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Eskay gold reserves value set

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Business Reporter

An ore reserve estimate for the Calpine Resources-Stikine Resources Eskay Creek project in northwestern B.C. puts a total value on the projected gold and silver content of the property at about \$2.3 billion Cdn.

The value is based on current gold and silver prices (in Canadian dollars) and uses estimates of just over four million ounces of gold and 95.5 million ounces of silver.

The joint venture partners yesterday issued separate reserve estimates prepared by two different consulting firms. The dollar figure shown above is calculated from estimates made by Orcan Mineral Associates Ltd. of Vancouver.

On the Vancouver Stock Exchange yesterday, Calpine Resources Ltd. rose ¼ to \$6½, and Stikine Resources Ltd. \$4¼ to \$55.

One set of figures came from Toronto-based Roscoe, Postle and Associates, which did the work for the joint venture. Its estimates, which incorporate all holes drilled on the property to Dec. 15, 1989, were issued by Calpine.

At a cutoff grade of 0.04 oz gold per ton, Roscoe, Postle estimated probable geological reserves of 3,685,000 tons of 0.56 oz gold and 15.2 oz silver per ton, and possible reserves of 1,852,000 tons of 0.25 oz gold and 8.2 oz silver per ton.

Stikine commissioned Orcan to prepare a separate estimate using different parameters than those

used in the Roscoe, Postle calculations.

At an 0.05 oz gold per ton cutoff grade, Orcan's estimate of indicated and inferred reserves amounted to 7,926,640 tons grading 0.51 oz gold and 12.05 oz silver per ton.

At the highest cutoff grade used in Roscoe, Postle's estimates — 0.25 oz gold per ton — probable reserves are 1,137,000 tons grading 1.56 oz gold and 40.8 oz silver per ton, and possible reserves are 414,000 tons of 0.74 oz gold and 23.6 oz silver per ton.

Using the same 0.25-oz cutoff grade, Orcan's estimates prepared for Stikine come out at 3,285,500 tons of indicated and inferred ore grading 1.08 oz gold and 26.85 oz silver per ton.

Ronald Netolitzky, a director of Stikine, said the company's management believe the differences in reserve estimates relate mainly to the fact that Roscoe, Postle calculations do not utilize all the mineralized drilling intersections.

"Based on the positive fill-in drilling results, we believe that the Orcan results more accurately reflect the potential of the deposit," Netolitzky said.

In its news release, Calpine said "numerous excellent drill hole intercepts" have been returned in drilling since last January.

The holes should add probable and possible reserves to the deposit and will be reported some time after completion of the current drilling program, the company said.