

Southeastern B.C. Exploration Highlights

By Ken Murray

Greenwood - Grand Forks

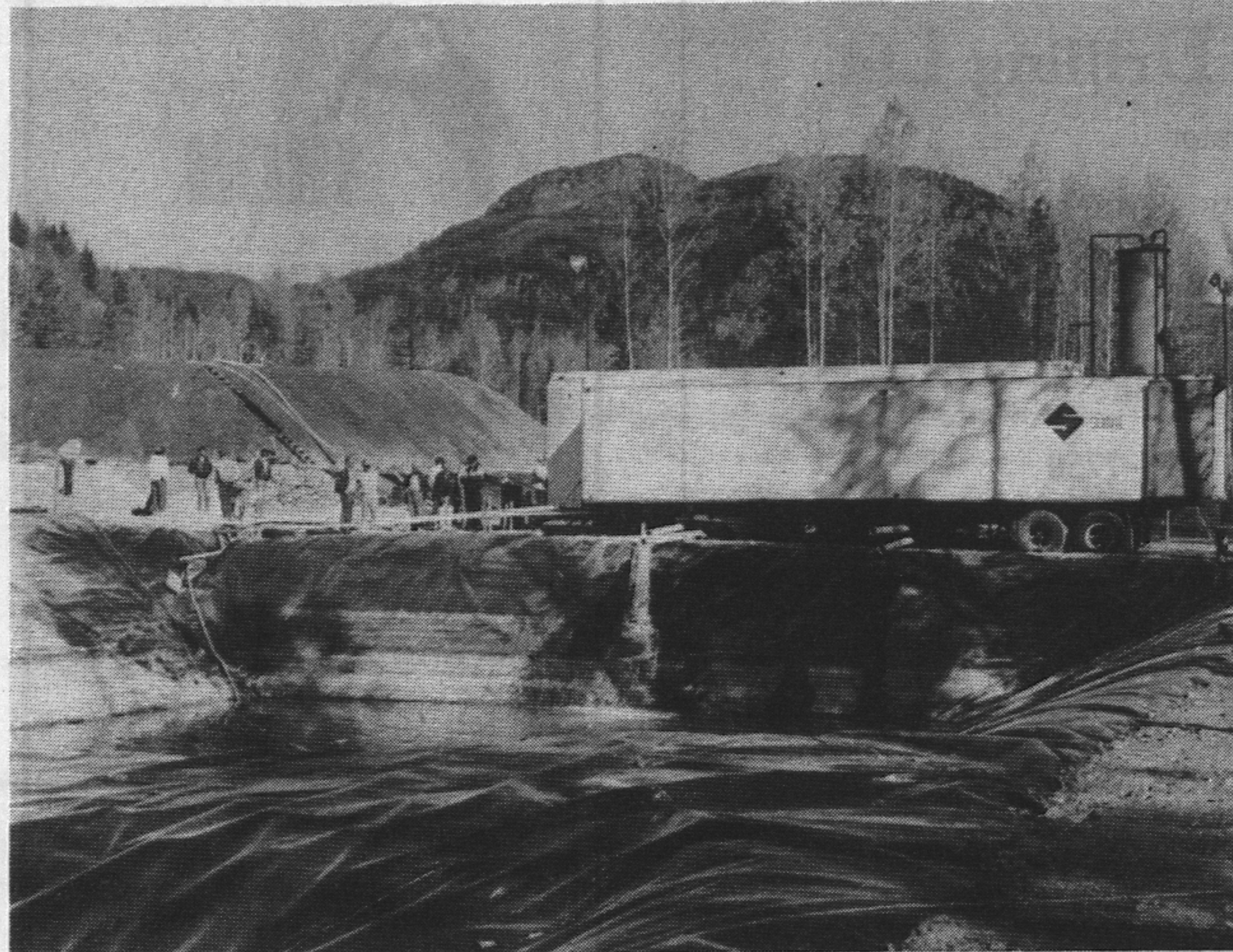
Good results were obtained by **Skylark Resources** in the Greenwood Camp. Surveys of more old workings have increased silver grades. Tonnage has been increased and production has started. **Consolidated Boundary Exploration**, in partnership with **Noranda Inc.**, have completed more drifting with good gold assays resulting. They seem to have a handle on this deposit and a surface program of geophysics and drilling should tell the story. **Canadian Pawnee Oil Corp.** has found a new zone on the Lexington property by drilling. They drilled a geochem anomaly to find this new zone and are presently drilling. **Sumac Ventures** had a good year at the Union mine near Grand Forks. They have successfully heap leached 15,000 tons and this method of mineral extraction is the first of its kind in the area. Many other companies were active in this area and with the **Echo Bay Mines** discovery near Republic, Washington, this camp will remain very active.

Salmo - Ymir - Trail

The busiest year in many for this area has yielded good results for **Gunsteel Resources** at the Nugget Mine in the Sheep Creek Camp. With on-going exploration work and a proven reserve of 75,000 tons, a production decision should be made this year. **Yellow Jack Resources** in joint venture with **Cominco Ltd.** has completed a trenching program and is presently drilling on the Lucky Boy property south of the H.B. Mine site. Also in Sheep Creek, **Terra Mines** completed a large drilling program on the Goldbelt Property. Southwest of Salmo at the head of Swift Creek, **Falconbridge Ltd.** has completed a trenching and drilling program and will return this year. **O'Hara Resources** did a drill job on the Blackcock Property near Ymir and are presently driving underground for further drilling. **Nor-Quest Resources** is presently rehabilitating the Ymir and Goodenough Mines near Ymir. They have also refurbished the H.B. mill. Ten other properties were worked in these camps and continued exploration will lead to production.

Nelson - Kootenay Lake

Cove Energy in partnership with **Granges Exploration** are exploring the Alpine Mine at the head of Sitkum Creek. A road was built to the mine and a drill program was completed. Underground re-hab is presently underway. **Snow-Water Resources** of Nelson, B.C. finished trenching and drilling on the Referendum and Whitewater Properties in the Rover Creek



Stockbrokers and investors tour the site of **Sumac Ventures'** heap leach operation near Grand Forks, B.C. The company proved their process and extraction techniques on a 15,000 ton heap leach test pad during 1987.

areas. Another drill program is scheduled for the Whitewater Property this year. **Lectus Developments** has good results from a drill job on the Great Western Property. Further work is planned for this year as well as on the Starlight Property in the Silver King area. **Amarado Resources** finished a geochem and geophysical survey on its Ford Property near Grey Creek. Drill roads and pads are in for this year's drilling. **Nor-Quest Resources** is presently drilling the Valpariso Mine near Creston, B.C. **Terra Mines** explored the Bayonne Mine area and found the possible vein extension to the south using geochem. This could prove interesting as this was a good producer.

Slocan - Revelstoke - Lardeau

Dickenson Mines was again the mainstay of the Slocan Camp with successful production and exploration. **Northair Mines** is near production at their Willa Property. A mill has been moved to the site and new drilling has outlined higher grade zones. A production decision should be made soon. **Yukon Minerals** is exploring the Senator and Meteor Properties and report successful results. **Noranda Inc.** in joint venture with **Chapleau Resources** is exploring in the Lemon Creek area. Also in this area, **King Jack Resources** has drilled their ground and plan more work for the year. In the Revelstoke Camp, **Windflower Mining** and **Granges Exploration** have expanded reserves and should be in a position to reach a production decision. Near Burton, **Esperanza Explorations** plans to

go into production this year. Further exploration on the Strebbe Property is also planned. In the Lardeau, **Mikado Resources** has done more development work and drilling. 3,500 tons of ore has been trucked out to be tested at the Ainsworth mill which they own in partnership with **Dragoon Resources**. **Abermin Corp.** was active in the old Whitewater Camp west of Kaslo. As well **QPX Minerals**, a subsidiary of **Placer-Dome Inc.**, was active in this area.

East Kootenay

Cominco Ltd., with the huge Sullivan

Mine, still dominates this area. They have many exploration programs on-going in the search for Sullivan II. **Chapleau Resources** is exploring a large claim block in the Moyie - Perry Creek area and results to date indicate the source of placer gold may be close at hand. **Normine Resources** is drilling east of the Sullivan and has some lead-zinc mineralization similar to Cominco's. **Queenstake Resources** has done more testing and stripping on their placer leases in the Moyie River. The results are encouraging and to date over 700 ounces of gold have been mined. An exciting development in this area is that **Goldpac Investments** is underway with the drilling of a deep hole for a Sullivan-type target in the Lumberton area. This company is headed by John Leask, who has considerable experience in this area. This is a hit or miss situation; but if it hits it will be huge.

This partial summary of exploration projects in southeastern B.C. was prepared by 1987 President Ken Murray, from information compiled by the Chamber of Mines of Eastern British Columbia.

Pilot Gold Recovery Test

Approval for a pilot scale cyanide gold recovery test has been granted by the B.C. Government. The in-situ pilot scale injection-recovery test is the culmination of intensive testing conducted over the past year by **Gold Ridge Resources** under a joint venture agreement with **Silver Ridge Resources** on the deep channel placer gold deposit at Wingdam, B.C.

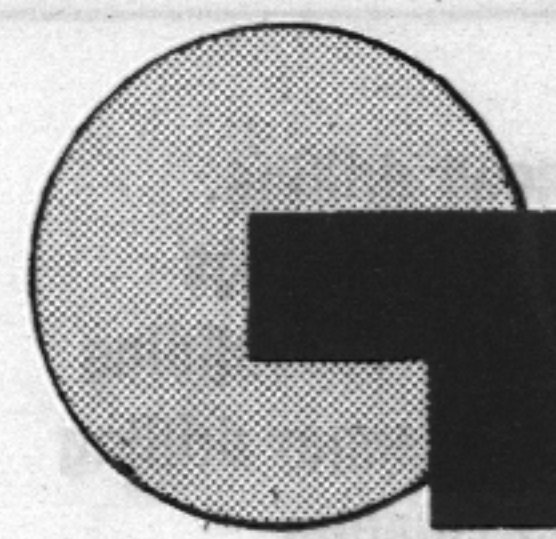
Testing will be done under the direction of **Wright Engineers** and **Piteau Assoc.** with the test expected to prove that the in-situ system of gold extraction is an economically sound and environmentally safe way of retrieving the deep channel gold.

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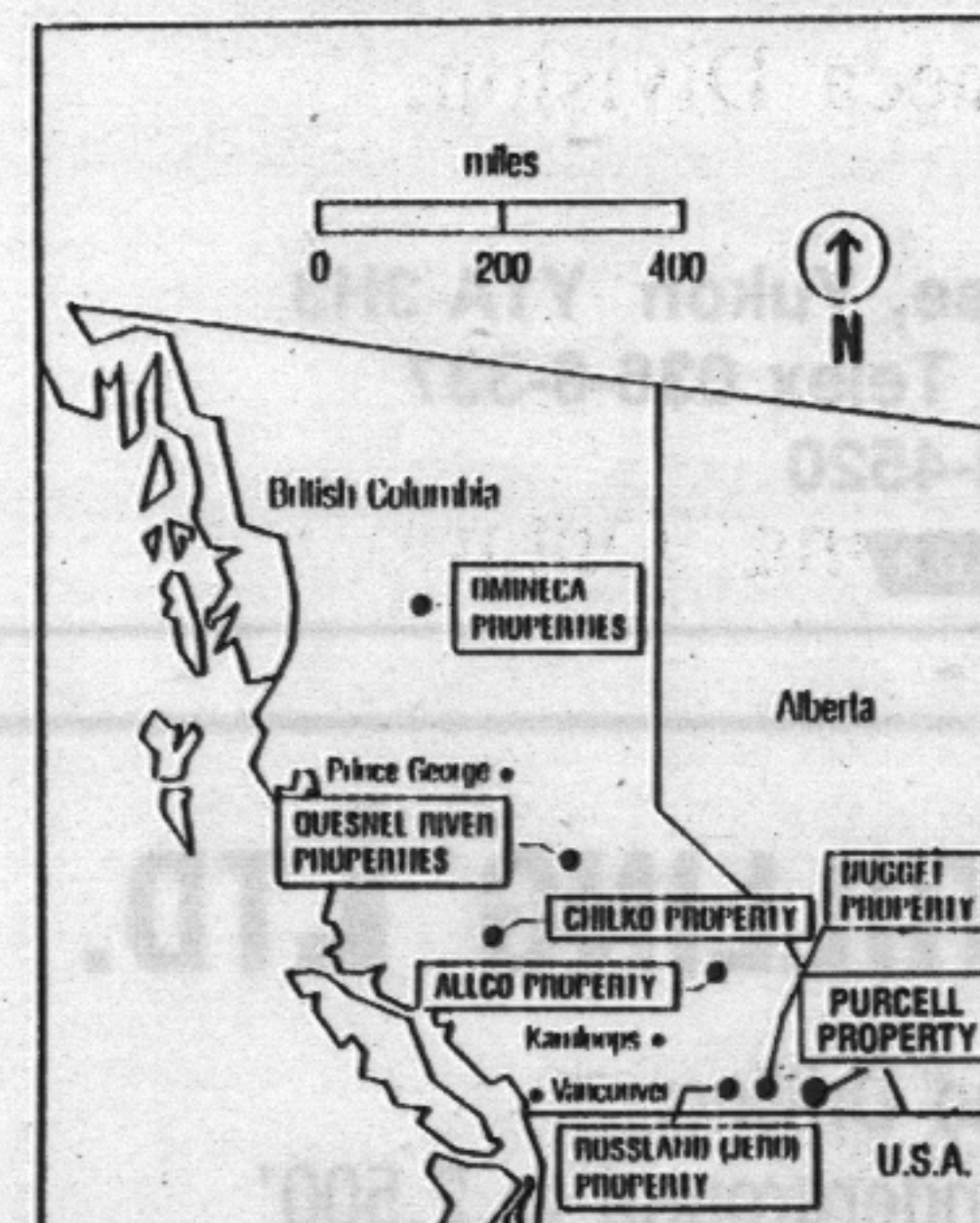


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Vancouver Stock Exchange
Symbol: GUN

U.S. Sec. Exemption
82-1507



The Company is active in precious and base metal exploration in the Sheep Creek (Salmo), Rossland, Revelstoke, Omineca, Quesnel, Chilko Lake and Cranbrook areas of British Columbia. Reserves on the Nugget (Salmo) property now stand at 223,000 tons grading 0.33 oz. gold per ton for a total gold content of 74,000 ounces.

GUNSTEEL RESOURCES INCORPORATED

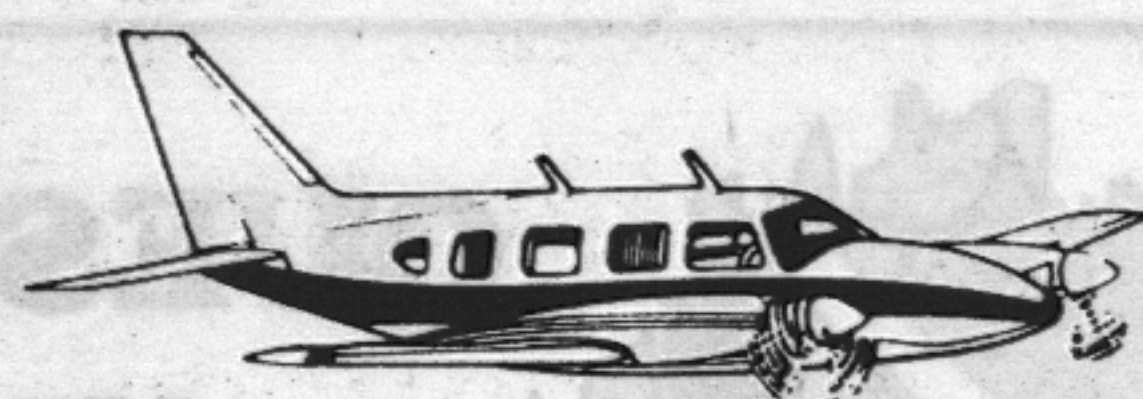
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