

EXPLORATION

Muscocho Discoveries

Formed in 1962, by Mr J. T. Flanagan and Mr J. McAdam, Muscocho Explorations' assets now include a 100% interest in the producing Montauban mine, 50% of the Magino joint venture, 25% in the Magnacon project, 550,000 shares in Flanagan McAdam Resources (whose main asset is a 50% interest in Magnacon) and 400,000 shares in Chesbar Resources. This week has seen three separate gold announcements from the group.

Following on from last week's go-ahead at Magnacon (*MJ*, March 18, p.219) the partners have announced "unusually strong widths plus elevated gold values" in exploratory drifting on the first level. Average assays over a length of 32 m have yielded 16 g/t over a width of 7 m.

In association with McNellen Resources, Muscocho has also revealed an encouraging result from its fourth drill hole at the Magino property in the Goudreau area of Northern Ontario. A 9.3 m section at a depth of 520 m has given 8.9 g/t gold. Combining this with other sections gives a total core length of 20.8 m averaging 5.3 g/t. Drill-indicated reserves on the Magino property to a depth of 150 m were previously given by the partners as 1.7 Mt grading 8.6 g/t. Pattern drilling to test the area between the previously indicated reserve and the new deep intersections is now underway, and a sharply higher ore reserve estimate is expected in due course.

Chesbar Resources has estimated reserves at its 60% owned Chester Township gold project as 384,000 t averaging 7.7 g/t. At this early stage only 26,000 t are in the proven category. Most of the reserves are in the No. 3 vein system, which is accessed by an exploration ramp — currently being extended. The project lies 100 km south of Timmins in Ontario.

Maude Lake Progress

The Maude Lake partners have completed 730 m of underground development on their property, including 450 m of decline, 66 m of cross-cuts and 115 m of drifts along two zones within the 5 zone orebody on the 60 m level. This represents about 45% of the planned underground programme (*MJ*, October 30, 1987, p.349). Completion of the decline at the 140 m level is expected in late

April. In addition, 2,200 m of surface diamond drilling has been carried out. A full feasibility study on reserves to the 150 m level is to be completed by early July.

Total costs for the exploration programme are budgeted at \$C4.5 million. Equinox Resources and Technigen are funding all costs to commercial production to earn a 60% interest in the property (36% Equinox, 24% Technigen). To date, drill indicated reserves in excess of 815,000 t grading 6.5 g/t (cut) have been outlined by 25,000 m of surface diamond drilling and a 15,250 t bulk sample.

Diamond Rush in Tea-growing Highlands

Koslanda, a township in Sri Lanka's tea growing highlands, is experiencing a surge of speculators and prospectors attracted by rumours that gravels in the area are diamondiferous. The gravels are said to be situated along the Menik Ganga. Meanwhile, there has been a growing surge of discontent at the failure of the State Gem Corporation to check and control this diamond rush.

Mount Rawdon Evaluation

The partners in the huge low-grade Mount Rawdon gold deposit in Queensland are due to have completed a further evaluation of the project before the end of last month. Samantha Exploration has a 15% interest with majority owner, Placer Exploration, the project manager. Reserves are estimated at 22 Mt grading 1.2 g/t gold and 4.2 g/t silver (with a 0.7 g/t gold cut-off). The total includes 1.9 Mt of oxidized rock at 1.0 g/t gold and 3.5 g/t silver, and 1.0 Mt of transitional rock at 1.1 g/t gold and 4 g/t silver.

Brazilian Bentonite Tender

Companhia Baiana de Pesquisa Mineral (CBPM), a mining company owned by the state government of Bahia, has opened a tender for companies interested in a joint exploration of its bentonite mine at Vitoria da Conquista, reports *Gazeta Mercantil*. Reserves of the mineral are estimated at 3.5 Mt. Domestic consumption is currently around 250,000 t/y.

Work on Porcupine Destor Fault

Noranda Exploration and McChip Resources have received the first assays from their 1987-88 joint venture drilling programme carried out on claims close to the Porcupine Destor fault in Macklem Township, northern Ontario. The programme consisted of nine holes

(2,740 m), eight of which intersected mineralized fractures and quartz stringers which assayed from 0.8 g/t over 41.5 m to 9.4 g/t over 1.3 m.

Concurrently, Noranda has signed a letter of intent with Matachewan Consolidated Mines regarding 12 claims in Hislop and Guibord townships, situated along nearly 3,000 m of the same fault in a volcanic-sedimentary sequence. Noranda has agreed to spend \$C230,000 during the first year and an optional additional \$C1.2 million over four years to earn a 60% interest.

Matachewan Elsewhere

Matachewan Consolidated Mines of Toronto has announced that its joint venture partner intends to spend \$C1.84 million to investigate the Princess Royal Island claims off the coast of British Columbia. The claims hold a former producing mine which produced 990,000 t of ore giving a recovered grade of 12.0 g/t gold up to 1942. The mine will be partially restored and underground stations will be set up in anticipation of a 3,000 m diamond drilling programme.

Matachewan will receive a series of option payments totalling \$C1.0 million from Surf Inlet Mines and will retain a 15% interest in the net proceeds of production as well as royalty payments.

DEVELOPMENT

Redpath for Ballarat

Ballarat Goldfields has concluded an agreement-in-principle with the North American-based J. S. Redpath Corp. to provide core construction and technical management expertise for its proposed Ballarat East Project in Victoria. J. S. Redpath is the world's largest mine development and shaft sinking contractor.

Ballarat has recently concluded financing arrangements amounting to about \$A7.0 million for the first phase of underground development which will include a decline from surface to a depth of 250 m. This will give access to indicated gold ore bodies and provide the basis for further exploration and development of the deeper orebodies.

Costa Rican Plans for Greenstone . . .

Toronto-based Greenstone Resources has completed an initial drilling programme on its 100% owned El Recio claims, which consist of some 800 ha in the Abangares gold fields of northwestern Costa Rica, reports *Latin American Mining Letter*. The property is said to host four major epithermal gold-silver vein systems with both near-surface heap-leachable and higher-grade underground reserves. Combined reserves

825974

Surf Inlet