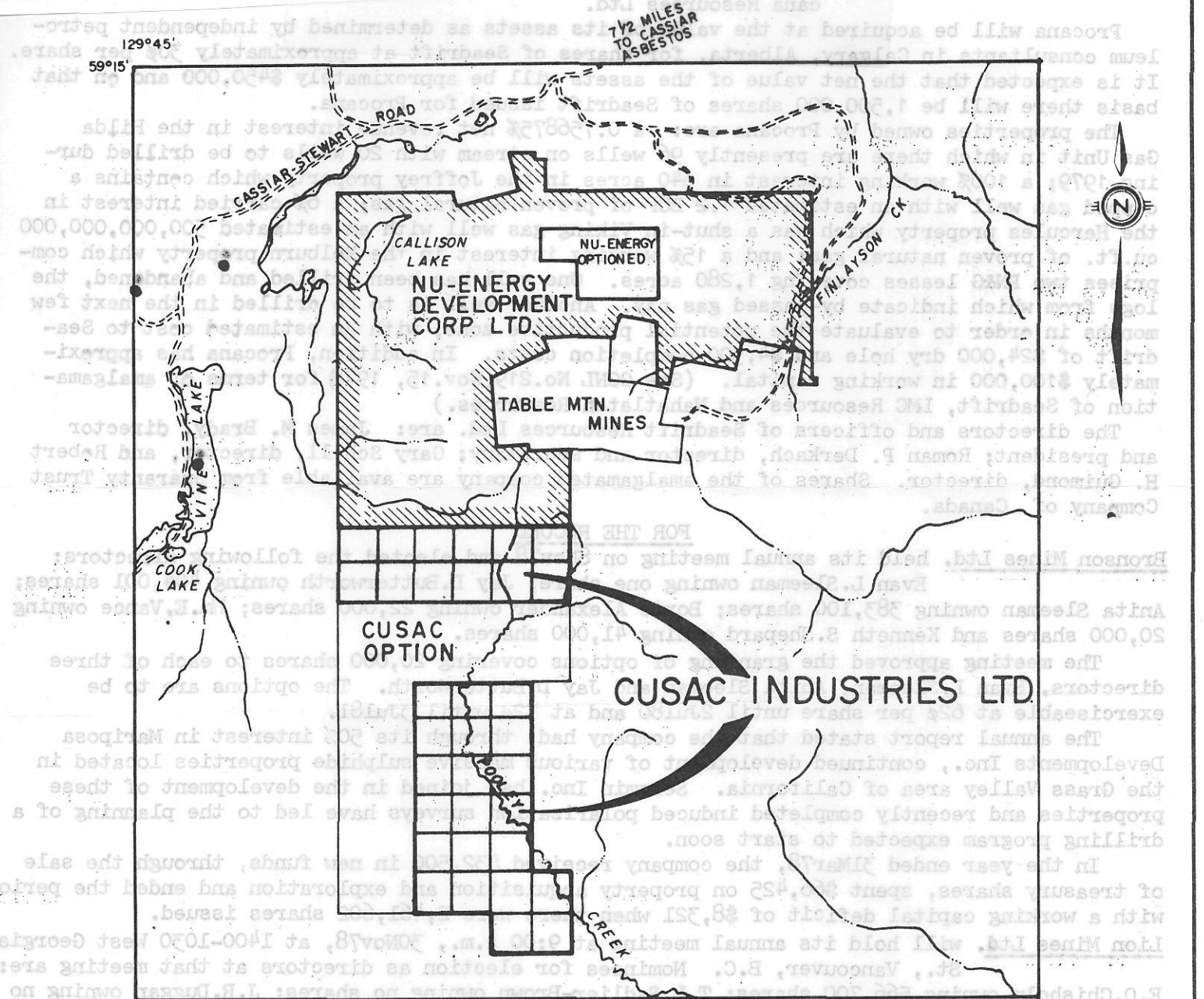
MAP OVERLEAF - The map overleaf shows the relative positions of the exploration properties of Cusac Industries Ltd. and Table Mountain Mines to that of Nu-Energy Development Corp. Ltd. which is now nearing production.

Cusac Industries Ltd. did some preliminary work on its property this fall with encouraging results and is now planning an extensive program for next season. Funding for the program has been under negotiation.

Table Mtn. Mines has carried out some underground exploration work this Fall and is planning a public financing in the very near future.

Nu-Energy issued a progress report recently. See GCNL No.209, page two, Oct.31,1978, for this information. The company hopes to start tune up of the concentrating plant in December.

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**CASSIAR - GOLD CAMP**  
**TABLE MOUNTAIN**  
**LIARD MINING DIVISION B.C.**

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GCNL #186 2609-79

NEWCOAST SILVER MINES LTD.

FUNDS RAISED TO DRILL TEST - NewCoast Silver Mines Ltd. plan to use the \$75,000 net proceeds of the underwriting detailed in GCNL 182(79) together with the \$15,000 receivable as a grant under the B.C. Mineral Exploration Incentive Program, a total of \$90,000, to explore the company's Van claim near Cassiar, B.C., at a cost of \$60,000; to settle accounts of \$17,000 and to provide working capital in the amount of \$13,000.

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On 26Feb79, Elizabeth S. Cameron became a director and, on 6July79, Geo. D. Cameron and Geo. Kachuk became directors. On 10July79, Marianne Kyme and Geo. Levy resigned as officers and directors.

In their statement of material facts related to the underwriting, directors report that, by a 5-year management contract, effective 1May79, NewCoast are to pay \$750 per month to Vanir Enterprises Ltd. of which the principals are Mr. Levy and Ms. Cameron. NewCoast have bought certain mining equipment from Vanir for \$25,000. Mr. Cameron, as the new president, says, "The purchase of heavy duty equipment last year, and its rental to other mining companies was successful in the main, with rentals returning almost the full purchase price. However, it is the present directors' opinion that the equipment should be sold and to this end discussions with various purchasers are now under way."

NewCoast's mining property interests are all in gold-silver prospects in the Cassiar district of NW B.C. NewCoast retain 20% interest in the Magno claim on which work to date has established proven reserves of some 375,000 tons grading 7 ounces silver per ton and 10% combined lead-zinc. NewCoast sold the 80% interest in this property to International Balfour Mining Ltd. and Balfour have the option to buy with \$100,000 the 20% interest NewCoast still retain.

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104F-006  
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NewCoast retain 15% interest in their Nora claim that adjoins the gold mine property recently brought to production by Nu-Energy Development Corp. Ltd. and that is optioned to Nu-Energy under an agreement whereby the next payment, \$15,000 and 2,500 shares, is due next January.

104/4E  
104F-018

NewCoast's Van claims, acquired from Vanir Enterprises for 750,000 escrow shares, border on both the Nora claim and the Nu-Energy mine property. In a 21Aug79 report, V. Cukor, P. Eng., reviews results of the geochemical and geophysical programs he supervised in 1976 and recommends \$60,000 of diamond drilling on outcroppings of quartz veins with gold values and on electromagnetic targets.

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n.m. 104P/SW

03/04/80

Cusac plans production  
at gold-silver claims 070  
on small tonnage basis

VANCOUVER — With the dramatic increase in gold and silver prices, many people are starting to think small. The small in this case refers to mining low tonnage high grade gold-silver properties where a portable mill can be used to extract these precious metals.

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Thinking along these lines is Guilford Brett, president of Cusac Industries, who views his 58 gold claims in the Table Mountain area near Cassiar, B.C., as one of the higher grade finds in the province.

A feasibility report authored by Dr. W. D. Groves and J. Poloni, P.Eng., has outlined three categories, of ore on the Cassiar claims: high and low grade veins, and silver manganese chert breccia.

Of the four high grade veins tested, the first averaged 3.60 oz. gold per ton for 1,110 tons while the second was appraised at 6,680 tons grading 2.2 oz. per ton. For the other two, one of the veins contained an inferred tonnage of 400 tons grading 2.0 oz. gold per ton with the other having 6,670 tons grading 0.5 oz. per ton.

Four low grade veins studied averaged 0.115 oz. for 178,000 tons and silver values of one-half oz. per oz. of gold were ascribed in both the high and low grade veins.

Surface sampling on the brecciated silver manganese chert gave varying grades of gold as high as 4.0 oz. per ton with silver up to 20.0 oz. The report recommends a more detailed study of these formations.

According to Mr. Brett, Cusac "expects to announce details of plans to begin mining in the near future" and initially a production rate of 30 tons per day is called for to build up cash flow.

Among small producers already in the area is Nu Energy Development which he says is currently producing gold "at a highly profitable level."



GCNL #199 15-10-80

PLAZA MINING CORPORATION

104P/4W

FUNDING ARRANGED FOR GOLD - J. John, president of Plaza Mining Corporation (on 1 Apr 80, the name PROPERTY NEAR CASSIAR, B.C. was changed from Plaza Resources Corp.) has reported that arrangements have been made for a public financing through Midland Doherty Ltd in Vancouver. Subject to regulatory approvals, the offering is expected to be soon and made up of 700,000 units priced at \$3.75 each and consisting of one share and one warrant. It will require two warrants to buy one further share at a price yet to be set for nine months from the date of issue. He also stated that with much of the machinery, camp and equipment now in place, the concentrating plant with an initial daily rated capacity of 240 tons is scheduled to start operation in April, 1981.

In a 30 Jul 80 report to shareholders, the president said, in part, that the current financial position is sound with approximately \$2,000,000 in term deposits on hand which allows an active exploration and development program to be continued under the contracted management of Trenaman, Spencer and Associates Ltd. The first phase of a contract for building a mill concentrator complex has been let to Quesnel Mine Mill Industrial Services Ltd. There are 20 men on the property.

The company holds 15,000 acres on and near Table Mountain a few miles from Cassiar, B.C. Open pit excavation is underway on Table Mountain following interesting results obtained in 1979 from cross trenching samples from the Volaug vein structure. Diamond drilling is being done to confirm plans to collar and drive an adit. Several other zones of interest are to be drilled this year and include a suggested extension west of the Taurus, United Hearne gold bearing structure near Quartz Rock Creek Bridge.

Recently, the company signed an agreement with Table Mountain Mines Ltd. which joins the western end of the Plaza section of the Volaug vein. This agreement gives Plaza the right of first refusal to any bona fide offer made to Table Mountain Mines for their ore. This 2-year term is concomitant with the purchase of 150,000 shares of Table Mountain Mines. This agreement is subject to Vancouver Stock Exchange approval. Plaza has a machinery-work contract with Diversified Holdings Ltd. The December 1978 joint venture contract with Cusac Industries Ltd. is being contested.

Plaza is also acquiring silver claims in the Quesnel area; gold & platinum bearing claims in the Hope Tulameen area; placer gold leases on Reindeer Creek, 10 miles south of Dawson City, Yukon, and copper and gold claims near Bella Coola.

NORTHERN 05 AUG 1983

104P/4E

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## Erickson expands holdings in Cassiar gold camp

VANCOUVER — Erickson Gold Mines has significantly expanded its Cassiar holdings, a move which is part of a long-term strategy to augment production at its now profitable gold operation in that camp. According to Kristian Ross, president and chief executive officer, the company has agreed to pay approximately \$3.1 million to the trustee of Plaza Mining Corp. for "favorable mineral claims of approximately 24 square miles in area." These are adjoining and adjacent to the Erickson mine.

Mr. Ross claims the company's primary objective was the ground but the deal also included the Plaza mill (150 tons per day) and roughly 7,000 tons of stockpiled ore believed compatible with the company's present mill.

Several other companies were bidding on the assets but obviously none had the financial leverage of Erickson. The Northern Miner gathers. This same leverage allowed Erickson to purchase equipment from Eldorado Nuclear's Beaverlodge mine at bargain prices. That mine closed in June, 1982.

The deal on Plaza's assets involved a down payment of \$1 million with the balance payable in two installments by year-end. Emphasizing the acquisition "is a long-term thing," he points out the company has been "pursuing it for some time" and it was an "all or nothing deal."

A 15% net profits interest is payable to the trustee for anything mined on the ground with an end price of \$1 million. Erickson now

controls approximately 85 square miles in the Cassiar district.

In addition to this Erickson reports another "significant gold discovery. Actually it's a blind vein system, notes Richard Somerville, exploration manager and chief geologist, and is located approximately 700 ft. south of the Jennie vein position. It doesn't outcrop on surface but was indicated by soil geochem and trenching and later confirmed by drilling. The Caitlin vein system is positioned approximately 150 ft. above mine level No. 39 and appears to parallel the Jennie which was the first mined on the property.

Mining the vein system would probably require another adit above this horizon, likely about 700 ft. in length. Two separate veins are involved and they are believed to be about 40 ft. apart although this could change. Each could be mined separately, says Mr. Somerville.

The zone has been partially tested to a depth of 115 ft. from surface and over a strike length of 325 ft., but remains open in each of these directions. Importantly, it "contains all the mineralogical and textural features associated with the other major Erickson vein systems" the company adds. The average grade for all intersections to date is 0.641 oz. gold per ton and 0.43 oz. silver over an average mining width of 4.4 ft. This is a cut grade since all values in excess of 2 oz. were reduced to 1.5 oz. and widths less than 3.3 ft. were expanded to that width at zero grade.

GCNL #62 27-03-80

CUSAC INDUSTRIES LTD.

104P/SW

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HIGHGRADE VEINS OFFER - Three types of gold bearing structures have been defined on the 5-IMMEDIATE HIGH PROFIT claim unit property of Cusac Industries Ltd. on Table Mountain in the Cassiar district of NW B.C. adjoining the gold producing mine of Nu-Energy Development Corp. Consultants W.D.Groves, Ph.D., P.Eng., and J.Poloni, P.Eng., report the 3 structures as high grade type veins, low grade type veins and silver manganese chert breccia. The latter type, they state, could contain both the high and low grade types of gold bearing structures. F

Within the present range of gold prices, say Dr.Groves and Mr.Poloni, the high grade veins "offer an immediate highly economic return on investment" for an inexpensive 30-ton gravity/flotation mill.

Four high grade veins were tested by the geologists - the "Dino" indicating 1,110 tons of ore grading 3.60 oz.gold per ton; the "Hot" vein having 6,680 tons of ore grading 2.2 oz.gold per ton; "Hot 2" containing an inferred 400 tons of ore grading 2.0 oz.gold per ton and the "Pete" vein estimated to contain 6,670 tons of ore grading 0.5 oz.gold per ton. R

Estimating a removal cost of \$90 per ton, the consultants calculate that the 14,870 tons of high grade gold reserves could generate a profit of some \$14,400,000 based on a gold price of \$600 Canadian per ounce. Using 30 tons per day milling equipment, 7,500 tons of the high grade ore could be mined each year for two years, producing an annual profit of approximately \$7,200,000 Canadian per year.

Four low grade type veins studied by the consultants contain an estimated 178,330 tons of ore grading about 0.115 oz.gold per ton. The consultants ascribe silver values of one-half ounce silver per ounce of gold in both the high grade and low grade type veins which, thus, could yield some 22,220 ounces of silver.

The brecciated silver manganese chert indicated, from surface sampling, grades of gold as high as 4.0 oz. per ton and silver up to 20.0 oz. per ton.

Dr.Groves and Mr.Poloni say results of Cusac's \$150,000 exploration program are "most encouraging". They recommend a 4-phase program, including more geological analysis, exploratory diamond drilling, close-spaced drilling to extend and block out reserves and purchase of mining and milling equipment.

Cusac's president, Guilford H.Brett, points out that the consultants' report covers only that part of the prospect explored so far. Cusac expect to explore the 3,300 acres not examined in the original exploration and, he adds, "we expect to begin mining operations in the near future."



6CL #167 NU-ENERGY DEVELOPMENT CORP. 104P/4E THE ERICKSON GOLD MINE JOINT VENTURE 104P 029

28-08-80

LOWER ADIT LEVEL PROGRESS REPORT - Kristian Ross, vice-president and chief executive officer of Erickson Gold Mining Corp. has reported to Nu-Energy Development Corp., a 50% owner of the mine, on the progress of the new lower 28 production level. The mine is located six miles south of Cassiar, B.C. F

Mr. Ross states in part, "The first of the planned main raises to join our 28 and 35 levels has progressed upwards over 100 feet of its projected 256-foot height. Sub-levels will be driven at 80-foot intervals for ore definition and extraction. The raise has been in good grade ore from the beginning. We ran a 60-ton mill test on the development ore from this raise to compare with our raise and muck samples. This test ran 0.75 oz. gold per ton, or just a little better than the mine average.

"It is interesting to note that this raise development ore test contained appreciable amounts of waste rock due to the physical restraints of driving a major timbered raise.

"The new 28 level drift west is proceeding on schedule, driving towards the previously reported major discovery containing multiple high grade veins." 019

GCNL #141 22 JULY 1983 TABLE MOUNTAIN MINES LIMITED

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TAKE OVER OFFERS EXTEND - A.C. Ritchie, president of Table Mountain Mines Limited, has ANNUAL MEETING TO SEPT 15/83 reported that because of the two takeover offers from Erickson Gold Mines Ltd. and United Hearne Resources Ltd. the date of the annual meeting has been extended to Sept. 15, 1983. A notice will be mailed later. He notes that certain aspects of the Erickson Gold Mines offer have been challenged and that the United Hearne offer expires July 29, 1983. The United Hearne offer is one treasury share for each two issued shares of Table Mountain Mines up to 1,718,925 shares of Table Mountain Mines. On June 10, 1983, Erickson Gold Mines reported purchase of 1,339,765 shares, or 50.66% of those issued shares of Table Mountain. At May 31, 1983, Table Mountain had working capital of \$58,175 and 2,644,500 shares issued. In the eight months ended May 31, 1983 Table Mountain spent \$32,254 mostly on administration, had income of \$6,000 for a loss of \$26,254 for the period.

BEAR

104P

The claims owned by Table Mountain are in the area of Cassiar, B.C. and cover a portion of the extension of the structures now being mined by Erickson Gold Mines. This property is also close to the property operated by an affiliate of United Hearne, Taurus Resources.

GCNL #146 27 JULY 1983

104P/5

019

JUNE RESOURCES INC.

PLAZA MINING CORPORATION

NEW FINANCING SOUGHT TO PERMIT - An underwriting is being arranged by June Resources Inc. ASSET PURCHASE PROPOSAL with the proceeds to be used to permit the company to make an offer to purchase the assets of Plaza Mining Corporation. It is reported by Bruce H. Campbell, president of June that the offer will be for a total of \$3,300,000 in cash and securities. If the new financing is successful and then the asset purchase offer is in turn successful the company intends to make an offer for the shares of Plaza Mining Corporation. The intended details of the offers have not been announced. The Plaza Mining property and concentrating plant with a designed capacity of 100 tons of ore per day are located near Cassiar, B.C. in the area where Erickson Gold Mines and Taurus Resources Ltd. have been in production for some time. Proven and probable reserves on the Plaza property have been estimated at 47,300 tons grading 0.374 oz. gold per ton. The mined and stockpiled ore at the Plaza mill is estimated at 7,500 tons grading 0.529 oz. gold per ton.

GCNL #160 19 AUG 1983

019

ERICKSON GOLD MINES LTD.

PLAZA MINING CORPORATION

ERICKSON ACQUIRES - An offer by Erickson Gold Mining Corp., a subsidiary of Erickson Gold ASSETS OF PLAZA Mines Ltd., for the purchase of substantially all the property and assets of Plaza Mining Corporation, a bankrupt, was approved 17 Aug 83 by the B.C. Supreme Court. Kristian Ross, president of Erickson, says the offer, in essence, provides for payment of \$3,055,000 cash and \$1,000,000 to be derived from 15% of the net profit obtained from the mining claims acquired.

104P/46

The assets bought include a number of geologically favourable mineral claims covering about 24 square miles both adjoining and adjacent to Erickson's producing gold mine, an approximately 150-ton-per-day capacity mill, various ore stockpiles totalling about 7000 tons and miscellaneous equipment.

With this acquisition says Mr. Ross, Erickson Gold Mining Corp. controls some 85 square miles of the Erickson gold camp, 5 miles south of Cassiar in northern B.C., 70 miles S of Watson Lake, Yukon. (See map in GCNL 85(83)).

(Handwritten mark)