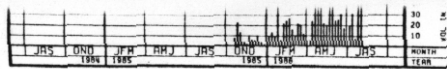


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Arc deposits that could reach several million tons. ✕

BANBURY GOLD MINES

(VSE:BBG)

Activity in the Hedley Gold Camp

Banbury's 29 claims of 2,500 acres have estimated reserves of 240,000 tons of .32 oz. Au/ton. The joint venture with Noranda includes the expenditure of \$3 million over 3 years.

The \$350,000 drill program of 3 holes proved very positive which has led to 2 more drill targets. Another 5 drill targets are scheduled for August as well as assessing of the trenchings of the overburden.

The early holes still showed strong gold values at 2,500 feet and the side-step holes indicate substantial width to the ore body.

Visible gold suggesting 4 oz/Au/ton is being checked by re-assaying and confirmed results are expected with the conclusion of the drill program.

An on site geologist suggests that Banbury is on the same gold extension as Mascot Mines, and with these indications the future looks very positive.

For further information please contact:

Banbury Gold Mines
Suite 302 - 540 Burrard Street
Vancouver, B.C. V6C 2K1
(604) 688-0601

NAME _____

ADDRESS _____

CITY _____ PROV/STATE _____

ZIP _____ PHONE _____

SIGNATURE _____

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Trader plans to mill the Tel deposit ore on barges using selective flotation. The mill will be constructed on the barges in Vancouver and then towed up the inside passage to Banks Island where it will be floated ashore using the tide.

Development and production costs are expected to be kept in check in part because of the property's mild coastal marine climate, which, although damp, allows for a 12-month working season. In addition, the relatively flat terrain boasts a red cedar, hemlock, and spruce forest that will provide ample wood for mine development.

Total capital costs for bringing the Tel deposit into production are estimated at C\$9.55 million and production costs are forecast at C\$90 per short ton. Van Wollen says Trader will finance the mine in stages, with the first C\$4 million soon to be in place.

"We are currently finalizing a joint venture with a European merchant bank for the development of the Tel deposit," says van Wollen.

The joint venture financing will not involve a new share issue. The company will remain capitalized at 5.9 million shares issued and outstanding, with an average share price of C\$2.10 through the first seven months of 1986.

Trader's exploration manager, Johan Shearer, has worked on the Yellow Giant project from the outset. Shearer, a 1973 honors graduate in geology from the University of British Columbia, earned his Master of Science degree from the University of London, Imperial College, in 1977. Before joining Trader, Shearer worked as an exploration geologist with McIntyre Mines, Carolin Mines, and J.C. Stephen Exploration Ltd.

Murray McClaren, vice president and Yellow Giant project co-ordinator, is involved in the overall administration of the project. McClaren has been a director of Trader since 1983.

Serving as legal counsel and secretary/treasurer is Peter Matthews, a graduate of Dalhousie University, Halifax, Nova Scotia.

Van Wollen, himself a founder and director of Trader, is a professional engineer with many years of experience in the design, construction, development, and financing of mining projects across the U.S. and Canada.

Says van Wollen, "We have made a careful study of the Banks Island deposits and we are not making any wild claims about the Yellow Giant. But I have to say that I believe we are just scratching the surface here." ✕

