

**Cream Silver Mines Ltd.**  
(C.E.M.)

Work on the Ruby Mountain claims in the Atlin, B.C. area has delineated a number of large induced polarization anomalies, which are to be tested by trenching and diamond drilling. Analysis of the underlying rocks in some cases have detected highly anomalous values of silver, lead, zinc, tin and tungsten. Further I.P. work on the Lakeview gold zone at Atlin outlined two clearly defined trends. A diamond drill program on this prime gold target is proposed for August of this year.

On Vancouver Island in Strathcona Provincial Park the Company's prime prospect, which comprises 166 claims, has recently been reviewed by the Wilderness Advisory Committee. A comprehensive report was rendered to the government in early March, 1986. The Committee's final recommendations were as follows:

"The mineralized belt, including the Westminster Mine and Cream Lake, should be designated a Recreation Area; wherein mining would be permitted subject to approval by The Parks Division."

Based on these recommendations, the Company is presently awaiting final approval from Parks Branch and anticipates a final decision will include the return of its exploration and development rights in this major area of interest.

● DAWSON  
Arbor

**Gabriel Resources Inc.**  
(GBI)

Results of extensive studies completed by Hughes-Lang exploration crews on Gabriel's Cariboo Gold Camp property, situated 40 kilometres northeast of Quesnel, B.C., indicate the presence of massive sulphide mineralization.

In 1983, Gabriel Resources Inc. conducted extensive studies on the property which included geological mapping, geochemistry, geophysics and trenching.

This 1983 field program was initiated for the purpose of following up those areas that had been identified as potential successes for gold mineralization as a result of extensive studies completed in 1981 and 1982.

A trenching program conducted in the Ahbau Creek area during 1983 resulted in the discovery of a massive sulphide zone with a width of up to 1.9 metres and a strike length of a minimum of 80 metres. Chip samples taken from this zone indicate economic values up to 0.43 oz./ton gold, 6.46 oz./ton silver, 3.36% copper, 5.20% zinc and 1.81% lead. Subsequent airborne surveys identified several coincidental magnetic and E.M. anomalies.

Field studies are now underway and a diamond drilling program is scheduled to commence in August 1986.

● ATLIN  
Cream Silver  
Perron Gold  
Standard Gold

PRINCE GEORGE  
Gabriel ●

ROSSLAND  
Gallant

★ VANCOUVER

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**Arbor Resources (AOR)**

The company has commenced an extensive drill program on its Madoc property, a prime prospect located in Madoc and Elzevir townships, 180 kilometres northeast of Toronto.

In addition to their diversified property portfolio, Arbor has acquired shares in other Hughes-Lang companies: 1 million shares of Perron Gold at \$31 per unit, with a warrant to purchase an additional 1 million shares at \$36 (Perron has traded as high as \$4.00 this year); 200,000 shares each in Lockwood Petroleum, Gallant Gold Mines, and Constat Petroleum, all with warrants to purchase an additional 200,000 shares in each; and 100,000 shares in Eastern Mines Ltd., also with a warrant for an additional 100,000 shares. Perron has been a good investment and holds the potential to benefit Arbor much more.

**Gallant Gold Mines Ltd. (GAG)****CROWSHORE PROPERTY**

Gold is reported to occur in seven shear zones and quartz vein sulphide zones associated with iron formation.

Surface trench sampling on the C-Zone gave values of 0.49 oz. per ton gold over an average width of 4.3 feet.

**GEORGIA PROPERTY**

Gallant's Georgia Property lies two kilometres east of Leroy-Centre Star, a former major gold producer.

Recent studies indicate that the geology is similar to the Leroy property with massive sulphide veins containing 0.15-0.25 oz. per ton gold which occurs consistently across widths of 5-10 feet.

Numerous untested EM anomalies trend parallel to the Leroy system. These targets will be drilled next month.

**Lockwood Petroleum Ltd. (LOK)****CAMERON LAKE ORE BODY**

Lockwood has a 36% interest in the "Cameron Lake" gold discovery. Located just east of Kenora, Ontario, the project continues with Nuinco Resources on a joint venture basis. To date, over 60-some holes to a depth below 1,200' has given drill-indicated reserves of two million tons ore grading better than 0.18 oz. gold/ton. Drilling continues and a program of underground development is being considered. The 'Cameron Lake' discovery has the required widths, values and other physical characteristics to suggest the probability that a significant new ore body is being delineated.

**Eastern Mines Ltd. (EAN) & Silver Sceptre Resources Ltd. (SST)**

This property includes mining rights over 3,600 acres covering 3.4 miles of the Cadillac-Larder Break which forms a linear structure extending for 120 miles, from Kirkland Lake to Val d'Or. The majority of Canada's gold producing mines are located within this vicinity.

Present drill indicated reserves for the two properties approach 3,250,000 tons averaging 0.165 oz. per ton gold. Since higher grades were produced during the 1950's, it is projected that grade results from underground exploration will increase to 0.20 oz. per ton gold.

An additional 800,000 tons of 0.1 open pit oz. per ton gold have recently been found in a portion of the Heva sector of the properties.

In another portion of the Heva sector a potential high grade ore shoot has been uncovered with several drill intercepts assaying at about an ounce of gold per ton.

An exploration program consisting of 20,000 feet of diamond drilling will commence soon on the Companies' Heva-Hosco project.

**NOW IN PRODUCTION!**  
**Golden Sceptre Resources Ltd. (GOD)****Goliath Gold Mines Ltd. (GOH)****GOLDEN GIANT ORE BODY**

The first gold bar from the Hemlo camp was poured at the Noranda-Goliath-Sceptre "Golden Giant" Mine on April 20, 1985. The bar, which weighed approximately 1,000 ounces, was valued at close to \$450,000.

From March, 1985, when "Golden Giant" commenced operation, to November 30, 1985, total gold production has exceeded 98,000 ounces. Projected gold production for 1986 is 234,000 ounces and by 1987, we anticipate a production rate of over 300,000 ounces of gold annually.

To date, the metallurgical recovery is averaging 95 to 96% and the grade average is significantly higher than that which was originally projected.

Goliath and Golden Sceptre's joint partner, Noranda, will continue with an extensive exploration program on Golden Sceptre's Hemlo property during 1986.

PORT CARTIER ●

HEMLO ●

ARBOR ●

★ MONTREAL

★ TORONTO

**Kangeld Resources Ltd. (KDR)****BAURRAUTE TOWNSHIP, QUEBEC**

The Company, together with fellow Hughes-Lang Company Arbor Resources, continues to obtain highly encouraging assay results from the Barexor property in Baurraute Township, Quebec.

Total expenditures for this major program during 1986 will exceed one million dollars.

The Company has acquired 82 mineral claims in Chaste and Fonteneau townships on strike and contiguous in part with Perron's Sleeping Giant property in Chaste Township, along the Perron-Vior belt in northwestern Quebec. Drilling on the Perron ground has indicated 1.5 million tons grading an average of .30 oz. gold/ton to date in 10 separate zones.

A major diamond drilling program is planned for 1986.

**D'Or Val Mines Ltd. (DQA)**

Diamond drilling continues on a new ore body recently discovered below the 550' level on D'Or Val's Beacon #2 project. This ore body lies between the downward projection of the Arrow and Discovery structures which are currently being explored by drifting at the upper levels.

Drilling reports indicate widths from 8 to 25 feet and grades from 0.25 to 1.25 ounces per ton over a 300 foot length. This new discovery will become a major target for exploration once the new underground exploration shaft has been completed.

Current plans include sinking a three compartment shaft down to 1,500 feet with exploration crosscuts every 150 feet. Work has progressed rapidly and the shaft is now down to the 550 foot level. The remaining 1,000 feet to target depth is expected to be reached by mid to late summer.

As reported recently, a 198 foot extension to the east on the 230 foot level in the Discovery Vein has averaged 1.63 ounces of gold per ton over the entire length within an 8 foot mining width. And as exposed only a few days ago in a new raise to this point from the 425 foot level, similar looking material exists over much of the whole distance.

It is estimated that proven and probable reserves exceed 700,000 tons with an average grade of 0.26 oz./ton.

During the past three years, over \$11 million has been spent on exploration, drilling and underground development on the Beacon #2 property which is one of five known zones. Projected expenditures for the 1986 program approach \$12 million.

**Perron Gold Mines Ltd. (PGM)**

This year holds tremendous promise for Perron Gold Mines' Sleeping Giant Project, located 110 kilometres north of Val d'Or, Quebec, in one of the world's richest known gold areas.

The company plans to establish a solid reserve base of 3.5 million tons averaging 0.3 ounces gold per ton and to determine the economic viability of investing an additional \$25 million on facilities to mine and process approximately 1,200 tons of ore per day.

Cross-cutting, drifting and bulk testing continues on several zones at the 500' and 800' levels. Drilling also continues from both surface and underground with excellent results and indicating ever increasing new zones. Initial metallurgical tests produced excellent results, indicating recoveries of 94% of the contained gold.

An additional \$10 million will be spent on exploration in 1986.