

the oil and gas operations. The company also plans to bring on stream the Innisfail Pekisko gas pool where it holds interests varying from 6.25% to 60% in three wells.

According to a recent analysis, Pacific Cassiar has proven gas reserves of about 10 billion cu ft and oil reserves of 300,000 bbl. Despite lower energy prices, the company's interests in new oil wells drilled during the past two years in central Alberta have increased gross sales for oil and gas to more than \$400,000.

Under the present economic conditions, the company is taking

## Bruneau, Canamax agree with Tashogan on Kowkash project

Exploration is slated for the Kowkash project following an agreement-in-principle reached between Montreal-listed **Bruneau Mining Corp.**, Toronto-listed **Canamax Resources** and Tashogan Minerals, a private company.

Under the terms of the agreement, Tashogan may earn a 50% interest with an election to increase that interest to 70% in this Canamax and Bruneau project located at Tashota, northwest of Geraldton, Ont.

To earn its 50% interest, Tashogan is required to make a payment of \$109,000 and commit to carry out \$500,000 in exploration on the property in the first year, with an aggregate required expenditure of \$1.5 million in the first three years of the agreement.

After earning its 50% interest, Tashogan may elect to make a further cash payment of \$500,000 and spend an additional \$1 million over an 18-month period to up its interest in the property to 70%.

Previous drilling on the 103-claim Kowkash project has outlined a geological reserve of 212,000 tons grading 0.21 oz gold per ton. The gold is associated with sulphide-bearing chert units.

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property, in northern British Columbia, has begun with the clear-

## Northair "will oppose" Nor-Quest takeover offer

Saber rattling sometimes occurs before outright war but the big guns are firing already in a proposed takeover offer for **Northair Mines** by Nanaimo-based **Nor-Quest Resources**.

Incensed by an offer which he describes as a "property grab", Northair President, Donald McLeod, argues that it's an "insult to the intelligence of our shareholders". The takeover proposal would see Nor-Quest offer one of its shares plus \$1 for two shares of Northair, something he protests is "not in the best interest of Northair shareholders".

Nor-Quest concedes that it's after the Willa mine property in the Nelson area which Rayner B. Carson, president, asserts can be brought into production within the calendar year based on Nor-Quest engineering studies. He tells The Northern Miner that Nor-Quest recently discussed a possible joint venture agreement with Northair but nothing came of it. The informal discussions also included a property visit to Willa and a look at mine plans and sections.

He says that Nor-Quest has a fully-equipped 1,200 ton-per-day mill in the area which a leading B.C., engineering firm has independently valued at approximately \$11.5 million. It was purchased over three months ago for \$300,000. Sources have told The Northern Miner that Nor-Quest's offer for the mill came in at the last minute, defeating one bid that was directed at the salvage potential of the plant. The independent estimate includes other mine buildings and a tailings area that he says is licensed.

Known previously as Cominco's HB mill, the now defunct **David Minerals** purchased the facility in 1981 and spent \$3.5 million rehabilitating and expanding the plant over the next two years. What if anything was spent after that has not been made public. The company's intent was to custom mill ore from the region but only 3,342 tons of material was processed before closing in March of 1983. The mill includes a leaching circuit which was designed in part to recover gold

molybdenum-bearing material being indicated.

from molybdenum concentrates.

Citing the \$300,000 purchase price, Mr McLeod contends the mill "isn't worth 1¢ more today than it was then" and even less "without an orebody to back it up". Northair's geological consultant at Willa, Dr Paul Richardson, was vice president exploration for David Minerals so he is probably familiar with the mill.

According to Mr McLeod, Northair is in a sound financial position and production financing could be arranged as required. "We're not looking for a partner, and if we were, it certainly wouldn't be these guys," he says.

Pointing out that Northair management will oppose the bid with every means at its disposal, he argues that the "over-inflated price" of Nor-Quest shares would "result in a devastating dilution of Northair's shareholder equity in the Willa as well as our other projects." Mr Carson believes the offer to be fair but doesn't rule out any changes. Nor-Quest wants full control but he confirms they intend to "accept all shares tendered."

The old HB mill is located about 50 mi from Northair's Willa project and he says that Kilborn Engineering (B.C.) estimates it will cost \$540,000 to reactivate the facility.

## Newfields arranges private placement

**Newfields Minerals** of Vancouver has arranged a private placement with S.I.C. Properties whereby Newfields will issue 2.5 million common shares to S.I.C. at \$3 per share. A finder's fee of \$405,000 is payable to Glynbourne Ltd.

Newfields will receive net proceeds of \$7,052,000. Under the agreement, the shares are non-negotiable securities for a 12-month period. Voting control will remain with present management.

The company will use the proceeds to acquire gold-mining projects, gold-mining securities and gold bullion, as well as for operating capital. The agreement is subject to shareholder and regulatory authority approval.

which is located Mines d'Or Perre intersected seven within a gabbro assays from this grades of 0.68 g/g of 2.1 m.

Drilling on the property, located the south of Vior- sequence of mafic igneous rocks, and sedimentary igneous rocks. The mill is deformed and contains disseminated pyrite, quartz and carbonates in the fringe of the formation.

## Westfield from Newfoundland

Additional drill results released by partners **The Coniagas Dominion Gold** and their Little River Newfoundland.

Westfield, which has an interest and is the owner, was following up on face sampling results from last year, which yielded gold values from more than two m.

The 2,375-ft drilled zone tested the zone at above 100 ft, intersected a zone across from 2.0 ft to 14 ft. The gold value was 0.13 oz per ton. A 6.6-ft section of the zone values hovered around 0.13 oz per ton.

The partners in the project has only tested one of the large projects a strike length of 30 mil. Coniagas has a 25% interest. A \$750,000 exploration program is planned for this year.

In the Pickle Lake area, Westfield (54%) and **ern Dynasty Exploration** and **Newfields Minerals** completed a drill program at Arseno Lake project.

The partners in the project a 12,000-ft long conductor associated with silver and gold mineralization. One of the best holes cut a 7-ft section of 0.67% lead 1.34 oz gold.

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