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NORTH AMERICAN METALS CORP.

"A Real Coup"

Robert G. Hunter, President of North American Metals Corp., calls his company's first property acquisition "a real coup".

The focus of the excitement is the Golden Bear Project, a gold property located near Dease Lake in northwestern British Columbia. In early June of this year, the company signed an agreement with Chevron Minerals Ltd., to earn a 50% interest in the property.

"It's a fantastic project," Mr. Hunter said recently, "and the first phase - valued at \$3 million - of a \$9-million development and exploration program has already begun."

The agreement calls for North American to operate the project and spend up to \$9 million within three years to earn its 50% interest. Chevron is required to contribute to development costs on a pro rata basis when the company earns its interest.

The Golden Bear property was discovered, staked and extensively explored by Chevron Canada between 1981 and 1985. A \$12.3 million program completed by Chevron on the Golden Bear project has delineated drill indicated reserves of 1.13 million tons having an average grade of 0.38 ounces gold per ton. A substantial portion of the reserve base is available for low-cost open pit mining.

The project consists of three gold bearing zones; Bear, Fleece and Totem with the Bear Zone judged to have the most immediate potential for exploitation. These three mineralized "deposits", while intermittently spaced on the same structural and geological features, are not shown to be contiguous at the present stage of exploration.

Golden Bear deposits occupy a major north-south trending fault zone in a Pre-Upper Triassic Assemblage of limestone and mafic to intermediate tuffs and mafic



Robert G. Hunter

flows. The mineralization occurs as disseminations and fracture fillings of extremely fine grained pyrite, predominantly along fault contacts. The three deposits are aligned over a 4 km distance along the fault zone.

The reserves, as calculated by Chevron, occur in two main zones drilled. The zones, average 20 feet wide and are open to reserve expansion. The structure extends for five miles with additional zones indicated.

"We think there's a lot more ore to be found yet," said Mr. Hunter. The drill program conducted by Chevron was widely spaced and the the potential for developing additional large scale reserves is considered very high.

The first phase of the work program will include 2450 m of closer diamond drill spacing from surface and 325m of underground drifting on the strike of the ore zone accompanied by crosscuts and raises in ore. The underground program would define ore continuity and its application to both open pit and underground mining operations. Robert Dickinson, B.Sc., M.B.A., Managing Director of North

American Metals will oversee the project.

The Golden Bear property is at this stage, somewhat inaccessible although there is a winter road. North American has already carried out a preliminary study for siting of a permanent 147 km access road for construction and operation purposes. The nearest communities are Telegraph Creek and Dease Lake, which are 80 km and 140 km respectively from the project site. An established camp site exists for a workforce of 35-50 persons on the shore of a lake with a dock facility - and is also connected by road to a gravel airstrip.

North American Metals already has ample funds for its ambitious work programs; including a recent \$4 million private placement by European Institutional investors and \$3,000,000 in flow through funds.

Another important property acquisition was announced by Mr. Hunter in early July. North American Metals signed an agreement with High D'Or Developments Ltd. whereby the company can earn a 50% interest in the Seale River Project, near Churchill, Manitoba.

The 59,000 acre Seale River Property has excellent potential for hosting a large scale gold deposit of the Homestake Type. An extensive geochemical anomaly has been found to coincide with an unexplored belt of sulfide-rich Proterozoic volcano-sedimentary rocks.

The agreement calls for North American to make staged expenditures of up to \$1,000,000 within four years to earn up to a 50% interest. Six geologists are on site evaluating targets for drilling.

North American Metals Corp. trades on the Vancouver Stock Exchange; trading symbol: TRM.

Mr. Hunter is also the Chairman of Breakwater Resources. In early July the company, in conjunction with joint venture partner Asamera Inc., announced a temporary closure of the Cannon mine mill at Wenatchee, Washington. The shut down, expected to last two months, was done to

allow major repair work to be carried out on the ball mill trunnion, which had developed severe cracking of the steel casting. Rebuilding is already underway and the operations of the total Cannon Mine are covered by an insurance agreement for business interruption.

WRIGHT ENGINEERS

Awarded Design of Sulphur Recovery Plant

Wright Engineers Limited recently announced a successful project continuation of Canterra Energy Ltd.'s basepad sulphur recovery facility. Initially, Wright Engineers carried out a technical/economic study including flowsheet design, capital and operating cost estimate and development of project schedule. The company has now been awarded detail design of the plant.

Canterra has announced that construction is scheduled to start this summer at the company's Ram River gas plant near Rocky Mountain House, Alberta. The facility is scheduled for completion in early 1987.

The \$4 million facility, with a capacity of handling over 300 tonnes per day, will recover marketable sulphur block basepad material. Basepad sulphur is a mixture of sulphur and dirt that results when liquid sulphur is poured on the ground to form the foundation of storage blocks. The plant will be designed to clean elemental sulphur containing various amounts of debris such as soil, sand and stones through flotation.

The sulphur will be reclaimed from stockpiles and fed, by conveyor, to the concentrator plant which will contain all units for sulphur cleaning and filtering, and tailings handling.

The cold flotation process, developed by Canterra, will reduce the sulphur content in the Ram River waste material to less than nine percent.