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Northwest Prospector

HIGHLAND VALLEY *Revives Historic Fairview Gold Camp*

The acquisition of a major claim group in B.C.'s historic Fairview gold camp is a reflection of the corporate strategy of Highland Valley Resources Ltd.

"We firmly believe that you find new mines where old ones were," says company president John Carson, citing such examples as Breakwater Resources' Cannon Mine and Mascot Gold Mine's project near Hedley. "We think we've made the right decision to go this route."

Fellow Director Wally Yanke, who began his mining career at the age of fourteen in Sudbury, Ontario and worked in mining areas around the world, is also a strong believer in this philosophy and in the potential of this historic gold camp.

The Fairview Gold Camp was one of the premier mining areas of southern British Columbia and the Highland Valley property hosts two of its former producers, the Stemwinder Mine and the Susie Mines. The history of the area goes back to 1887 when Sheehan and Givathens staked a discovery claim on what was later to become the renowned Stemwinder mine. It was a rich find with free gold visible in the quartz. The result was a gold rush and by 1898 Fairview was established as a producing mining town.

Carson says that work is now well underway on the property which is located four miles west of Oliver, B.C. and 30 miles east of Hedley, where Mascot Gold Mines are developing 4,000,000 tons of .15 gold per ton. The company has opened an old adit to the H.W.3 vein and has commenced drifting on the vein structure. This vein has an average width of seven feet and a known strike length of over 1,000 feet. Drill assays have returned values of up to .445 oz. per ton in gold.

The main gold vein in the Fairview camp, which includes adjoining ground, is up to 59' wide with a strike length of over 6,900'. It is open down dip and along strike so there is a strong potential of increasing the known tonnage. The management team is currently studying the feasibility of open pit zones as well as stope shrinkage mining.

Highland Valley is continuing its negotiations with a European based financial group to acquire \$3.5 million. These funds if realized would be used to develop an ore shoot on the main vein where thirteen thousand feet of diamond drilling has indicated and inferred a resource potential of 84,000 oz. gold and one million oz. of silver.

An additional 100,000 tons is estimated on the Susie and the grade is considered to be .15 gold and 3.0 silver per ton. Past records shows shipments to .26 gold and 7 ounces of silver per ton.

Low cost production is anticipated as the ore is believed amenable to heap or tank leaching and .12 ounces of gold is considered a high grade for this low cost type of operation.

"We believe that the Fairview area has the right access, climate, vein size and ore grade to make an attractive development situation," says Carson.

The directors of Highland Valley, a team with extensive mining and exploration expertise, say their goal is to mine, stock pile and direct ship to the Trail smelter. With "production activity happening" the company expects to make their first shipment within several months.

Highland Valley also holds a claim block near Grand Forks, B.C., and expect to introduce an important property in the Casa Berardi gold camp in Quebec.

Highland Valley trades on the Vancouver Stock Exchange, trading symbol HVR-V.

*The market always does
what it has to do to make
the majority wrong.*

George A. Chestnut Jr.