

Northern HI-LIGHTS

Newhawk moves towards production

In the Sulphurets camp of northwestern B.C., overshadowed of late by the nearby Eskay Creek discovery of Calpine Resources and Stikine Resources, **Newhawk Gold Mines** has just completed its phase-two drilling program with good results. In fact, the company expects to



Don McLeod

have a full feasibility study by the end of the year.

It has been a hectic year for Newhawk, a 60 per cent partner in the venture which has witnessed tragedy (two miners murdered and four geologists dead in an accident), seen a glorious hole throw up breathtaking assays and put company president Don McLeod ever closer to a positive production decision.

In mid-August Newhawk's hole U-89-292 tapped a new geological zone and

produced an assay of 7.5 oz/ton gold over an interval of 84.6 feet. A secondary analysis by a commercial laboratory in Stewart confirmed the findings. Not surprisingly, Newhawk shares leapt 75 cents on August 15 to close at \$3.75. **Granduc Mines**, which owns the other 40 per cent stake, closed 45 cents higher at \$3.20.

The newest batch of assay results, while not quite reaching such epic proportions, shows an above average mine in the making. The stage-two program was completed on time and under budget. More than 23,000 feet of underground drilling has been done, which at first was aimed at extending the West Zone, only to discover the new high-grade R-8 Zone.

Detailed drilling on the West zone has confirmed the continuity of high grades to the 1,200-metre level. Surface geological mapping has apparently discovered several new high-grade showings in areas south of the West Zone. A minimum 5,000-foot surface drilling program is now underway.

Meanwhile, the R-8 zone, which, the company says, shows promise of being even bigger, is open at all sides. A 13,000-foot underground drilling program will start shortly. To date, R-8 dimensions measure 165 feet in length with an average width of 13 feet.

Final reserve calculations will be completed when the 1989 phase-three program finishes. Preliminary reserves of 300,000 oz gold and 19.6 million oz silver have been mentioned by McLeod, based on a proven and possible 854,000 tons of ore with a grade of 0.354 oz/ton gold and 22.94 oz/ton silver. Final reserve calculations should be announced before the end of the year.

Johnny Mountain mine cuts losses

Initial results from **Skyline Gold Corp's** three-part \$2 million exploration program at its Johnny Mountain Mine, the first gold producer in the Iskut camp, have identified new reserves in an ore shoot of the Pickaxe vein similar to the one being mined in the parallel 16 vein.

And Skyline CEO Ron Shon says lower production costs at the mine enabled the company to reduce its loss in the last quarter to \$347,000, from \$1.2 million in the prior three months. Production costs were US \$202 per ounce of gold and gold equivalent. In the latest quarter the mine produced 12,167 ounces of gold, 19,832 ounces of silver and 361,631 ounces of copper.

Surface prospecting of the Stonehouse deposit, source of the Johnny Mountain Mine, has located a new vein, the Homestake, running parallel to and north of the Discovery vein. Surface trenching, mapping and sampling will be conducted to develop a possible drill target for late season exploration. Meanwhile, drilling continues on the 16 vein, and surface drilling is scheduled for the Gold Rush vein and other geophysical conductors.

Part two of the Skyline Gold program was directed at the McFadden Zone, 600 metres south of the mine. A long flat hole drilled from Gold Rush intercepted a highly mineralized quartz-sulphide vein, identical to the mine's main system. Further drilling will take place later in the season.

In the third part of its summer exploration program, Skyline Gold has examined the Sky Creek-Bronson area, nine square kilometres between the Johnny Mountain and Prime Resources SNIP deposit. Mapping, line cutting, geophysical studies and soil sampling are nearly complete and more drilling is planned.

The company has raised \$1.2 million in a private placement of 251,000 flow-through shares to finance the above exploration program and is currently negotiating another private placement, this time for up to \$9.6 million in convertible, redeemable debentures. It will use the proceeds to increase working capital, increase mine capacity and replace other higher-cost debt.

Geddes raises \$10m for Windy Craggy

Financing of \$10 million has been raised by the Toronto based **Geddes Resources** for further exploration and development of the company's Windy Craggy property. The funds will be raised through two common-share private placements, a \$4.5 million rights offering and an underwritten \$3 million financing by First Marathon Securities.

The Windy Craggy copper property, in the St. Elias mountains of northwestern B.C., has mineable reserves of 111.5 million tonnes, according to the company, grading 1.7% copper. Much of the mineralized zone remains to be investigated.

Tenajon SB gets an OK

It has been agreed by **Tenajon Resources Corp** and **Westmin Mines** that the two become equal joint venture partners to explore and bring to production Tenajon's SB property, located on the Granduc Road, four miles west of the Premier Gold Joint Venture mill.

Westmin has committed itself to spending \$2.5 million on developing the property and a cash payment of \$600,000 to Tenajon, of which \$400,000 is considered an interest-free loan.

Westmin has assured the joint venture access to the Premier Mill at a guaranteed rate of 330 tons per day and preferred inclusive milling costs, currently estimated at about \$22 per ton.

Dream coming true?

Extended drilling has been agreed upon by **International Curator Resources** for its Dream property, 55 miles north of Juneau, Alaska. Other sulphide bearing deposits in the area include the Greens Creek and Windy Craggy properties.

Placer Dome (US) has been commissioned to undertake the extra 2,000 feet of drilling. The original 1989 program was designed to geologically map and sample several new showings. One of the encouraging showings, the 'Stinging Cliffs' consists of sulphides 2 to 8 feet thick in an outcrop of over 300 feet.

Placer will be expanding the drill program on Curator's Jualin gold project, also near Juneau. The initial program of 10,000 feet of drilling has been completed, while the new program will drill an additional 7,500 feet. Based on visual examination, the company says, the vein system extends an extra 600 feet to the northwest and new drill holes have extended the vein down dip too.

The only hole from which assays have been received to date is Hole 59 which is located 200 feet further north than the last 1988 hole. The hole encountered a width of 24 feet, grading 0.867 oz/ton gold uncut.

International Curator has granted **Ascot Resources** a 50 per cent working option in the GJ copper-gold porphyry deposit. Ascot can earn its interest by spending \$1 million on exploration over four years. The GJ property is located west of Kinaskan Lake, about seven miles from the Stewart-Cassiar Highway in the Iskut gold camp of B.C.

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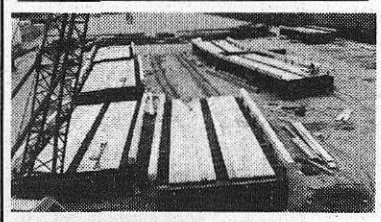
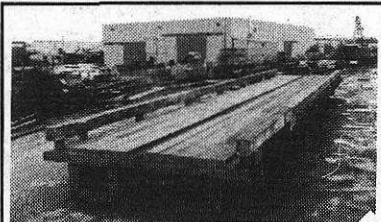
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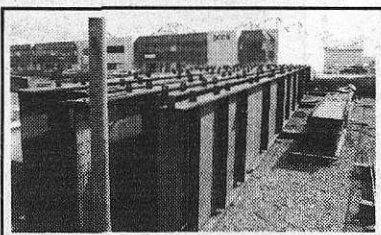
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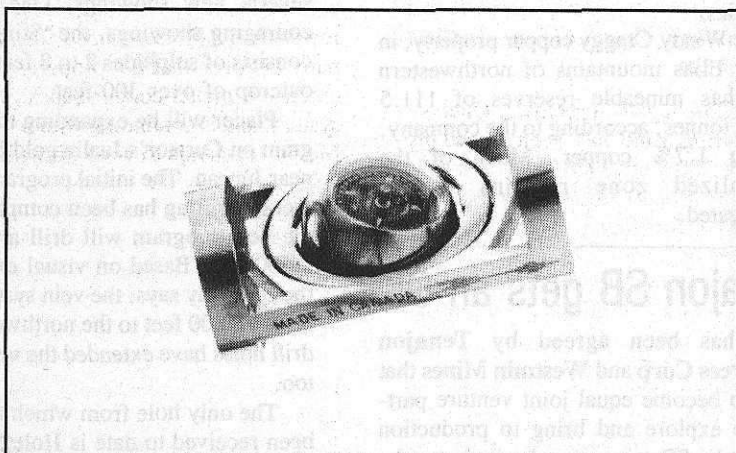
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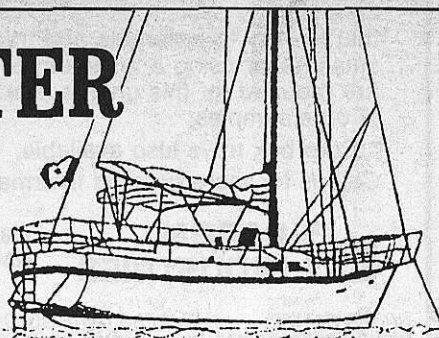


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Murray Pezim

Inel brings in The Pez

Also in the Iskut region, **Inel Resources** has reported a high grade intercept from its Inel property. Hole S-130, a 650 foot step-out hole, encountered the following results: Average width 21.5 feet with average grade 6.631 oz/ton gold. The true thickness of the section is interpreted to be about 8 feet.

The company has appointed Murray Pezim a director and will grant him stock options of 150,000 shares at prices yet to be announced. The company is also looking at more financing and has terminated its option with **Tower Hill Mines** on the Siwash Creek property, north of Princeton, B.C. A statement said that "rock chip sampling...failed to locate any new mineralization or define drill targets."

Inel currently holds a 50 per cent interest in the Inel property, but it can earn a full 100 per cent by spending \$2.4 million on exploration by 1992. The 1989 program is being part funded through a \$1.1 million private placement with a Swiss bank.

Narrowing the Gulf

The 1989 Phase II program at **Gulf International Minerals'** McLymont Creek property is now underway. The program will consist of a minimum of 10,000 feet of surface drilling, focussing on expanding the Northwest Zone and testing adjacent targets.

New results from two Phase I drill holes include a length of 16.7 feet at 0.486 oz/ton gold, 6.3 feet of 0.970 oz/ton gold and 4.3 feet of 0.584 oz/ton gold.

Like its sister company, Inel Resources,

Gulf has appointed Murray Pezim to the board with a welcoming gift of stock options of 150,000 shares. The company is also shortly to offer 2.5 million new shares at price yet to be approved by the Vancouver Stock Exchange.

Phase I drilling, completed during the summer, has shown, according to the company statement, "that the mineralization consists of several closely spaced, gently to steeply dipping zones with a minimum strike length of 900 feet, extending from surface to depths of 600 feet."

Underhill on the move

Mining promoter Charles Underhill's stable of companies in the Iskut River region, **Jazzman Resources**, **Blue Gold Resources**, **Consolidated Sea Gold** and **Hector Resources** have simultaneously announced private placements of 200,000 units for \$100,000.

The companies have also announced that discussions are proceeding which may result in a joint venture agreement for the future development of the companies' Iskut properties.

Cathedral rings bells

A new mineralization zone has been discovered at the Bronson Creek property, in the Iskut River gold camp, being explored by **Cathedral Gold Corp.** Named the S Zone, it is parallel to and below the T Zone discovered last year.

Both zones outcrop at surface and have been traced for 6,000 feet by trenching and soil sampling. One outcrop sample collected on the S Zone yielded 13.47 oz/ton gold.

Two holes have been completed on the S Zone. Hole 9 totalled 15.1 feet at 0.375 oz/ton gold. The lowest assay was 4.3 ft of 0.002 oz/ton gold, while the highest was 1.3 ft of 2.786 oz/ton gold. Hole 10 showed 3.4 ft of 0.073 oz/ton gold.

Eight holes were drilled in the T Zone with results including: 4.6 ft of 0.042 oz/ton gold; 8.2 ft of 0.071 oz/ton gold; 2.5 ft of 0.039 oz/ton gold and 2.3 ft of 0.100 oz/ton gold.

The Bronson Creek property covers 4,400 acres and borders the east side of the Skyline Gold's producing Johnny Mountain Mine and the southwest side of the Inel property. A decision has been made to extend the 1989 drilling program to include an additional 6,000 feet of drilling with eight holes in the S Zone.

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