

to production

working capital.

Augmitto hopes to have the Beauchastel in production by the end of 1988, a process accelerated by the purchase in January of a used 1,000-ton-per-day milling facility for C\$1.6 million. During the next several months the company said the mill will be dismantled, transported to the Beauchastel property and rebuilt. Already, the head-frame over the shaft is complete and the 43-man camp has been constructed.

Proven and probable reserves at the property stand at 1,889,388 tons averaging 0.17 ounces of gold per ton. Possible reserves are 920,000 tons at 0.16 ounces per ton. Proven, probable and possible reserves exist to a vertical depth of 1,200 feet, with the inferred reserves occurring between 1,200 and 1,600 feet vertically. A 15% dilution factor is included in these grades.

Additional reserve potential exists beyond 1,600 feet and from parallel veins being tested by an ongoing underground drilling program. Moreover, efforts will be directed toward upgrading the geological reserves identified to the 1,200-foot level.

Metallurgical testing has shown recoveries of 95% of the contained gold using conventional cyanide leaching with carbon and pulp recovery.

Cash costs are expected to run approximately US\$257 per ounce of gold produced.

Decision at Willa

their's involvement in the project. The Main Zone was defined as a moderately large deposit of low-grade gold/silver/copper mineralization.

In early 1987, initial underground testing of the Main Zone resulted in a 52.5-foot intersection grading 0.308 ounces of gold per ton and 0.70% copper. In the latest program, 16 holes were drilled from the 1,100-foot level to better define the zone. The results, which are not yet complete, have demonstrated a potential for significantly increasing tonnage at the Willa Project.

To date, results from the 1988 drilling on the Main Zone are as follows:

HOLE	WIDTH (FEET)	OZ. AU/TON	OZ. AG/TON	% CU
378	19.7	0.219	0.74	0.96
	13.1	0.130	0.38	0.56
381	13.1	0.155	0.30	0.56
384	13.1	0.248	0.41	0.97
	13.1	0.146	0.06	0.46
385	45.9	0.177	0.17	0.59
	6.6	0.162	0.21	0.30
	6.6	0.240	0.43	0.55
387	13.1	0.202	0.08	0.32
	78.7	0.231	0.33	0.71

In the East Zone, further to the success of the 1986 underground drill hole that returned 24.6 feet grading 0.374 ounces of gold per ton and 1.76% copper, five underground holes have been completed in the zone. Assays available to date are:

HOLE	WIDTH	OZ. AU/TON	% CU
324	26.2	0.257	0.41
317	26.2	0.290	1.64
322	13.1	0.381	1.12

• **Can-Ex Resources Ltd. (VSE-Z)** has completed an initial sampling program on its Socorro Reef gold/silver property near Salome, Arizona. Results have revealed gold and silver mineralization in old mine workings throughout its three-mile length.

Selected samples taken from these areas have returned assays ranging from 0.003 to 1.31 ounces of gold per ton and 0.09 to 6.44 ounces of silver per ton.

Can-Ex is currently channel sampling one of the large mineralized areas on the property where initial samples taken in road cuts disclosed widespread mineralization with assays up to 0.74 ounces of gold per ton and 2.3 ounces of silver per ton. A 90-foot section averaged 0.14 ounces of gold per ton and 0.58 ounces of silver per ton.

• **Valentine Gold Corp. (VSE-VGD)** and **Tenquille Resources Ltd. (VSE-TQR)** have signed an agreement to explore, develop, and bring to production the Ashlu gold mine near Squamish, British Columbia.

Current reserves stand at 100,000 proven and possible tons grading 0.25 ounces of gold per ton. Initial work will focus increasing the reserves and upgrading surface facilities that include a 150 ton per day mill.

The property was previously mined from 1932 to 1939 producing 15,047 tons of ore grading 0.43 ounces of gold per ton, 0.50 ounces of silver per ton, and 0.24% copper.

• **Pacific Sentinel Gold Corp. (VSE-PSG)** has announced that **Homestake Mineral Development Co.** has begun a major diamond drilling program on Pacific's Churchill Gold Project in Manitoba. Homestake has the right to earn a 60% interest in the property by spending C\$2.1 million.

Homestake is testing a three mile long gold-bearing iron formation horizon that has returned diamond drill intersections of up to 0.31 ounces of gold per ton over 6.0 feet. Geophysical surveys conducted during January indicate the iron formation is highly folded and faulted. Initial drilling will be targeted where geophysics indicates wide zones of the gold-bearing horizon.

Homestake will drill a minimum of 6,560 feet during the Phase I drill program.

• **Ressources Orleans Inc. (ME-OLS)** has acquired a 50% interest in one of the Hathor Resources properties. Orleans acquired the option for C\$75,000, the issue of 100,000 treasury shares of Orleans, and C\$850,000 in exploration expenses to be spent before February 1990. The 150-claim Renfrew property

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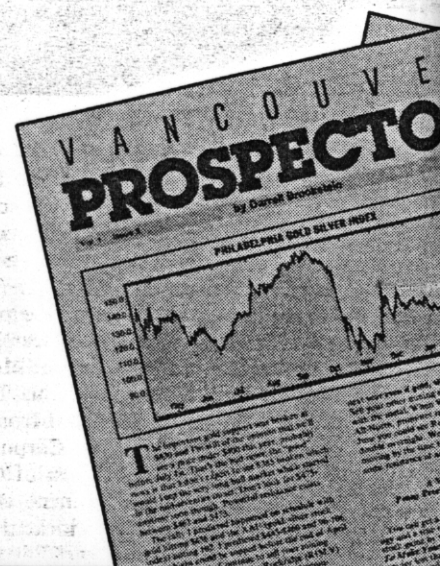
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VANCOUVE PROSPECTO

By: Darrel Brook



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