

# Rupert Resources: Voisey Bay and Gold

## RUPERT RESOURCES, LTD.

**VSE:RUP**

Current Price (4/26/95): C\$1.70  
52-Week Range: High: C\$1.70  
Low: C\$0.30

Shares Outstanding: 4 Million

Market Capitalization:

+/-C\$6.8 Million

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**Bull & Bear Rating:**



Rupert Resources Ltd. (VSE:RUP) has a well-connected president in Donald G. Moore. For example, among other credits, Mr. Moore was part of the Hemlo deal before it became one of the largest Canadian gold discoveries of the latter quarter century. He may be best remembered as the gentleman who gets into the big deals at a very early stage.

That's the kind of person I want to know. For the most profitable time to invest in a Canadian junior gold or metal deal is at the beginning of the play, just before it takes off. So, I wasn't surprised to find Mr. Moore as one of the strategists behind the NDT deal. He was to head up the deal before turning over the reins to Don McLeod, NDT's current CEO, and remains on that company's board.

Now comes the deal, which many are calling one of the most important

minerals discoveries in Canada in thirty years: Voisey Bay. Ask anyone in Vancouver or Labrador what that means. Voisey Bay spells Excitement with a capital "E." The primary beneficiary of Voisey Bay, to date, has been Diamond Fields Resources (TSE:DFR), which is credited with the discovery. However, recent data clearly indicates that the geology in Voisey Bay means that there will be multiple discoveries.

Canadian mining companies have scurried to Voisey Bay like vultures on a dead mule, lining up to acquire whatever claims they can. Rupert Resources got in early and has not had the sensational share appreciation of some of the other juniors. But, it should.

In early March, Rupert Resources announced it had acquired 100 percent interest in 300 Voisey Bay claims. Regional geochemical maps show high anomalies of nickel, cobalt and copper on their claims. In the same news release, Rupert Resources increased its interest in the company's Surf Inlet gold property to 100 percent. Finally, in the same announcement, RUP entered a joint venture with NDT on the Surf Inlet property.

Mr. Moore cut an excellent deal for his shareholders. The company's Voisey Bay claims can be explored at NDT's expense — which should be considerable. In exchange, NDT got the right to earn a 60 percent interest in RUP's gold property by spending C\$1.575 million during the three phases of exploration. NDT has already put up C\$125,000 to kickoff the three phased gold exploration program, which will commence in May and run through the middle to the end of July.

For speculators, Rupert offers both the excitement of Voisey Bay and the thrill of a gold exploration program on a proven

property. Those familiar with Mr. Moore's style will appreciate that his involvement in the early stages will have stocks racing off the charts. This is a "jump in as fast as you can" proposition for the high rollers.

Traditionally minded investors get the comfort that, while RUP is represented in Voisey Bay through NDT, the company has a proven gold property which is being further explored to determine a larger resource. The typical play is to delineate a larger gold reserve potential and then market the property to a major mining company. Since there are several major mining company candidates in need of acquiring a junior with proven gold resource, Rupert may have its ducks in a row shortly after the drilling program is done.

Let's look at what Rupert's British Columbian gold property offers. Rupert now owns the Wells claims, the Surf Mine and the Pugsley Mine. Its initial target is to rehabilitate the drift, only 300 feet to

go, before cross cutting. The cut-off grade, when the mines were last in production, was 0.25 ounces/ton of gold. The Surf Mine previously produced 921,245 tons of ore, grading 0.42 ounces per ton of gold. Pugsley had produced nearly 170,000 tons averaging a grade of 0.42 ounces per ton of gold.

It was widely believed that new

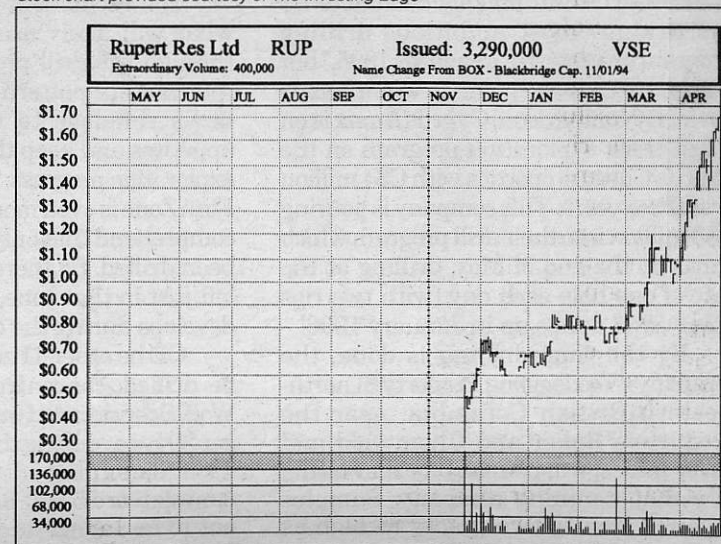
ore shoots of high grade gold existed below old mine workings. Production ceased in 1942 because of the war effort and the mine never reopened. Extensive geological work and computer modeling in the mid-1980's confirmed that an excellent reserve potential existed immediately north of the Surf Mine.

Surf was a profitable producer in the 1920's, despite gold which sold for less in real terms by comparison with today's prices. Mining widths, an important signal that a mine may be economically feasible, averaged approximately 10 feet, ideal for low cost trackless mining methods, and compares favorably with Ontario's Porcupine Camp, Canada's most prolific gold-producing region.

Only a small amount of underground rehabilitation and development work would be required to access a highly prospective portion of the property. The stockpiles on the property indicate that

*Continued on Page 8*

Stock chart provided courtesy of The Investing Edge



*Chelekis* ■

*Continued from Page 7*

## Rupert: Voisey Bay & Gold

additional gold may be found at lower levels. Geologically, the gold occurs in parallel quartz-pyrite veins along a complex fault zone with a general north-south strike and a westerly dip averaging 45 degrees. No environmentally deleterious elements have been reported in the ore which should speed up permitting.

There you have it. An historically proven gold property, needing a bit of rehabilitation to confirm additional resources. Once completed, the property can be marketed to a major mining company with the attendant runup in share values. Voisey Bay offers the sizzle and the gold properties bring steak to the table. Rupert has its backsides covered, with a very strong potential for an upside share price swing. Unlike some other juniors who have thrown in their lot with the Voisey Bay syndicate, Rupert has collateral with the gold property. It's like having your cake and eating it too!—*George Chelekis* ■