

GEMSTAR RESOURCES LTD. (GMS-V)

EXPLORATION UNDERWAY - Balbir Johal, director, reports Gemstar Resources Ltd. has begun its 1990 exploration program on the Birch claims located 100 km north of Kamloops, B.C. on the Adams Plateau where it can earn a 100% interest from FOUNDATION RESOURCES LTD. (FNR-V) by spending \$360,000 on exploration. The property is underlain by the Eagle Bay Formation which also hosts the Samatosum silver mine.

Gemstar has traced a previously drilled polymetallic massive sulphide horizon through the central part of the claims and discovered a new zone of mineralization carrying high values of lead/zinc with anomalous gold/silver. A program of follow-up induced polarization, detailed geological mapping and trenching will begin immediately. Diamond drilling will start mid-October. (SEE GCNL No.178, 14Sep90, P.3 FOR PREVIOUS INFORMATION)

SLOCAN DEVELOPMENT CORP. Ltd. (SLO-V)

NEGOTIATIONS CONTINUE - Robert Barbero, president, reports Slocan Development Corp. Ltd. has entered negotiations with CONSOLIDATED RHODES RESOURCES LTD. (RRS-V) and TOLTEC RESOURCES LTD. (TOL-V) for the companies to become equal joint venture partners to acquire properties in Mohave county, Arizona. Consolidated Rhodes and Toltec are already active in Mohave county where they can jointly earn a 100% interest in the Cyclopic property located adjacent to Toltec's Gold Basin property. See map overleaf page 1. (SEE GCNL No.176, 12Sep90, P.4 FOR OTHER DATA)

MAPLE RESOURCE CORP. (MRZ-V)

DRILL RIG MOBILIZED - Nell Dragovan, director, reports Maple Resource Corp. has mobilized a diamond drill rig to the 4J's project located 30 miles northwest of Stewart, B.C. Maple is earning a 60% interest from TEUTON RESOURCES LTD. (TUO-V) by paying \$150,000, issuing 200,000 shares and spending \$1,200,000 on exploration over four years.

Grid establishment and soil sampling was done over a large gold-in-soil anomaly discovered by a single line of contour-line geochemical sampling in 1989. The 1990 work resulted in the definition of a linear, north-south trending soil anomaly over 600 meters. All samples taken within the trend were highly anomalous and five returned values from 0.049 to 0.186 oz.gold/ton. The southern 200 meters of the gold anomaly is coincident with a VLF-EM conductor. There is no outcrop exposure over the soil anomaly but immediately south, and along the projected trend, are veins discovered in 1989 that returned up to 0.19 oz.gold/ton across 5.0 feet.

Maple will begin drilling the zone at a site that returned 0.186 oz.gold/ton from a soil sample coincident with the above VLF-EM conductor. (SEE GCNL No.184, 24Sep90, P.2 FOR PREVIOUS INFORMATION)

Results have been received from a recently completed diamond drill program on the New Moon project located 60 miles southwest of Stewart, B.C. where Maple can earn a 55% interest from LUCERO RESOURCE CORP. (LCR-V) by paying \$200,000, issuing 25,000 shares and spending \$3,000,000 on exploration over four years.

A total of 2,377 feet were drilled in seven holes. Two areas of mineralization were tested by drilling: the first, a 3,000-foot gold-bearing structure defined by the Scree, North and Northeast zones, the other a base metal target called the Main zone located 3,000 feet to the south. Of five holes drilled into the former, holes NM90-03 and 04 testing the North zone intersected 0.082 oz.gold/ton over 7.2 feet and 0.160 oz.gold/ton over 6.0 feet respectively. Holes NM90-01, 02, and 05 returned no significant results. The Main zone hosts drill-inferred geological reserves of about 670,000 tons of 5.81% zinc, 1.9% lead, 0.45 oz.silver/ton and 0.029 oz.gold/ton. Maple drilled two step-out holes to test the southward strike extension of the mineralization. Hole NM906, a 105-foot step-out, returned no significant

results. Hole NM90-07 is a 259.1-foot step-out and is the southern-most hole drilled on the Main zone deposit. This hole intersected a 5.6-foot interval grading 13.05% zinc, 4.10% lead, 1.19% copper and 0.68 oz.silver/ton. Maple is considering more prospecting and soil sampling programs for unevaluated areas of the New Moon project as well as follow-up work. (SEE GCNL No.163, 23Aug90, P.3 FOR PREVIOUS DATA)

RIDGEWAY PETROLEUM CORP. (RGM-V)

HORIZONTAL WELL PROGRESSES - Walter B. Ruck, chairman, Ridgeway Petroleum Corp., reports the Wolco Texxn Bever Bros No.1 horizontal well is now drilling in the turn section of the hole after setting a 7 5/8" casing to 5,947 feet. It is expected to reach horizontal attitude in the next few days, followed by 2,900 feet of lateral drilling at 90° from vertical on an azimuth of N22°36'30"W. The well is located in the Pearsall (Austin Chalk) Field, Lasalle county, Texas. Ridgeway has an 11.14% net revenue interest in the well, which is operated by Wolco Energy of Dallas, Texas. (SEE GCNL No.155, 13Aug90, P.2 FOR PREVIOUS INFORMATION)

ENVIROWASTE INDUSTRIES INC. (EVW-V)

ORGANIC COMPOSTING PROJECT - Douglas Halward, president, reports Envirowaste Industries Inc. has acquired a 10-acre parcel of land in Matsqui, B.C. to build the first organic composting management facility of its kind in Canada. Organic waste represents over 30% of municipal waste. Waste products successfully composted include animal manures, produce wastes, food processing wastes, brewery waste, paper and magazines, sewage sludge, yard and leaf waste, kitchen waste and agricultural waste.

There are currently four of these plants in production in the northeast U.S. with another three to be completed by the end of 1990. Located about 30 minutes from Vancouver, the site is an ideal location for receiving the raw material and exporting the finished product to the U.S.

Due to land fill sites closing, tipping fees increasing and because organic waste produces methane gas, the Fraser Valley problem provides the company with an opportunity to receive tipping fees for organic waste disposal and through the sale of composted material which is a chemical-free, environmentally safe, 100% naturally organic fertilizer and soil amendment.

Envirowaste is making composting plant proposals to numerous cities, municipalities and private industry in the four western provinces plus the States of Washington and Oregon.

GOLDEN POND RESOURCES LTD. (GDP-V)

GEOPHYSICAL SURVEYS PLANNED - Albert W. Applegath, director, Golden Pond Resources Ltd., reports line cutting recently began in preparation for a deep penetration UTEM geophysical survey to be conducted on a portion of the Lamaque Gold Mines and Rocard Mines Ltd. properties near Val d'Or, Quebec. A large portion of the area to be surveyed on the Lamaque property is controlled 50% by TECK CORP. (TEK.A-V,T,M), 25% by TUNDRA GOLD MINES LTD. (TDA-V) and 25% by Golden Pond. The Rocard property is controlled 50% Teck and 50% by Golden Pond.

The survey is estimated to cost about \$100,000 and cover an area about three miles long and two miles wide, which is thought to be the western extension of the pyroclastic horizon that hosts the Aur Resources massive sulphide deposit 10 miles to the east.

The UTEM survey, which is designed to detect massive sulphide deposits up to 1,500 feet below surface, is anticipated to begin by mid-October and be completed within 20 days, weather permitting. Eight line-miles of survey will be completed with preliminary results plotted by mid-November. Golden Pond has 8,408,584 shares outstanding. (SEE GCNL No.185, 25Sep90, P.2 FOR OTHER PROJECT INFORMATION)

GREENTREE ENERGY INC. (GGY-V)

CYCLE PROJECT - Keith McMyn, president, reports Greentree Energy Inc. and

TREND ENERGY LTD. (GTG-V) are presently dealing with the ZEG Bicycle Retail Group of Kolin, many for an exclusive distribution arrangement to supply power pedal equipped bicycles to the West and East German markets. ZEG is an independent owner-operated retail buying co-operative with about 600 retail outlets in West and East Germany. (SEE GCNL No. 25, 5Feb90, FOR PREVIOUS INFORMATION)

KOKANEE EXPLORATIONS LTD. (KOO-V)

FORMAL AGREEMENT SIGNED - Laurence Stephenson, president, reports Kokanee

Explorations Ltd. has signed a formal agreement with COMINCO LTD. (CLT-V,T,M, Amex) on the Vine property located 16 km south of Cranbrook, B.C. Kokanee has earned a 90% interest by having spent over \$1,800,000 on exploration. Upon completion of this year's work program, Kokanee expects to be able to estimate mineral reserves. As well as defining the mineralized vein, exploration has delineated stratiform sulphide mineralization which has not yet been fully explored. (SEE GCNL No. 114, 13Jun90, P.1 FOR PREVIOUS DATA)

TEX GOLD RESOURCES LTD. (TGG-V)

TWO PROGRAMS BEGIN - Carol Shepherd, secretary/treasurer, reports Tex Gold

Resources Ltd. has begun the Phase I exploration program comprising gridding, mapping, geochemical and rock sampling on the 100%-owned Inzana Lake property located 30 km south of Mt. Milligan in central B.C. The property adjoins the TAS gold/copper porphyry deposit of Black Swan/Goldcap/Noranda to the east while Rio Algom holds the property to the south. PLACER DOME INC. has begun geophysical surveys and closer-spaced soil sampling on promising areas on the optioned Tex gold property 20 km south of Mt. Milligan. (SEE GCNL No. 37, 21Feb90, P.2 FOR RELATED INFORMATION)

COLLINS RESOURCES LTD. (CR-V)

NEW PROJECT UNDERWAY - Nell Dragovan, director, reports Collins Resources Ltd. has

mobilized a drill rig to the New project located 68 miles northwest of Stewart, B.C. where the company can earn a 50% interest from ADRIAN RESOURCES LTD. (ADL-V) by paying \$5,000, issuing 200,000 shares and spending \$500,000 on exploration over three years. Collins is operator during the earn-in period.

Exploration by Adrian in 1988 comprised geological mapping, chip sampling, geochemical sampling, grid work and a VLF-EM survey. This led to the discovery of a system of gold-bearing quartz veins in the northeastern part of the property. The vein system strikes northeast and dips steeply to the west. Two showings within this system, the Paul showing and the Number 1, are about 40 meters apart. Both feature quartz-carbonate barite vein material containing up to 20% sulphide mineralization. Gold values in excess of 1.0 oz./ton are common from grab and chip samples on the two showings. Best assay was 3.72 oz. gold/ton across 0.25 meters from the Number 1 showing. A southern extension of the vein system about 75 meters south of the Paul showing returned a grab sample assaying 11.304 oz. gold/ton.

Drilling will begin by testing the two showings at depth in the immediate vicinity of the surface expressions prior to stepping out along the strike extensions. Budget is a minimum \$125,000. (SEE GCNL No. 49, 9Mar90, P.2 FOR PREVIOUS INFORMATION)

MAPLE RESOURCE CORP. (MRZ-V)

DRILL CREW MOBILIZED - Murray Pazim, chairman, reports Maple Resource Corp. has

mobilized a drill crew to the New Moon project located 60 miles south of Smithers, B.C. where the company can earn a 55% interest from LUCERO RESOURCE CORP. (LRC-V) by paying \$200,000, issuing 25,000 shares and spending \$3,000,000 on exploration over four years. (SEE GCNL

No. 128, 4Jul90, P.2 FOR PREVIOUS WORK REVIEW)

Drill pad construction will begin immediately with drilling expected to start in a few days. About 4,000 feet of drilling is planned for the initial program. The current program of prospecting, soil sampling and geophysical surveys will continue. It is anticipated several other drill targets will be identified.

DNI HOLDINGS INC. (DNI-V)

FORECLOSURE INITIATED - David Edgell, president, DNI

Holdings Inc., reports Foreclosure proceedings have been initiated against the company's 100% interest in the Buffalo mine property near Sumpter, west of Baker, Oregon. The proceedings, if successful, will result in DNI losing its interest in the property unless it comes up with US\$600,000 to repay the amount of the original purchase price which remains outstanding.

ARBOR RESOURCES INC. (AOR-V)

COMPANY UPDATE - Darcy W. Hughes, director, reports

Arbor Resources Inc. is negotiating an agreement to buy 58 lode mineral claims in the Dawson mining division, Yukon Territory for staged payments of \$60,000 and 200,000 shares over two years, subject to regulatory approval.

On the Dawson project, Arbor recently discovered a new quartz vein about 3.0 feet wide and 175 feet long adjacent to Eldorado Creek, near Dawson City. The vein was sampled with assays expected by month-end. Trenching, rock sampling and geophysical surveys continue.

Peter Ferderber resigned as director. Arbor has arranged a private placement with Canadian investors for up to 367,500 units at 65¢ each, comprising one flow-through share and one warrant exercisable at 65¢ the first year and 75¢ the second year. (SEE GCNL No. 155, 10Aug90, P.1 FOR PREVIOUS PROJECT INFORMATION)

DENTONIA RESOURCES LTD. (DTA-V)KETTLE RIVER RESOURCES LTD. (KRR-V)

TRENCHING IN PROGRESS - Brian Fagan, director, Dentonia Resources Ltd. and Kettle River

Resources Ltd., reports operator MINNOVA INC. (MVA-T,M) has begun trenching on a large gold soil anomaly on the Rainbow Joint venture located near Midway, B.C. Minnova can earn a 70% interest in Dentonia/Kettle River's 100% interest by spending \$1,000,000 on exploration. A large excavator will trench about one km of the anomaly to further define drill targets.

The property is adjacent to the Midway mine which contains several narrow gold/silver veins with intrusive rocks adjacent to the veins containing gold values over wider widths than the veins themselves. The new anomaly lies in an area untested by previous operators. (SEE GCNL No. 46, 9Mar90, P.3 FOR PREVIOUS INFORMATION)

UNITED GUNN RESOURCES LTD. (UGR-V)

FARMOUT AGREEMENT - Nadia Wakefield, president, reports United Gunn Resources Ltd. and

Beaver River Resources Ltd. have signed a farmout agreement for some Texas investors to earn a 50% interest in the Beaver River Gas Field Redevelopment project in northeastern B.C. The Texans must provide an initial commitment of US\$2,000,000 jointly to United Gunn and Beaver River which will be used to re-enter, drill and complete the A-5 well as a gas producer in the Nahanni formation located on the crest of the structure. The funds will also be used to redrill and complete the B-1 as an additional salt water disposal well, which is located close to the producing B-2 gas well down-dip on the structure.

When the Texas group has spent US\$5,000,000 on project development, they will have earned, prior to payout, a 50% working interest. After payout, their interest will be reduced to a 25% working interest with United Gunn having a 25% working interest. It is expected gas production will increase to at least 30,000,000 cubic feet per day. (SEE GCNL No. 89, 8May90, P.2 FOR PREVIOUS INFORMATION)