

CORPORATE NOTES

In Costa Rica, Midland has a 30% interest in the 10 square mile Bellavista-Montezuma property located 80 miles northwest of San Jose. Reserves to date are 2.15 million tons of proven and probable ore grading 0.136 ounces of gold per ton and 0.23 ounces of silver per ton with 80% open-pittable. There are 2.53 million tons of inferred reserves grading 0.145 ounces of gold per ton. This represents 660,000 ounces of gold and 1,076,400 ounces of silver giving a current value of approximately US\$274 million. It is expected that Midland's joint venture partner, RayRock Yellowknife Resources Inc., will prove five million tons by June, 1987, and production will begin early in 1988 at a cost of US\$115 per ounce of gold. US\$450 for the price of gold, earnings would be US\$1.08 per share at 1,500 tons per day. At a normal price/earnings ratio of 40 times earnings, this would result in a US\$43 share value and with a 15 times price/earnings ratio, a US\$15 share value would result.

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MIKADO RESOURCES LTD. (VSE-MKO)

Embracing some eighty square miles in the Kootenays British Columbia, the Wagner project of Mikado Resources Ltd. (70%) and Turner Energy and Resources Ltd. (30%) contains at least eight distinct mineralized deposits with the potential to become operating mines. Although the high grade silver/lead/zinc deposits were discovered in 1893, it was not until now that road access has been opened up the rugged terrain enabling practical exploration and development to proceed.

The eight known deposits are known as the Wagner, Deep Creek, Jewell, Superior, Bannockburn, IXL, Red Elephant, and the Abbott, which has been the focus of the 1986 exploration program. Assay results from the Abbott property have yielded high grade values of silver/lead and zinc, plus gold values up to 0.275 ounces per ton over 10 feet. Hole AB-86-16 graded 27.97 ounces of silver per ton, 17.39% lead, 21.88% zinc, and 0.008 ounces of gold per ton over 5.0 feet. In addition, values of cadmium, gallium and germanium have recently been discovered.

The last hole drilled on the Abbott (86-52) in the 1986 field program graded 32.6 ounces of silver per ton, 9.9% lead, 8.51% zinc. Currently, drill-proven and inferred reserves on the Abbott total 45,000 tons with a mineral value of over C\$300 per ton, all near surface.

A rights offering in May funded the 1986 exploration program which also included work on the Wagner property such as geological mapping, sampling, and diamond drilling. Underground work consisted of diamond drilling, drifting and raising, with development ore being stockpiled.

Hole UW-86-3 intersected 22 feet that graded 13.48 ounces of silver per ton, 10.07% lead, 1.96% zinc. The Wagner property

QUINTO MINING CORP. (VSE-QU)

Exploration and development on Quinto Mining Corp.'s Lumby Project continues to return positive results.

Development drilling has been continuing at 100 and 50 foot spacings to determine the shape and grade of the Plateau Zone. Presently a long hole designed to intersect the zone 1,050 feet down dip is being completed. Further long holes are planned that will greatly increase the already respectable tonnage and grade developed to date.

In addition to diamond drilling, a reverse circulation drill program will be initiated shortly. This program is designed to give detailed assay and structural information to be used in pit design for the mining of an estimated 75,000 to 100,000 tons of near-surface material grading roughly 0.25 ounces of gold per ton. The rotary drill will also be used to in-fill deeper portions of the structure.

Preliminary metallurgical testing by Lakefield Research of Canada Ltd. indicate a high rate of gold recovery.

The mill existing on the property contains gravity and flotation circuits and will be amenable to processing this ore. Hole 86-29 drilled in the Mine Zone intersected the Mine Vein containing 67.0 ounces of silver per ton and 0.068 ounces of gold per ton over a true width of 3.28 feet.

Exploration drilling will continue on several other target areas outlined by geophysical and geochemical surveys completed in 1986 on Saddle Mountain near the Plateau Zone. Detailed geochemical and geophysical surveys are planned to pinpoint new drill targets on other zones defined by an airborne geophysical survey conducted over the remaining 27 square miles of claims controlled by Quinto on its Lumby Project located 16 miles east of Vernon, British Columbia.

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CITADEL GOLD MINES, INC. (NASDAQ-CIGCF) (ASE-CIG)

Citadel Gold Mines Inc. has announced that it has come to an agreement with CMP Funds Management Ltd. to provide the company with \$2,500,000 to be spent in 1987.

The money will be used to continue the ongoing exploration activities at the company's Gold Property in Wawa, Ontario.

To date the mine has been dewatered to the 950-foot level and surface and underground diamond drilling are currently underway.

Citadel is also in the process of acquiring a bulk sample for metallurgical testing purposes and will dewater the adjacent Jubilee Mine. A detailed examination of the ore reserves is also underway.

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CUSAC INDUSTRIES (VSE-CQC:NASDAQ-CUSIF)

Cusac Industries Ltd. has reported that a second major structure has been scheduled for production in 1987 on CUSAC's Table Mountain property located near Cassiar, British Columbia. The new discovery is one of the six gold-bearing veins found by Erickson Gold Mining Corporation, the operator of the property, in 1986.

The just completed discovery hole, drilled from underground, intersected 13.1 feet grading 1.49 ounces of gold per ton and 1.29 ounces of silver per ton. This zone was found only 164 feet south of the producing Eileen vein from which initial production commenced on July 1, 1986, at the rate of 150 tons per day.

Production, in the first six month period, as reported by Erickson, has averaged 0.94 ounces of gold per ton, with the last three months averaging 1.18 ounces of gold per ton. Overall production for the six month period has yielded 24,262 ounces of gold.

Cusac has calculated revenue during 1986 to be C\$4,197,488 or C\$0.82 cents per share. This is based on Erickson's stated revenues less pre-production, and production costs (subject to audit and verification) to September 31, 1986, and estimated costs of C\$200 per ton for the fourth quarter. The C\$200/ton figure has been used as a conservative estimate as previous costs stated by Erickson from production at their own mine as well as the other producer in the area have historically been closer to C\$150/ton.

CUSAC has estimated 1987 revenues to be C\$5,401,203 or C\$1.05/share, based on similar rates of production, grades and recoveries as in 1986, and reducing to a 30% net profit interest.

Cusac retains a 40% net profits interest in the property until it has received C\$3 million, at which time its net profit interests reduces to 30%. Cusac's management is delighted that the Table Mountain property is developing into one of Canada's richest gold mines.

A minimum of three years production is currently estimated by the company, but with the ongoing development and exploration programs, this is expected to substantially increase.

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LARAMIDE RESOURCES LTD. (VSE-LAM)

The company owns a 35% working interest in the Lara gold/silver base metals project on southern Vancouver Island near the town of Chemainus, British Columbia. Abermin Corporation, 65% owner and project operator, has issued a preliminary report on the 1986 exploration program; detailed diamond drilling has identified a high grade area within the Coronation Zone; it is 530 feet long and 11.1 feet thick averaging 0.23 ounces of gold per ton.

KETTLE RIVER RESOURCES LTD. (VSE-KRR)

Kettle River Resources Ltd. has announced that recent trenching and diamond drilling on the Crown property located near Greenwood, British Columbia has confirmed the presence of substantial gold mineralization. The property is owned by Consolidated Boundary Exploration Limited, Noranda Exploration Company, Limited (51%) and Kettle River (49%) have the right to earn a 66-2/3% interest in the claims by spending C\$1,000,000 on exploration. Upon completion of this expenditure the participating interest of each company will be: Noranda 34%; Consolidated Boundary 33-1/3%; Kettle River 32-2/3%. Noranda is operator of the project.

During the 1986 season, a 328-foot spacing control grid was established over the area of interest and geological mapping and soil sampling were completed. Soil results delineated several highly anomalous gold zones in a 1,000 ppb gold anomaly 165 feet wide and over 2,600 feet in length. Backhoe trenching of these anomalies uncovered rusty sheared sulphide zones that assayed locally up to one ounce gold per ton over six feet.

A recently completed 5-hole diamond drilling program tested beneath these oxidized areas. Results just received from Noranda show that although there is some minor surface enrichment, the gold values persist into the fresh rock. Multiple gold zones are indicated by the trenching and widespread drilling but as some of the trench intercepts are 1,300 feet away from drill hole data, further work on closer spacing is required to evaluate the discovery.

Mineralized intersections for the completed drilling are as follows:

Hole No.	Interval (ft)	Width (ft)	Oz Au/Ton
CR-86-1	100-2-101-0	0.8	0.81
CR-86-2	58.6-60.9	2.3	0.14
CR-86-3	44.0-48.8	4.8	0.11
CR-86-4	33.7-36.0	2.3	0.62
	59.5-61.0	1.5	0.14
	79.5-89.9	10.3	0.03
	201.2-201.8	0.6	0.47
	281.2-284.5	3.3	0.47

Note: All of the above are weighted averages. A program of trenching, drilling blasting and stripping will begin in early 1987, followed by diamond drilling.

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ABER RESOURCES LTD. (VSE-ABZ)

Aber Resources Ltd. reports that plans are now being formulated to carry out a 5,000 foot drill program on the company's Jax Lake property held under option from Savanna Resources Ltd. in the Courageous Lake Gold Belt, Northwest Territories. This will follow up geophysical surveying and mapping carried out in 1985 and 1986. The