

# NORTH AMERICAN GOLD MINING INDUSTRY NEWS

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## BRITISH COLUMBIA Special Issue

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### Mikado reserves at Abbott currently total 45,000 tons

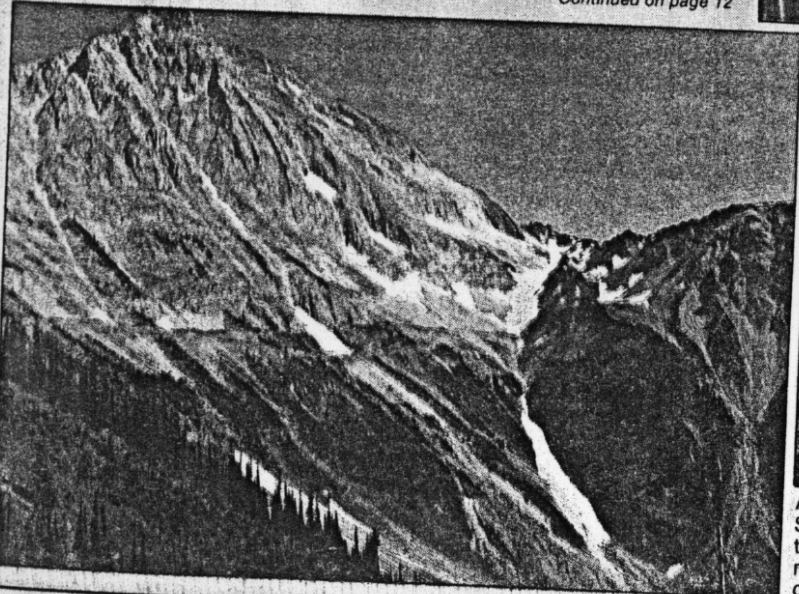
MT. TEMPLEMAN, BC—In a progress report to Mikado Resources Ltd., (MKO:VSE) P.J. Santos, consulting geologist, has advised that the reserves of the Abbott orebody currently stand at 36,000 tons of drill-proven ore and 9,000 tons inferred ore, for a total of 45,000 tons.

Santos points out that this reserve has been achieved with only 2,200 feet of diamond drilling. The orebody has been drill-proven along strike for 350 feet. It remains open along strike, down

dip, and down plunge. He estimates that values are in excess of C\$300 per ton in gold, silver, lead, zinc, and gallium, including a combined 15% to 20% lead/zinc.

Two drills are currently in operation at the property on the replacement trend of at least three-and-one-half miles. Additionally, an underground drill is currently being mobilized and will be operating from the lower portal cross-cut, which intersects the two ore

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A view of the Abbott zone (left) on Mikado's Mt. Templeman project in the Slocan mining division of British Columbia. Drilling is taking place near the center of the photo, just above the access road that traverses the mountain's flank. At right, consulting geologist P.J. Santos examines drill core from recent drilling on the Abbott deposit.

### Tamara negotiating funds to start work toward production

VANCOUVER, BC—Tamara Resources Inc. (TAM:VSE) is currently negotiating a private placement financing of 500,000 shares at C\$0.75 to provide C\$375,000 to start production preparations on its Prosper gold mine, says Robert Card, secretary.

He says that with the Canadian price of gold approximately C\$515 per ounce, the Prosper mine has become an even more viable economic proposition, with production to begin within 90 days of the financing being in place.

Approximately C\$50,000 of the funds have been earmarked for Tamara's new placer acquisition near Quesnel in central British Columbia.

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### Drilling by Faraway hits silver/zinc on Sam claims

HOUSTON, BC—Diamond drilling continues on Faraway Gold Mines Ltd.'s (FRW:VSE) Sam claims in the

# Exploration on Banks Island has located a number of gold zones

Exploration of the northwest coastal region of British Columbia began prior to the turn of the century. Prospecting and staking was actively pursued in the early 1900s and by 1920 producing gold mines were established on Princess Royal Island and Porcher Island. Yet little exploration activity had taken place on Banks Island prior to the discovery of gold by Ventures Ltd. in 1960.

Banks Island, located on the northwest coast of British Columbia, is approximately 40 miles long and 12 miles wide, and is 70 miles south of Prince Rupert. It is bounded on the east by Principe Channel and on the west by the Pacific Ocean. Some 50 miles further west is the archipelago of the Queen Charlotte Islands.

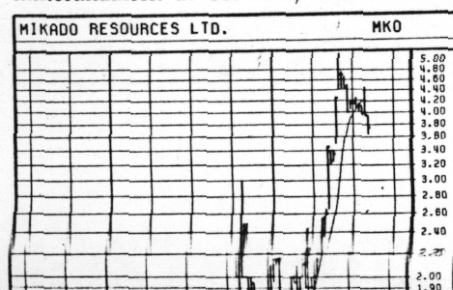
## Mikado Resources

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zones 100 feet below the upper portal.

Three other replacement bodies are being mapped and sampled. Core samples and channel samples are being assayed, with results expected shortly.

Santos says there was an important hole drilled in the Sheep Creek area at the contact between the limestone and the shear zone. At this time, he says, the contact is the main target for exploration. This contact is 2.4 miles north of the Abbott. The drill encountered significant mineralization at 446 feet, which means



Ventures, the predecessor of **Falconbridge Ltd.**, identified Banks Island as a favorable exploration target due to the presence of distinct structural features or lineaments that transect the country rocks. By utilizing fixed-wing aircraft and helicopter support, the company was the first to explore inland on the island.

Prospecting and follow-up ground surveys, directed by J. McDougall, resulted in the discovery of a number of gold-bearing zones. By 1964, the presence of three deposits, the Discovery, Kim, and Bob, were indicated from drilling.

McIntyre-Porcupine Mines Ltd. staked ground on Banks Island in 1961. The Tel zone was discovered by McIntyre prospector A.E. Angus late in the 1963 season.

there is drill-indicated ore to 330 feet down dip.

"This makes us confident that ore-grade mineralization continues from the Abbott to the Sheep Creek," says Santos.

"We therefore have a drill-indicated potential for the orebody to extend for 2.4 miles. The object of the program now is to put this into the drill-proven category," he adds.

Presently, one drill is following the mineralized contact to the north and the other drill is following it to the south. Both drills have intersected ore-grade material.

James Simpson, president, says that in preparing the lower portal for rehabilitation, the surface contractor was taking out the talus slope when he discovered approximately 200 tons of galena boulders that had broken off from the Abbott structure. Simpson says this is encouraging and he anticipates the drill-indicated tonnage to continue to grow.

The Mt. Templeman property is in the Lardcar Mining District, 80 miles north-east of Cominco Ltd.'s Sullivan mine and

**Sproatt Silver Mines Ltd.** purchased all interest in the McIntyre ground in 1975. Sproatt amalgamated and became known as **Hecate Gold Corp.** in 1977. In the same year, Hecate optioned the Falconbridge holdings on Banks Island and gained control of the property now known as the Yellow Giant.

During 1977 and 1978, a decline on the Bob zone was partially completed and a short underground drilling program was done. Hecate was unable to finance further exploration and the property remained inactive until 1983 when it was acquired by **Trader Resource Corp.**

Trader commissioned preliminary metallurgical, environmental, and site engineering studies and prepared a comprehensive report of all technical data.

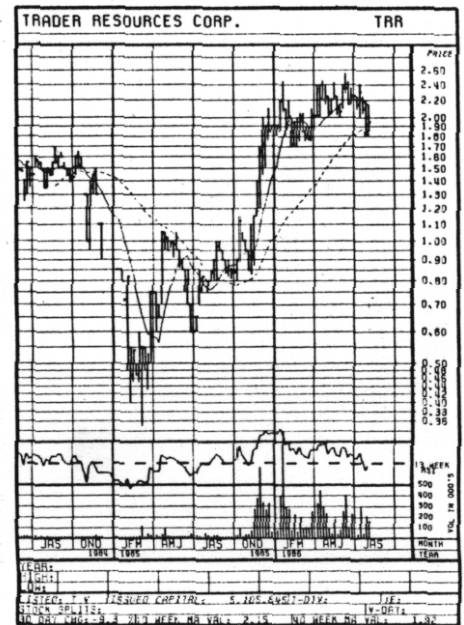
A systematic exploration program, including regional geophysics, detailed mapping, sampling, and diamond drilling began in 1984. Exploration of the Tel zone has advanced to the development stage.

**Skyhigh Resources Ltd.** holds a 50% interest in 61 claim units. Preliminary geological and geochemical surveys conducted in 1984 indicated seven favorable areas with potential for gold mineralization. Skyhigh is continuing to explore its prospects on Banks Island.

Other active resource companies such as **Caliente Resources Ltd., Acheron Resources Ltd., Indian River Resources Inc.,**

**Pirates Gold Corp., Windarra Minerals Ltd., Golden Eye Minerals Ltd., and Trident Resources Inc.** all have claim groups trending northwest and southeast of the Yellow Giant property.

The success of the Yellow Giant project has prompted other resource groups, such as **Eden Resources Ltd., Micham Explorations Inc., and Rampage Resources Inc.,** to carry out joint venture exploration programs with Trader on the gold zones of the Yellow Giant in 1986.



## Trader Resources

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now that we are in the development stage, I think we have overcome that attitude."

Development plans for the Tel deposit, forecast to reach full production by late spring of 1987, call for Trader to complete a 3,575-foot decline at a grade of -15% to a depth of 500 feet, plus 700 feet of drifting and crosscutting.

As the Yellow Giant property proceeds toward production, Trader will be able to call on the expertise of David R. Bell, who joined the company as a director in early 1986. Bell was heavily involved in the Hemlo gold camp discovery.

In addition to Bell, Trader has assembled a talented management team that also includes its regional manager, John Michell, P.Eng., a 1951 graduate of the Camborne School of Mines. *Continued on page 13*