NOV 27 1981

KERR ADDISON MINES LIMITED

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820250

To D.A. Lowrie **From** W.M. Sirola

Subject PLAZA MINING CORPORATION **Date** November 23, 1981

CASSIAR Au

I.O.B. A.L.C. F.S.C. D.M.H. W.J. ~~P.K.L.~~ J.G.S. FILE

During our telephone conversation this morning, I did not connect Plaza Mining with the Table Mountain deposits near Cassiar nor had I seen the most recent write-up in the November 12th George Cross News Letter.

The enclosed map copied from George Cross indicates the Plaza holdings in the Cassiar area. The Vollaug vein is the one on which Silver Standard developed 28,000 tons of 0.4 - 0.5 ozs. Au and from which Plaza Mining has stock piled 13,000 tons on which they hope to make $50. a ton. They speak of 75,000 "firmly established tons of ore" resulting from trenching and shallow drilling and they expect to establish another 25,000 tons. Plaza shares were posted for trading on the resources section of the DSE on August 20th, 1981. Thus far 7,640,251 shares have been issued.

The 200 ton mill located four miles south of Cassiar was paid for from the sale of one million shares at $4.00 per share.

I do not wish to deprecate their efforts in any way but I get the impression that they are perhaps more adept at mining the public than they are at establishing reserves on the property. I will, however, give Bruce Spencer a call.

Bill

W.M. Sirola,
Regional Exploration Manager.

Encl.

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PLAZA MINING CORP.'S TABLE

MOUNTAIN DEPOSITS, CASSIAR, B.C.

NOVEMBER 1981

404-750 W. PENDER STREET
VANCOUVER, B.C.
V6C 2T7
683-7265
(AREA CODE 604)

PUBLISHED DAILY
SUBSCRIPTION RATE
$225.00 PER YEAR

George Cross News Letter
"Reliable Reporting"

NO. 159(1981)
AUGUST 20, 1981

NO. 159(1981)
AUGUST 20, 1981

WESTERN CANADIAN INVESTMENTS

FOR THE RECORD

Plaza Mining Corporation shares are to be posted for trading on the Resource section of the Vancouver Stock Exchange at the opening Aug.20,1981. Of the 10,000,000 no par value shares authorized 7,640,251 shares are issued including 750,000 in escrow. The series B warrants are also listed.

G.C.N.L
~~Nov 12/81~~
Aug 21/81

PLAZA MINING CORPORATION

CONCENTRATING PLANT IN TUNE UP PHASE AT CASSAIR B.C. GOLD MINE - J.John, president of Plaza Mining Corporation has reported that construction is completed of the 200 ton per day capacity gold concentrating plant located 4 miles south of Cassiar,B.C. (See map overleaf for plant and property locations) Trial operation will start about Aug.17,1981 in the plant at an estimated rate of 100 tons per day. As the tune up period progresses the throughput is expected to increase toward the designed capacity.

The president pointed out that by a June 8,1981 prospectus the company sold 1,000,000 units, consisting of shares and warrants, at a price of $4.00 each to net the company $3,680,000. There are 7,640,251 shares issued including 750,000 shares in escrow. The 1,000,000 series B share purchase warrants are exercisable, at $4.50 with two warrants until Jan.15, 1982, to purchase one additioal share. At Aug.15,1981, with the plant paid for the company had $700,000 in free working capital.

The company has approximately 3,500 tons of mill feed ore grading 0.65 oz. gold per ton and 0.50 oz.silver per ton stockpiled to feed the plant until new ore is mined. Plans call for mining a further 4,000 tons of a similar grade to feed the plant by Aug.31,1981. The company also plans to mine 20,000 tons grading 0.5 oz.gold, 0.5 oz.silver per ton by the end of 1981. During the 1981 field season the company has drilled some 7,000 feet of core hole in an effort to add to reserves. Results from these holes are expected to be announced in the next few weeks. The president states that indications are that a substantial tonnage of mineralization is being developed.

A decline of 400 feet to the GH ore zone has been completed, and drifting along the A vein is in progress. Results are currently being evaluated. Stockpiling of ore from this zone is underway, and will form additional mill feed.

Plaza Mining has a 45% interest, Cusac Industries a 55% interest in the Table Mountain joint venture which has 6,000 feet of diamond drilling now underway in a 1981 budget of $880,000. All ore emanating from this venture will be processed at the Plaza plant.

CORONA RESOURCES LTD.

FURTHER ASSAYS FROM - EAST ZONE DRILL HOLES

Hole No.	Interval	Width	Oz.Gold/t
No.81-120	211 - 225	14 ft.	0.48 cut
			.69 uncut
No.81-122	177 - 187	10 ft.	.07 cut

Further gold assay results have been reported by David Bell, consulting geologist and director of Corona Resources Ltd., from the Hemlo property, 200 miles east of Thunder Bay, Ontario. The drill program is continuing and check assaying is underway.

PRISM RESOURCES LIMITED

FURTHER INCREASES IN SILVER VALUES FROM UNDERGROUND WORK - Assays have been received from a further 40 feet of drifting on the Prism Resources Limited property at Kathleen Lakes, 70 miles northeast of Mayo,Yukon. The average grade over the 40 foot length, across a 10 foot width, is:

Silver 24.55 oz.per ton, lead 6.63%, zinc 1.79%

The average grade for the 430 foot length and 10 foot width is now:

Silver 20.31 oz.per ton, lead 6.25%, zinc 1.28% (See GCNL No.162 and 160 for other recent results.)

MACKENZIE ENERGY CORPORATION

TWO U.S. OIL PROJECTS REPORTED - MacKenzie Energy Corporation has reported production casing has been set on the Sorum State No.12-34 on the Portal prospect in Burke county, North Dakota. Completion operations are expected from both the Nesson and Midale formations. It is anticipated that a second well will be drilled on the prospect later this year. MacKenzie Energy Corporation has an 8.115% net revenue interest in this prospect, both before and after payout.

Drilling has started on the first of eight Devonian Dutch Creek tests in the 20,000 acre Waltonville prospect in Jefferson county, Illinois. The initial well, Jefferson No.52X-15 is currently drilling at 3,700 feet and has had positive drill stem tests of both the Rosiclare and McCloskey formations with clean oil recoveries of 30 feet and 1,926 feet respectively. The company has a 7.5% working interest or 5.5125% net revenue interest in this prospect.

CUSAC INDUSTRIES LIMITED

DIAMOND DRILL PROGRAM UNDERWAY AT THE GOLD PROPERTY, CASSIAR,B.C. - Guilford H.Brett, president of Cusac Industries Limited, has reported that 4,500 feet of diamond drilling has recently been completed on the company's property near Cassiar,B.C. This work has indicated a strong structural condition, in the quartz carbonate, north of the rich Dino vein. No assays are available as yet. Drilling is continuing.

The stock-piled ore from the Dino vein will be milled during the month of September. This will provide the company a cash flow.

Cusac has a $250,000 bank line of credit.

Plaza Resources Corp. have maintained their 45% working interest in the gold property. Plaza Resources has recently completed a 125 ton per day,new mill facility, approximately 10 miles to the north. This facility will be available to the joint venture. (See the map in GCNL No.160,Aug.21,1981, page two overleaf)

In the six months ended June 30,1981 the company received no new funds, spent $206,977 and ended the period with a working capital deficit of $52,576.

VANCOUVER, B.C.
V6C 2T7
683-7265
(AREA CODE 604)

SEP 21 1981
KERR ADDISON MINES LTD.

PUBLISHED DAILY
SUBSCRIPTION RATE
$225.00 PER YEAR

George Cross News Letter

"Reliable Reporting"

NO.180(1981)
SEPTEMBER 21,1981

NO.180(1981)
SEPTEMBER 21,1981

WESTERN CANADIAN INVESTMENTS

NOREX RESOURCES LTD.

Six Months Ended June 30,	1981
Revenues	$165,258
Administrative Expenses	61,593
Income Taxes	55,000
Profit on Joint Venture	1,105,900
Income	$1,154,565
Working Capital	$2,800,192

David A.Graham, president of Norex Resources Ltd. has reported that the six month statements for the period ending June 30,1981 reflect the completion of the sale of the Camsell River silver property to Terra Mining and Exploration Limited and the sale of treasury shares during the period.

He said the company has been informed that substantial exploration funds have been expended by the purchaser on the Norex property in the Camsell River and that there have been encouraging results to date. He is looking forward to the start of royalty revenues from the ground in the not too distant future.

In the first half of 1981 the company took relatively large positions in three prospects in Alberta. All three were unsuccessful.

In the Calling Lake play a second well has been drilled and completed as a gas well of the same size as the first well. Norex will now participate in two additional wells in this play this Fall. The Calling Lake properties, Alberta,are within a contract area and are expected to be producing in the Fall of 1982.

In conjunction with Structure Resources Ltd. the company is assembling a number of Canadian plays which are expected to be drilled in the Winter of 1981-82.

The company has interests in two wells in the Carmine prospect, Washington county,Texas which have been completed and are expected to be generating oil and gas revenue by the end of 1981.

In the Davis Ranch, Throckmorton county, Texas play three wells have been drilled, two have been abandoned and one is on production at as yet unknown rates. The company has invested in a five well programme on 480 acres close to Haskell, Oklahoma, offsetting several successful wells in the area. These are gas and oil prospects and the partners in the play are in possession of a gas contract.

Mr.Graham stated in the report that the company has funds and is looking for good deals.

PLAZA MINING CORPORATION

GOLD PRODUCTION NOW UNDERWAY - Jimmy John, president of Plaza Mining Corporation,has reported that the 200-ton per day capacity concentrating plant located 4 miles south of Cassiar,B.C. is now producing.

The company was formed in early 1980 and acquired interests in the Table Mountain and Quartzrock Creek properties, plus some $2,000,000 worth of heavy equipment as well as properties in the Lower Mainland, Cariboo and Queen Charlottes.

Proven and probable reserves on the Table Mountain Vollaug vein have been calculated at 75,000 tons grading 0.44 oz.gold/t. Recent diamond drilling has shown significant values over a 2,400-foot strike length, with assays as high as 2.14 oz.gold/t over a 3.8-foot width.

Plaza Mining has a 45% interest in the Table Mountain Joint Venture with Cusac Industries Ltd. Plaza will be milling ore from this venture which produced some high grade of more that 2 oz.per ton gold.

Engineers Roland Trenaman and Bruce Spencer were hired in April to manage the Cassiar operations for a three year period. To date,the mining has been open pit, but a decline has been started for underground mining from the Vollaug vein.

Mr.John stated, "In 1980, 27 holes were drilled for a total of 6,700 feet and so far this year there has been 12,544 feet drilled. The mill turned over on Aug.17 and is now operating at 120 tons per day, producing 875 oz.of gold from 1,500 tons of ore averaging 0.65 oz.gold per ton with recoveries improving to greater than 90%."(See GCNL No.160, page two, August 21,1981, for previous story and property location map)

Capital expenditures on exploration, development and pipeline facilities amounted to $19,983,000 over the first three quarters, down 26% from corresponding expenditures last year. Lower spending has largely resulted from deferral of gas development projects,however Westcoast expects that expenditures on oil exploration and development planned for the last quarter will bring total spending for the year to 1980 levels.

KLONDEX MINES LTD.

COMPANY'S FIRST GOLD BAR POURED IN NEVADA - Last month, Klondex Mines Ltd. started up their small leaching and stripping plant at Fire Creek, Nevada,which is treating approximately 3000 tons of gold ore heaped on a pad. S.J.O.McClay,managing director, reports that,on 3Nov81, Klondex poured their first gold bar weighing 22.96 ounces from one carbon column.

This leaves three other columns which are holding approximately 75 ounces of gold for smelting. Thus, some 100 ounces of gold are likely to be produced in the first two weeks of production.

Confirmation of the amenability of the ore for heap leaching has been proven by this production,says Mr.McClay. Also, the efficiency of the operation has been proved. After 24 hours starting Oct19/81,the pregnant solution assayed 0.10 oz.gold and the barren solution 0.007 oz. gold. In four days, the carbon in Column No.1 assayed 294 oz.gold per ton in 180 pounds of carbon. From this carbon, 22.96 ounces of gold were actually recovered, leaving approximately 118 ounces on the carbon for further treatment. Mr.McClay says this production from other carbon colums ready for stripping will be considerably improved. This production will recover about 20% of the $200,000 investment,including costs to date,in one month from partial treatment of the 3,000 tons estimated to contain 180 oz.gold on the leach pad.

Drilling last year outlined over 350,000 tons of ore grading 0.06 oz.gold/ton with some silver. This production test shows the ore runs higher than drilling indicated. This is not unusual in gold operatons. Leaching and production will continue as long as weather conditions are favorable.

During the winter period, regulatory authorities' approval of a full scale mining and leaching program to be undertaken in the spring of 1981 will be sought.

Klondex have working capital of some $200,000. All the present facilities and production costs are paid for.

PLAZA MINING CORPORATION

Table Mountain

GOLD MINE STARTS PRODUCTION AT CASSIAR.FUNDING SOUGHT - Hans Hartwig,vice president,announces that Plaza Mining Corporation's gold mine near Cassiar, B.C.,is now fully operational and has milled approximately 5,500 tons of ore averaging 0.5 troy ounces of gold per ton with lesser values in silver and lead. The mill treats 100 tons of ore per day and recovers 85 to 90% of the gold. As of Oct25.81 total production from 5,344 tons of ore milled amounted to 2,234 ounces of gold contained in flotation and jig concentrates or in the circuit.

Plaza's engineering consultants, Trenaman Spencer and Associates (TSA), estimate that there are 13,000 tons of stockpiled and fully developed ore currently available for milling. Each two weeks of normal production generate about $275,000 of net smelter returns. The 13,000 tons of ore are expected to generate $3,700,000 of net smelter returns. Related operating costs and overhead are estimated at $2,100,000 so that these proven reserves are expected to generate* $1,600,000 of net cash flow. At the milling rate of 100 tons per day, the 13,000 tons of ore will be exhausted by the end of February,1982. There is excellent potential on Table Mountain to develop additional ore reserves. Geologist Bruce Spencer reported on 7Oct81: "On Table Mountain, the Vollaug vein has been explored along a 3,500-foot length by trenches and shallow drill holes. This work has firmly established 75,000 tons of ore and it is expected that an additional 25,000 tons will be discovered by further exploration and development in this area. The area explored to date represents 15% of total area on Plaza Mining Corp.claims which cover on strike and down dip extensions to the Vollaug vein. If the mineralization persists on the unexplored portions with similar characteristics to that of the explored area then the potential ore reserves on this property are some 600,000 tons of 0.5 oz.gold/ton."

Mr. hartwig reports that Plaza must spend about $700,000 for underground development before additional ore can be made available to the mill. The company are seeking financing to resolve a projected deficit and to develop the additional ore reserves.

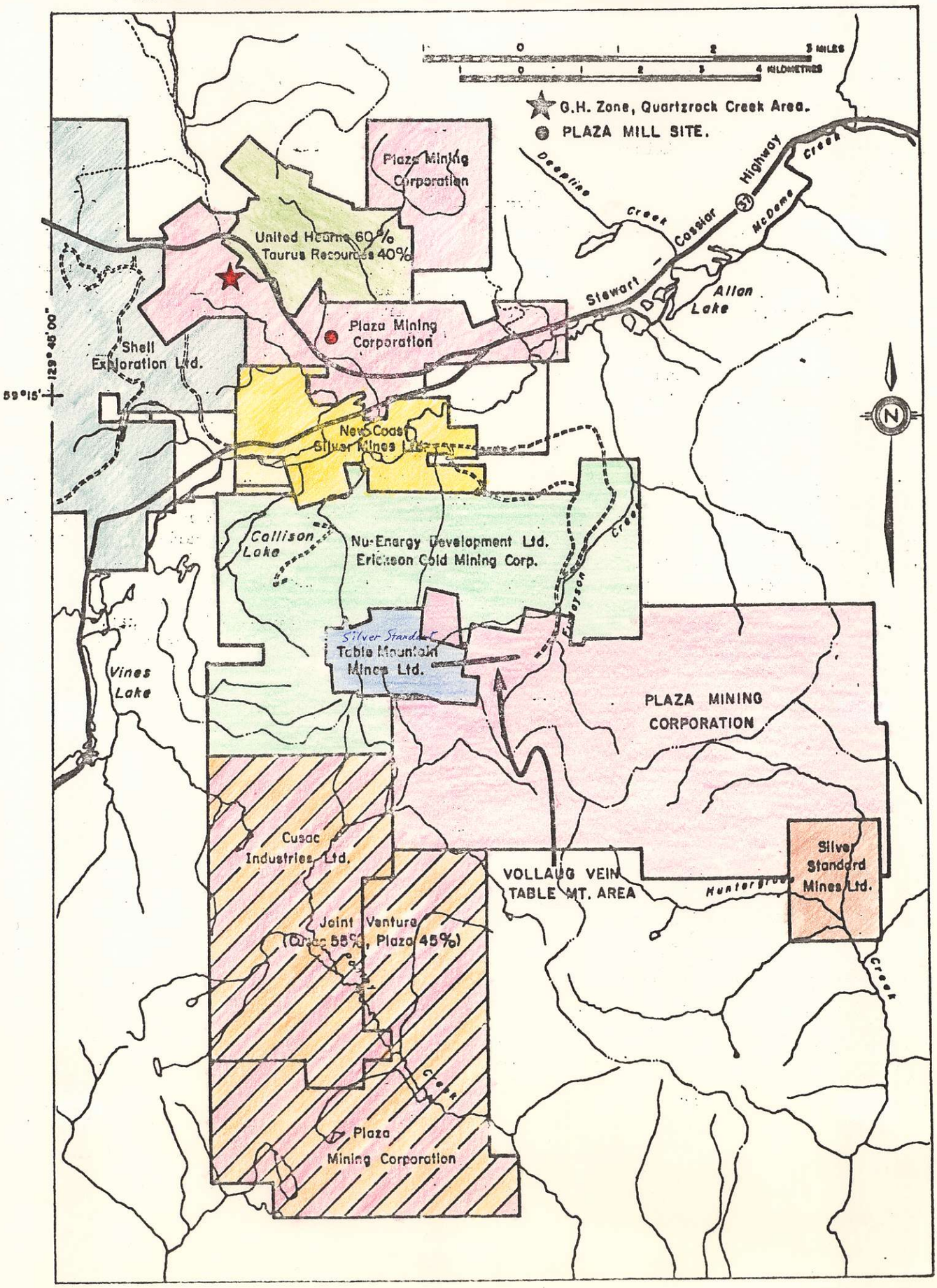
FOR THE RECORD

Post Ventures Ltd. have granted an incentive option to director Gordon Bergman to buy 30,000 shares at 95¢ each through 21Sep82,or then at $1.20 each through 21Sep83 or then at $1.41 each through 21Sep84.

* $50/ton

PLAZA MINING CORPORATION

PLAZA MINING CORPORATION - CASSIAR PROJECT



G.C.N.L #160
Aug 21/81.

PLAZA MINING CORPORATION

PLAZA MINING CORPORATION - CASSIAR PROJECT