

**Northern boost**

Prospector Don McKinnon seeks better deal for Northern Ontario

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Hecla is again pouring gold at its Idaho mining operation

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# The Northern Miner

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## Temagami anomaly spurs rush

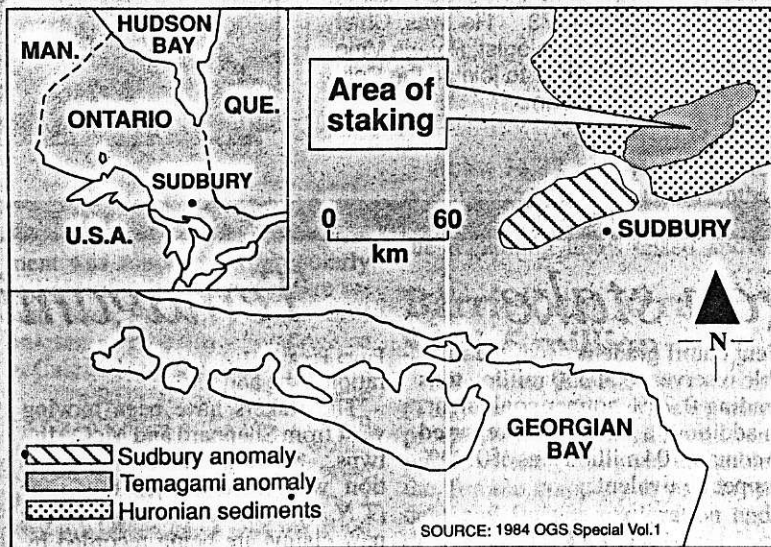
### Comparison to Sudbury basin draws interest

by Geoff Pearce

More than 1,100 new claims have been staked in the past three weeks following a flurry of staking activity over a deep-seated geophysical anomaly situated 40 miles north-east of Sudbury, Ont.

The staking, which began in Sheppard and McCarthy twps., is being done over an extensive magnetic-gravity anomaly known as the Temagami anomaly.

Sources say the main senior company behind the recent staking activity is Falconbridge Ltd. Also holding claims in the area are Teck (TSE), and junior Flag Resources (ASE) which has about 570 claims in nearby townships. Matthew Blecha, Toronto-based exploration manager for Teck, said his company was not involved in the recent staking rush. "I'm surprised Falconbridge has waited so long



before staking those claims," he said. Mike Knuckey, exploration manager for Falconbridge was unavailable at presstime.

The anomaly is well described in a 1984 publication by the Ontario Geological Survey entitled *The Geology and Ore Deposits of the Sudbury Structure*. The publication

describes the Temagami anomaly as similar in shape and size to the Sudbury magnetic anomaly. These two sources combined produce one of the largest aeromagnetic anomalies in the Canadian Shield.

"The close spatial association and similarity of the Temagami and Sudbury anomalies suggests the

## Placer promises \$53 million to gain stake in Mt. Milligan

by Vivian Danielson

VANCOUVER — Perhaps taking a cue from rival Corona's wheeling and dealing in the Eskay Creek saga, Placer Dome (TSE) has secured a lockup agreement with certain shareholders of Continental Gold (TSE) whereby they would tender their shares to Placer in the event of a takeover bid.

Should Placer Dome make a bid on or before Oct. 22, the shareholders agreed to tender to Placer some 2.67 million shares, or about 30% of Continental Gold's outstanding shares on a fully diluted basis.

Four of the shareholders — Robert Hunter, Robert Dickinson, Jeff

Franzen and Douglas Forster — are also directors of Continental Gold whose key asset is a 70% interest in the advanced Mt. Milligan gold-copper project north of Prince George, B.C. The remaining interest in the project is held by BP Resources Canada (TSE).

If Placer makes a bid for Continental, the shareholders would receive not less than \$20 cash per Continental share, or alternatively, one Placer Dome common share for each common share of Continental.

Placer Dome said it is only obligated to make the offer if it is able to arrange for the settlement of out-

See PLACER, Page 2

## Simplicity of operation belies size of Red Dog

by John Kilburn

ANCHORAGE, Alaska — It is not easy to put the Red Dog mine into perspective when viewing the open pit from the high wall. The



Corp. (previously Delaware Resources) and Cominco Ltd. will become the second producing gold mine in the Iskut Camp by early 1991.



### M.J. Royea

Appointed General Manager is Merlyn J. Royea. Mr. Royea joined Cominco in 1964 and was most recently on assignment in Africa for Cominco Engineering Services Ltd. as General Manager, Ghana Project.



for Cominco Engineering Services Ltd. as Chief Metallurgist prior to returning to Cominco.



### A.N. Samis

Mr. Albert N. Samis has been appointed Chief Geologist. Mr. Samis first joined Cominco in 1973. He was Chief Geologist, Polaris Mine prior to joining the Snip team.



was Superintendent, Mine, Polaris Mine.

### G.R. Elsdon

Mr. Garth R. Elsdon has been appointed Employee Relations Superintendent. Mr. Elsdon joined Cominco in 1973. Mr. Elsdon's previous position was Employee Relations Supervisor at Cominco's Potash Operation.

## Placer seeks Mt. Milligan stake

From Page 1  
standing litigation between Continental and BP Resources. A trial date is slated for November this year to hear BP's claim to a greater interest in the Mt. Milligan property relating to the original agreement between it and a predecessor company to Continental Gold.

So far, BP has informed Placer that it will not enter into any discussions or agreements with any third party relating to the Mt. Milligan project or the resolution of the litigation (at least until the end of August).

It is also expected that any takeover bid would be conditional on Placer Dome acquiring a majority of Continental shares and on no material adverse change occurring in Continental's affairs. The agree-

ment is also subject to certain other conditions, including the obtaining of regulatory approvals.

Rio Algom (TSE) and Hemlo Gold Mines (TSE) each has minor equity interests in Continental Gold. At this stage, it is not known if Placer Dome is involved in discussions with either major company.

Goepel Shields & Partner will act as Continental Gold's financial adviser should Placer Dome make a bid for the company and its key asset, Mt. Milligan.

Viewed as a potential open pit mining operation with low stripping ratios, the Mt. Milligan project is reported to contain minable reserves (at a 0.2% copper equivalent cutoff grade) totalling 550 million tons grading 0.57% copper equivalent. If a 0.4% copper equivalent

cut-off grade is used, the minable reserves total 330 million tons grading 0.75% copper equivalent. In addition, a starter pit is reported to contain 104 million tons of 0.90% copper equivalent.

## Aur

From Page 1

On Aug. 1, St. Genevieve offered Noranda, which owns 21.6% of Louvem, the right to buy 4.1 million shares of Louvem at \$8 per share while retaining the right to repurchase the shares at \$8.25 each for up to six months after they were sold.

Noranda already has the right of first refusal on all Louvem shares held by St. Genevieve and management of both St. Genevieve and Louvem. When the request was filed, St. Genevieve held 8.7 million of Louvem's 17.7 million shares outstanding while Noranda owned 3.7 million.

The new proposal contained a clause that automatically triggers the legal settlement if Noranda and St. Genevieve's combined stake in Louvem falls below 50%.

Under the settlement, Louvem agreed to transfer to Aur a 10% working interest in the

## Temagami anomaly

From Page 1

examination in the future. The shaft sinking has advanced to the 1,310-metre level, where a recent tour by *The Nor Miner*, two diamond drills drilling horizontally from an un-ventilated station toward zone 4B. According to Falconbridge exploration drives will be developed on this level and at the 1,585-metre level after the shaft is completed its target 1,686-metre depth in 1991.

The last staking rush to the region was touched off back in 1987 by BP Resources (TSE).

The Temagami anomaly has been studied for many years by geophysicists and even attracted the attention of the late Norman Keevil who led Teck for three decades and was a pioneer in the application of geophysics to mineral exploration.

Falconbridge has also flown an airborne survey of its own over the area in the past two years.

A geologist with the OGS described the Temagami anomaly as one of the biggest in Ontario. He said it is larger than the magnetic anomaly which pointed the way to a large iron deposit near the southern town of Marmora, Ont., 40

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## Anomaly draws attention for years

The Temagami anomaly, one of the biggest unexplained magnetic highs in Canada, continues to intrigue geoscientists who have speculated on its possible origin.

Lying under at least a million years of sedimentary rocks, the anomaly's source remains a mystery. Geologists have even compared the magnetic high situated over the Sudbury Basin



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