

SABLE RESOURCES LTD. (SAE-V)

INTERNATIONAL SHASTA RESOURCES LTD. (ISR-V)

WINTER OPERATION EXPANDED - Melvyn M. Rahal, president of Sable Resources Ltd. and International Shasta Resources Ltd. report that Sable has exercised the 1Jun89 option to buy the Baker gold concentrating plant owned by Du Pont of Canada Inc., located in the Toadoggone River area, 250 miles north of Smithers, B.C. The purchase price is \$1,200,000 of which \$150,000 was paid in June/89, \$150,000 to be paid 29Jan90, with final payments due: \$150,000 on 1Jul90, \$150,000 on 1Jan91 and \$600,000 on 1Jul91.

Since the acquisition of the option to buy the plant, the mill has been extensively rehabilitated and expanded at a cost of \$348,000. The installation of sizing screens between the jaw and cone crushers have increased the daily capacity to 200 tons per day. So far, the expanded plant has demonstrated the higher rated capacity by processing up to 220 tons per day. Under current winter conditions the plant is regularly processing 175 tons per day. The ore is currently being drawn from a 25,000 ton stockpile with an estimated grade of 0.22 oz.gold/ton.

This ore was mined from the Shas claims of International Shasta located 11 km from the plant. Sable is processing the ore on a custom milling basis at cost plus a per-ton fee. Gold recoveries are in the plus 90% range and 85% for silver and are expected to increase in the spring when higher grades will be fed to the plant from underground ore.

Plans have been made for early March to begin driving a 600-foot long adit level to access the ore from underground. Transport of underground ore to the mill is scheduled to be 50 tons per day by the end of March and 200 tons per day by the end of April 1990. Drilling has indicated the underground ore should average 0.30 oz.gold/ton.

Since mill start-up in Oct./89, the plant has processed 17,000 tons of ore to mid-January. At 30Nov89, Sable had 2,768,775 shares issued. (SEE GCNL No. 244, 20Dec89, P.1 FOR EARLIER INFORMATION)

Homestake Mining (Canada) Ltd. holds an option to earn a 75% interest in the Shasta property by spending up to \$10,000,000 to the production stage. Under the Homestake amending agreement, International Shasta holds the right to mine 115,000 tons of higher grade ore from two defined areas. Sable owns or holds options on 4,000,000 shares or 30% of the 13,178,930 fully diluted

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