

# NORTHWEST INVESTMENT REVIEW

Monitoring the Publicly Traded Securities  
of the Great Northwest/Intermountain/Pacific Basin Area

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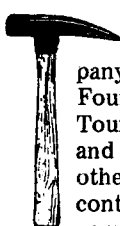


## TOURNIGAN MINING EXPLORATIONS LTD.

800430

Recent Price . . . . . 2 5/8  
OTC/VSE Sym. . . . . TGNX/TGN  
1979-80 Range . . . . . 3 1/2-7/8

Shares Outstanding . . . . . 4,311,452  
Est. Float . . . . . 2,945,785  
No. Shareholders . . . . . 925



Tournigan Mining Explorations Ltd. of Vancouver, B.C., is a precious metals exploration company managed by geologists and professional engineers. Founded in 1966 by President John N. Hembling, Tournigan has specialized in precious metals since 1972, and has a "head start" on the current gold-silver rush by other companies. With the prices for precious metals continuing in a strong uptrend, major international companies are seeking new properties to exploit. Tournigan has an impressive inventory of 681 claims covering 14 separate properties, and is in an excellent position to satisfy these companies' needs.

Most of Tournigan's major properties are located near Stewart in west-central British Columbia. The Stewart area is considered a major gold-silver "camp" in Canada, and was first prospected in the early 1900's. The area has yielded some of the richest profits in Canadian mining history. Tournigan's personnel have spent years conducting geological appraisals in the area and have compiled an extensive collection of geological information and reports dating back to the 1920's.

### Big Missouri Property

In December 1978, Tournigan's efforts culminated in its first major joint venture, with Western Mines Ltd. — a 51%-owned subsidiary of Brascan Ltd., on Tournigan's large gold-silver property, the Big Missouri. Western Mines took an option to earn a 70% interest in the property. Under terms of the agreement, Western will purchase 100,000 shares of Tournigan's common stock per year and also commit to spend funds for exploration under the following schedule:

Execution Date	Number of Shares	Purchase Price to be Paid <sup>1</sup>	Cumulative Explor. Exp. to be Incurred
Dec. 31, 1978 <sup>2</sup>	100,000	\$100,000	—
Dec. 31, 1979 <sup>2</sup>	100,000	100,000	\$ 200,000
Dec. 31, 1980	100,000	150,000	500,000
Dec. 31, 1981	100,000	150,000	800,000
Dec. 31, 1982	100,000	175,000	1,100,000
Dec. 31, 1983	100,000	200,000	1,400,000
Dec. 31, 1984 <sup>3</sup>	100,000	225,000	1,700,000

<sup>1</sup>All data in Canadian dollars.

<sup>2</sup>On Dec. 31, 1978 & 1979, Tournigan issued 100,000 of its common shares to Western at \$1.00 per share.

<sup>3</sup>With notice of election, Western must also commit to carry out a feasibility study on the property and deliver it to Tournigan by June 1, 1985.

Western will own a 70% interest in the property and Tournigan will have a carried 30% interest. Since Western will also own about 15% of Tournigan's shares, the company will also

participate in Tournigan's 30% share along with its other shareholders. Tournigan will receive its 30% share after Western has recovered its investment. In the meantime, Tournigan will receive the greater of either \$100,000 or 5% of the annual net profit.

In addition, Tournigan has given Western 90 days from the first day of commercial production to purchase an additional 7½% interest for \$1 million, in which case Tournigan will retain a fixed 22½% carried interest in the mine.

Located 16 miles north of Stewart, B.C., the massive Big Missouri property consists of 142 claims owned 100% by Tournigan and covering an area 6½ miles long and 1½ miles wide. The property is adjacent to the Silbak Premier Mine, once one of the richest producers of gold and silver on the North American continent. Silbak-Premier produced 4.7 million tons of gold, silver, lead and zinc ore worth more than \$650 million and paid out over \$23 million in dividends at the old prices of precious and base metals. At current metal prices the Premier would have yielded more than \$2.5 billion worth of ore from the same 4.7 million tons mined.

The Big Missouri property, although several times larger than the adjacent Silbak-Premier, is virtually identical, since it occurs within the same geological formation. The Big Missouri has been explored since 1904. Records for the period 1938-42 show the mine produced 847,000 tons of ore containing 57,000 ounces of gold, 60,000 ounces of silver and unknown amounts of lead, zinc and copper before being closed along with other "non-strategic mines" after Canada's involvement in World War II. Over the years, many small claims also produced small tonnages of high grade ore, but large-scale development was not feasible due to the fractured claim ownership.

Western Mines has assigned a crew of geologists and technicians to conduct a comprehensive evaluation of the property and has accelerated its proposed schedule, spending approximately \$275,000 during the 1979 field season. Seven diamond drill holes were completed in the fall of 1979 to test geological interpretations and extensive mapping was also completed to identify drill targets for a closely spaced diamond drilling program in the 1980 field season. It is possible, if the diamond drill assays are as encouraging as the previous surface and underground sampling, that Western could further accelerate its development schedules.

### The Outland Silver Bar Property

The Outland Silver Bar property contains 31 claims and adjoins the Big Missouri property on the west. The property was acquired in February 1979 in the form of reverted Crown grants from the British Columbia government as a result of favorable geological information obtained during the 1978 program on the Big Missouri. Exploration on the property

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dates back to the 1920's, when 15 tunnels were driven on the mineralized zones by early developers and high grade silver was reported from numerous trenches and tunnels.

During the 1979 field season, Tournigan geologists sampled many of the old workings and obtained several ounces of silver per ton along with good lead and zinc shows. Tournigan believes the property has potential as an open pit mine and a comprehensive program is being planned for the 1980 season which will include extensive diamond core drilling.

**Atan Lake Property**

Tournigan owns a 100% interest in 44 mineral claims on the Dease River, 25 miles east of Cassiar, B.C., in the path of the proposed British Columbia railroad extension. Tournigan has spent some \$500,000 on the property since 1966 and has drilled a dozen diamond drill holes which have encountered high grade barite near the surface and, in other holes, zinc up to 17%. Barite is used in the oil drilling industry, and is currently in short supply. Tournigan is involved in serious negotiations with two large oil drilling mud suppliers interested in the immediate development of the property on a lease basis.

**Bear Pass Property**

Tournigan became interested in this property in 1976 and since that time, through a series of negotiations, has acquired and consolidated 116 mineral claims encompassing an area 5.4 miles long and 3.6 miles wide. The Bear Pass property received extensive exploration attention by early developers, including Cominco. On the George gold-copper claims which form a part of the consolidation, the beginnings of an ore body were indicated by drilling conducted in the 1920's and by Tournigan in 1976. Estimates based on drilling and surface work indicate reserves of between 100,000 and 500,000 tons with an average grade of 2.2% copper, 0.06 ounces of gold and 0.6 ounces of silver per ton. The property has the potential to become a major copper-gold producer, and joint venture negotiations are in progress with major mining companies.

**Other Properties**

The Dalhousie-Premier extension property was acquired in early 1979, and now consists of 87 claims. This property adjoins the southeast side of the Silbak-Premier Mine and contains a promising massive sulphide-iron horizon which is high in gold-copper values. Gold values ranging from 0.15-0.72 ounces per ton and copper over 1% have been found within areas of the formation, and a core drilling program is under consideration for 1980.

The Ben Ali gold-silver property contains five claims and is a "key-claim" group located strategically adjacent to and within the Dunwall Gold Mine property which was last operated in the mid-1930's and is currently undergoing a complete renovation by another company. The claims contain a narrow vein system, the central portion of which contains 0.5 to 1.9 ounces of gold per ton and 20 to 30 ounces of silver per ton. Tournigan has no immediate plans for the claims, which can be held indefinitely at a minimal annual cost.

The Mobil gold-silver property consists of only one claim, which contains a very high-grade gold-silver vein which was explored in the 1920's. Tournigan has no immediate plans for the property.

The gold-silver Moonlight property is located at the head of American Creek northeast of the Big Missouri property. This 50-claim group contains a gold-silver prospect in its early stages. Limited work done thus far has discovered a zone of

mineralization 26 feet wide and of unknown length which carries silver of 10½ ounces per ton along with good values in lead and zinc. Another area on the property, which has been limited to grab-sampling so far, carried high-grade copper ore and over two ounces of gold per ton.

In August 1978, Tournigan entered into an option agreement with Lorado Mining Corp. (now Norsemont Mining Corp.), whereby Norsemont could acquire Tournigan's 100% interest in ten Crown-granted claims comprising the Windsor gold-silver property by issuing 300,000 shares of its stock to Tournigan.

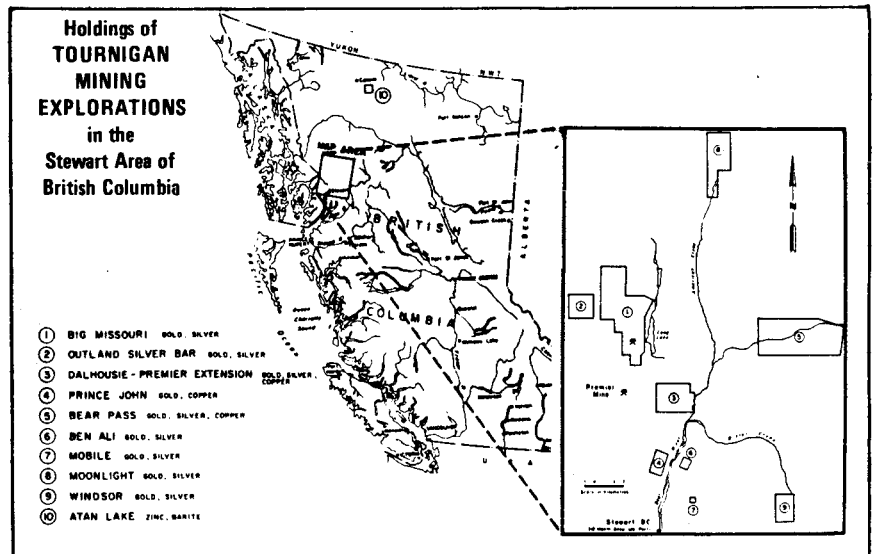
After issuing 50,000 shares, the companies came to a new agreement whereby Norsemont acquired Tournigan's 100% interest by issuing another 50,000 shares.

Late in the 1979 exploration season, Tournigan staked 40 claims on a new discovery, the Gingrass gold property. The property is in the Sulphurets Creek area, 45 miles north of Stewart, B.C.

**Financial Situation**

Tournigan, unlike many small mining exploration companies, is in strong financial condition. The company has no long-term debt, has current assets consisting of \$301,163 in cash and only \$3,888 in current liabilities.

In July 1979, through Canarim Investment Corp. Ltd. of Vancouver, B.C., Tournigan sold 200,000 shares with detach-



able warrants at \$1.00 per share. The Series A warrants were exercised into Tournigan common shares on the basis of two warrants plus \$1.03 per common share. Additionally, the company issued Canarim 100,000 Series B warrants with a conversion price of \$1.03 per share. Canarim exercised the warrants in September 1979. Tournigan also sold 100,000 shares of stock in December 1979 to Western Mines Ltd. under terms of the agreement on the Big Missouri property.

**Conclusion**

Tournigan is a small mining exploration company staffed by professionals with demonstrated expertise in consolidating and packaging mining properties with known mineralization. These properties are then programmed for exploitation on a joint-venture basis with well-financed partners who can develop the property quickly and professionally.

The Big Missouri agreement should provide Tournigan with sufficient funds to conduct its exploration activities and, if the property is put into production, could mean considerable cash flow. In addition, the company has other properties in the negotiation stage that could also provide additional cash flow.

John Curti



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PRESS RELEASE

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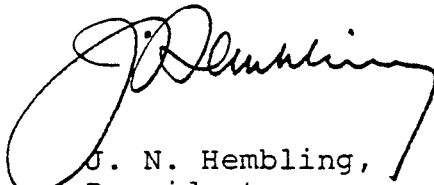
TOURNIGAN MINING EXPLORATIONS LTD. - WESTERN MINES LIMITED.

- POSITIVE RESULTS FROM 1979 BIG MISSOURI PROJECT
- 1980 DRILLING PROGRAM TO PROCEED ON SCHEDULE

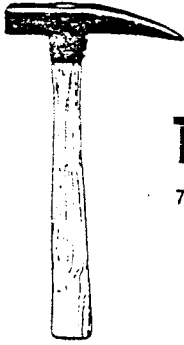
Tournigan has been advised by Western Mines Limited that approximately \$275,000 was spent on the BIG MISSOURI gold-silver property during the 1979 field season. This work included detailed geological mapping with stratigraphic correlation, extensive sampling and 7 diamond drill holes totalling 3,100 feet. The diamond drill holes were specifically designed to check geological information and were widely spaced.

Western Mines reports the results of this years' work were "very encouraging" and the open pit potential of the property will be further explored with an extensive closely spaced diamond-drilling program in the 1980 field season.

Western Mines will be taking down the second block of 100,000 shares @ \$1.00 per share (in accordance with the agreement), in the first week of December 1979.



J. N. Hembling,  
President.



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## NEWS RELEASE - AUGUST 17, 1978

More encouraging assays have been received from the sampling program on the Big Missouri - Unicorn property at Stewart, B.C.

With over a dozen tunnels and adits now open for sampling, underground assays have been received from a tunnel 55 metres (180 feet) below the trenches in the "B" area which were summarized in the August 14th newsletter. A zone of strong mineralization has been sampled and assayed as follows:

<u>SAMPLE NO.</u>	<u>% LEAD</u>	<u>% ZINC</u>	<u>SILVER Oz/Ton</u>	<u>GOLD Oz/Ton</u>	<u>WIDTH Feet</u>
36100	0.71	1.20	86.46	1.384	20

(Gold and Silver value per ton of \$ 837.08)

In another tunnel just 18 meters (60 feet) below the surface in the "B" area, material in a crosscut which was partially filled with mineralized material was sampled and assayed as follows:

<u>SAMPLE NO.</u>	<u>Silver Oz/Ton</u>	<u>Gold Oz/Ton</u>
36086	16.62	1.082

Representative grabs from heaped ore.

(Value per ton of \$ 348.58)

In the letter of August 14th, assays were reported from 2 zones in the "B" area which represent potential ore zones over significant mining widths. The above assays are taken from 2 levels (60' and 180') below "B" area.

As a matter of interest, Shareholders may be interested to know that a total of 37 samples have been assayed to date in the first 2 batches. The first 20 samples averaged 17.3 ounces silver per ton, together with 0.110 ounces gold per ton for a gross value per ton of \$ 129.10.

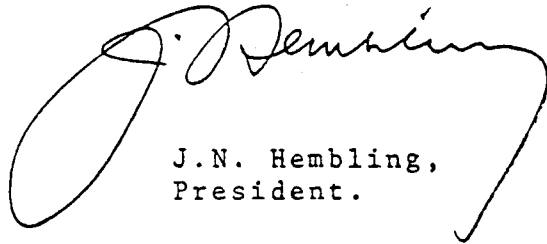
The second batch of 17 assays averaged 14.09 ounces of silver and 0.180 ounces of gold per ton with a gross value of \$ 125.94 per ton.

The average value of the 4 sections reported in this letter and the August 14th letter, is \$ 444.60 per ton using Canadian prices of \$6.00 per ounce for silver and \$ 230 for gold. (Gold and silver are quoted in U.S. dollars on the London Exchange.)

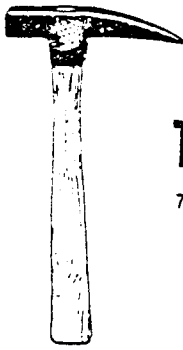
It appears from sampling completed so far, that the Big Missouri - Unicorn property may have open pit potential.

From the assays that are coming in as a result of the program now underway, good silver values occur even where gold values are low. Shareholders should realize that an open pit operation can operate for total costs of perhaps \$ 10 -11 per ton, whereas underground mining costs would be around \$ 35-40 per ton in the Big Missouri area.

Diamond drilling will begin on August 24th, 1978.



J.N. Hembling,  
President.



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## NEWS RELEASE

The Company has just received encouraging assay results from the sampling program recently commenced on the Big Missouri-Unicorn gold-silver property at Stewart, B.C.. From work done on portions of this large prospect by others in the 1920's and 30's, and from our own evaluations over the past several years, our expectations have been met with some initial success.

Assays have been received from portions of area "B" where chip samples from surface showings have confirmed two zones of gold-silver mineralization. In trench TB-2 four continuous 3 metre (10 foot) samples ran as follows:-

<u>Sample No.</u>	<u>Au (gold) oz./ton</u>	<u>Ag (silver) oz./ton</u>
36054	0.264	3.52
36055	0.324	3.96
36056	0.266	4.39
36057	0.202	4.52
Average	<u>0.264 oz. Au/ton</u>	<u>4.09 oz. Ag/ton</u>

In another zone approximately 150 metres (500 feet) north of TB-2 a zone of strong mineralization over approximately 30 metres (100 feet) in length and 2 metres (6.5 feet) in width has been reported. The assays are as follows:-

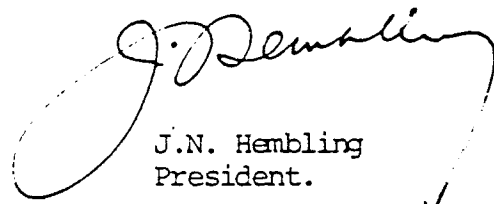
<u>Sample No.</u>	<u>Au (gold) oz./ton</u>	<u>Ag (silver) oz./ton</u>
36061	0.146	34.64
36062	0.234	123.16
36064	0.092	78.70
Average	<u>0.157 oz. Au/ton</u>	<u>78.83 oz. Ag/ton</u>

A permanent structure 20' x 80' has been established on the property which together with 7 tents affords kitchen, dining, washroom, dry, first-aid, office and sleeping facilities for a crew of 25 men.

An elaborate program of sampling, trenching and detailed geological evaluation is in full operation which will form the base for diamond drilling planned to start within 10 days.

Sampling and diamond drill results will be reported as work progresses.

August 14, 1978.

  
J.N. Hembling  
President.