

WARSTAR RESOURCES INC.(WTR-V)

EXPLORATION OF BRALORNE AREA PROPERTY PLANNED FOR SEPTEMBER - David J.Copeland,P.Eng., president of Warstar Resources Inc, has reported that a program of geochemical soil sampling, geophysical survey, geological mapping and trenching is planned for the 100% owned 28 claims, 1,700 acres, adjoining to the north the Congress property under joint venture exploration by Levon/Veronex, in the Bralorne, Bridge River area, 100 miles north of Vancouver,B.C. The program will seek to determine if the Lou zone newly discovered on the Congress property extends onto the Warstar property.

Trenching on the Warstar property exposed two veins that carry values up to 0.74 oz.gold/t with values in silver, lead and zinc. A recent report on the property stated that gold and silver values encountered in a disseminated format in the host rocks are in the range currently being mined as open pit vat leach systems and are considered significant.

EQUUS PETROLEUMS CORPORATION(EQU-

TAKEOVER BID REJECTED BY DIRECTORS - John N. I

rejected

Explorations Ltd. on the grounds that Poney's Equus's projected sales for the year will be \$ including the book value of mining properties the assets of Poney consisting entirely of une state that even after accepting Poney's asset times that of Poney's of 9¢ each. There are 3,

*Not
See Warstar p. 3 - we may
want to give this a look if
we visit Congress again.*

PERIOD ENDED MARCH 31,	YEAR 1984	5 MONT
Oil/Gas Sales	\$ 629,850	\$ 2
Other Revenue	37,026	
Total Revenue	\$ 666,876	\$ 2
Operating Expense	150,653	
General, Admin. Expense	643,281	5
Interest Expense	82,820	1,000,000
Depletion, Depreciation	444,822	85,831
U.S. Oil/Gas Writedown	1,587,203	-
Investment Loss Provision	172,801	725,360
Subsidiary's Pfd. Dividend	-	2,599
Net Loss	\$2,414,704	\$1,332,446
Cash Used In Operations	210,756	401,356
Working Capital Deficit	1,708,433	4,055,050
Long-Term Debt	\$ 500,000	\$ -
Shares Outstanding	8,072,626	7,672,626

interest in the 21,000-acre El Pedernal Block was sold to Monsanto, the operator, offsetting Raymac's share of costs, including the drilling of two Queen City wells to 7,000 feet. However, Raymac owe a 4.129% carried back-in interest after payoff in the block. Monsanto et al have spent over \$8,000,000 on lease acquisition, geophysical work and drilling of the two wells and are committed to drill a 17,000-foot Wilcox test well, estimated to cost \$7,000,000 to \$10,000,000. Monsanto claims it acquired Raymac's back-in interest with the working interest. Raymac desire to retain the back-in interest and have taken legal action in Texas to

protect the position.

Raymac are negotiating to drill up to 20 wells per year jointly with another company which has generated the prospects, mostly in Oklahoma.

Raymac operations are now consolidated in an office at 7515 Greenville Ave., Dallas, Texas. Their Denver and Calgary offices have been closed.

AVINO MINES & RESOURCES LIMITED (AVO-V)

SIX MONTHS ENDED JUNE 30,	1984	1983
Equity In Affiliate's Earnings	\$108,857	\$118,589
Interest Income	6,320	5,628
Cash Used In Operations	251,044	190,166
Net Loss	142,187	87,391
Loss Per Share	2¢	1¢
Working Capital	\$132,534	\$148,257

Lou Wolfen, president of Avino Mines & Resources Ltd., reports that, in the first half of 1984, their 49%-owned Mexican affiliate processed 45,806 tonnes of ore which produced 212,269 troy ounces of silver, 640 troy ounces of gold, 17 tonnes of copper and 53 tonnes of lead. In Canadian dollars this translated into sales of \$2,218,737 which generated 39% gross operating profit of \$873,005 before income tax and exchange loss. In other words, at the present silver

prices of \$7.50 U.S. per ounce, the mine is operating at good profit levels and costs are in line. Working capital of the affiliate at \$725,116 shows a ratio of 2.4 to 1 current assets to current liabilities.

Engineering studies are nearing completion and construction of the cyanide plant will start shortly. The target date for its operation is mid-1985.

KALIBER RESOURCES LTD. (KLI-V)

ENTRY INTO U.S. GAS - Agreement in principle was reached on 20Sep84 for Kaliber Resources Ltd. to acquire all PROJECTS PROPOSED outstanding common shares of AET Holdings Ltd. and all assets of Arkoma Exploration and Trading