

2.4 oz. of 0.175 oz. gold/t at 1,150 feet, and confirmed the continuity of a block of underground ore previously estimated to be 170,000 tons grading 0.36 oz. gold/ton.

Behre Dolbear-Riverside, Inc. and Bateman Engineers began work in December to determine operating parameters, optimize the mine design and evaluate the project's profitability. (SEE GCNL No.10, p.1, Jan.16,1989 for previous article and reserves).

BETTER RESOURCES LTD. (BRZ-V)

| | CUT-OFF OZ.GOLD/T | SHORT TONS | GOLD OZ/T | SILVER OZ/TON |
|-------------------|----------------------|---------------|--------------|------------------|
| Possible Open Pit | 0.05 | 274,500 | 0.184 | 0.74 |
| Underground | .10 | 332,100 | .208 | 1.10 |
| Total | | 606,600 | .197 | .94 |
| | | 550,300 | 6.75 g/t | 32.2 g/t |

NEW RESERVES AND PRELIMINARY FEASIBILITY STUDY REPORTED

Dennis C. Baxter, director reports that Better Resources Ltd. has completed a reserve calculation for the Mt. Washington gold-silver deposit 15 miles west of Courtney, Vancouver Island, B.C., incorporating the results of 17,682 ft. of drilling in 1988 with the previous results.

Planning is underway for a preliminary feasibility report. Preliminary capital and operating costs for a 200 ton per day are awaited. Planning is also underway for the 1989 program to expand existing reserves and to explore other potential on the 12,000 acre property.

Noranda Exploration Company have made the 31Dec88 payment on the Murex joint venture part of the Mt. Washington property, where Noranda can earn a 51% interest by making payments of \$100,000 and spending \$2,500,000 on exploration by Dec.31, 1990, of which \$750,000 is required in 1989. Detailed 1989 program plans are awaited. (SEE also GCNL No.222, Nov.18,1988).

TRANS AMERICA INDUSTRIES LTD. (TSA-V)

DRILLING STARTED AT WASEKWAN LAKE - John K. Campbell, president reports that Trans America Industries Ltd. 49% and LynnGold Resources Inc. 51% have started a 26,000 foot diamond drill program on the Wasekwan Lake property 14 km south-east of Lynn Lake, northern Manitoba. Trans America recently completed an agreement for the sale of 500,000 shares at 80¢ for proceeds of \$400,000 with Mintax Group to provide sufficient funds for its share of the drilling program. Drilling started Jan.16,1989 with two drills. One drill is working on the easterly extension of the Burnt Timber deposit and the second drill is working the higher grade felsic dike area.

The Burnt Timber deposit is a zone of intensely altered silicified, sheared and brecciated, volcanic, sedimentary and porphyritic intrusive rocks. This deposit is presently being evaluated as potential open

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proceeds of \$1,500,000 US from three principle shareholders of the company. Following a review of the company's properties, Centurion has established priorities for its major projects: the San Juan, Prairie Diggins and Big Horn.

Centurion has elected to remain at a 37% working interest in San Juan gold property in Nevada county, California and has not exercised its option to increase its interest to 50% by paying Battle Mountain Gold Company \$1,400,000 US. Instead, the funds will be used for development of the company's other properties.

Centurion intends to accelerate development of the Prairie Diggins property in Grant county, central Oregon, in which Centurion has an option to earn a 75% interest (SEE GCNL No.234, p.2, 6Dec88). Centurion has completed surface drilling of the first phase of an exploration program to establish mineable reserves.

The company's 100% owned Big Horn property in southwestern California is also scheduled for accelerated development. Estimates of indicated reserves have been made with results ranging up to 670,000 tons of 0.20 oz. gold/t.

MAGHEMITE INC. (MHT-V,M)

COMPANY UPDATE ON - Frank A. Lang, chairman of Maghemite PORT CARTIER PLANT Inc. reports that since the Port Cartier, Quebec plant was restarted in September 1988 with 12 employees, operations have increased and employment has grown to the current 18 1/2 people with production growing rapidly. The plant is currently operating 2 shifts, 16 hours per day, 5 days per week. This was aided by private financing provided by directors and capped by a cheque for \$1,046,250 at year's end as initial payment by IRDP of the 1986 construction grant.

Firm orders for ferrite products shipped to USA and Germany, filled in September through November, are being repeated and new orders have been received from British and Canadian sources. (SEE GCNL NO.227, P.1-2, 27NOV88 FOR MUCH DETAIL).

An agreement was signed between a company controlled by Patrick E. Cavanagh, a former Maghemite director, and an Australian company, granting an exclusive license for the manufacture use and sale of products identified under certain patent rights associated with DC Brushless motors, within the confines of Australia and New Zealand only. As part of the licensing agreement, all requirements for strontium ferrite are to be purchased from Maghemite Inc. An initial order is expected shortly.

Subject to regulatory approval, a \$175,000 convertible debenture has been extended for a further twelve month period to 31Dec89.