

Eskay Creek

ESKAY CK. AREA

Proximity plays provide speculative possibilities

Whether or not it is the biggest mining play in British Columbia this decade, the Eskay Creek region has recently been reborn with the buzz of new activity. Indeed, so intense has been the claim-staking that locals are saying the area now resembles a pin cushion, so many stakes have been stuck there.

The wheeling and dealing has been unusually swift, even for a highly attractive discovery like this one. Before you could say "regulatory approval," a glut of new companies (but many old faces) began scrambling for property, as manic as the currently crazed Vancouver housing market.

While Murray Pezim has grabbed the headlines with stunning (and not so stunning) drill results, a host of smaller players are set to drill. While still not at the assay stage, some of them are obviously confident. Others are still at the negotiating table, optioning property or trying to raise financing. All in all, Eskay Creek will un-



Eskay Creek enjoys a last-minute moment of quiet before the drilling begins in earnest.

doubtedly remain aglow well into next year.

The chance to make spectacular gains in main players **Calpine Resources** and **Stikine Resources** (formerly Consolidated Stikine Silver) may have passed, but myriad juniors at Eskay Creek provide attractive investment possibilities for the more speculative investor.

Drilling

Not surprisingly, the Pezim stable of companies in Eskay Creek (now also known as South Unuk) are the busiest. In late August, drilling at **Teuton Resources'** property, centred 11 miles east of the Calpine/Stikine discovery, intersected around 31 feet of possible gold mineralization.

The sulphide zone was intersected over a core length of 21 feet at 209.0-240.0 feet within a silicified felsic volcanic unit. Although assays have not yet been completed, they are claimed by the company to be similar to trenching and sampling work done in 1988 on its **Konkin Zone**. Reported assays on this zone were 0.22 oz/ton gold across 49.2 feet, 0.401 oz/ton gold across 12.5 feet, 0.061 oz/ton gold across 55.8 feet and 28.0 oz/ton gold over 4 feet.

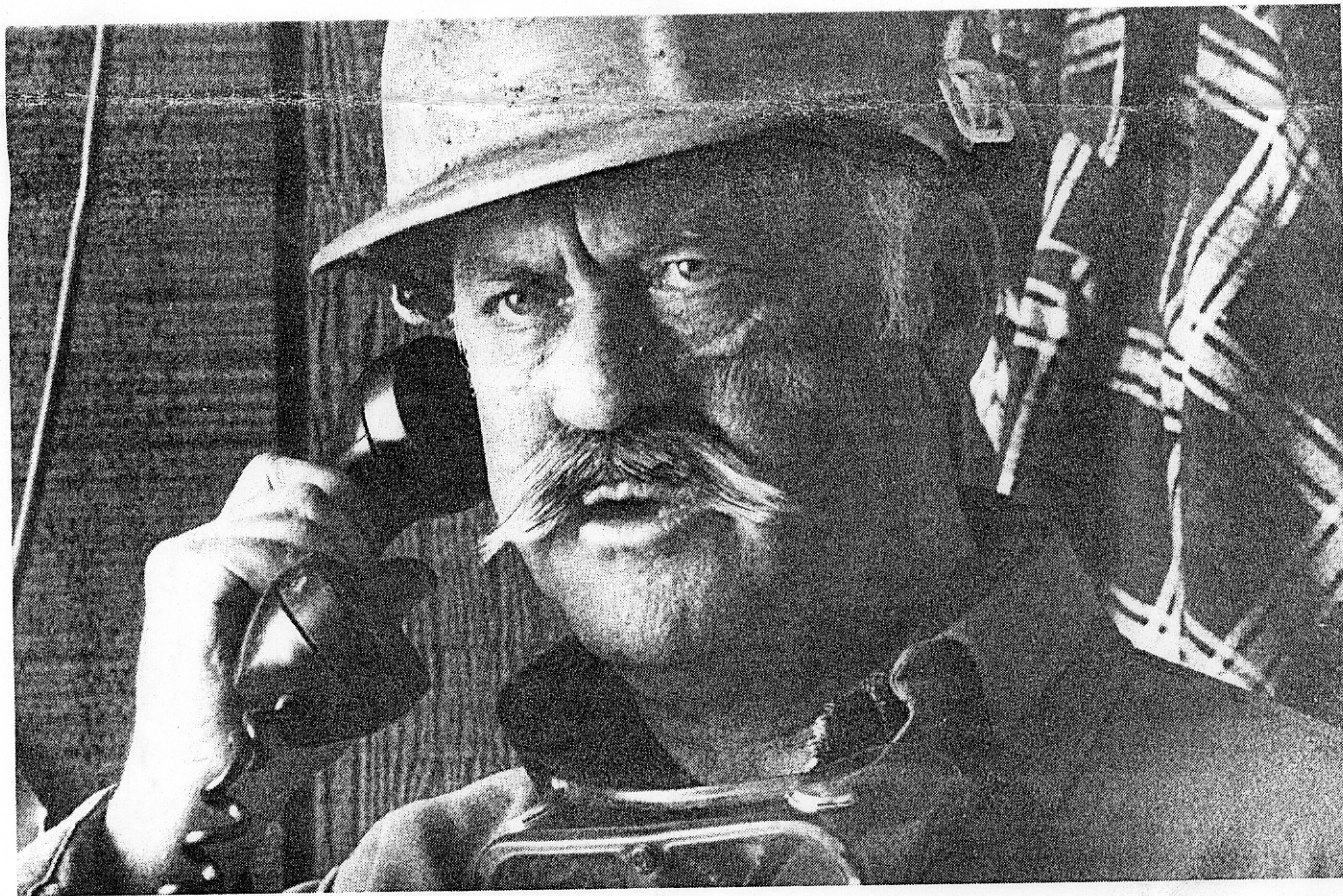
Tantalus Resources can earn up to a 51 per cent interest in the property from Teuton by making a \$300,000 cash payment and spending \$3.2 million on exploration work over the next five years. It will also issue 200,000 shares to Teuton over a three year period.

Tantalus has mobilized field crews and has planned a minimum five-hole drilling program to test the Konkin zone. More drilling will follow shortly.

Drilling has commenced on the **Springer Resources/Cove Resources Corp** (75/25) holdings. Springer has established a drilling grid over 350 metres of strike length on the AP zone that has been surface-explored to date. A trench sample from the zone yielded 0.58 oz/ton gold and 4.16 oz/ton silver. Trenches have uncovered mineralization up to widths of seven metres.

While initial drilling is to focus on the AP zone, a newly identified parallel structure, located 600 metres to the northeast, and a surface showing on a claim block along strike with the Calpine-Stikine project are also expected to be tested. Sampling results are not yet available, but the

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company claims the seam may extend along strike to more than 900 metres.

The exploration program is being directed by **Granges Inc** which can earn a 50 per cent interest in the project's 50,000 acres by spending \$3 million over three years.

On the **SIB** claims adjoining the south boundary of Calpine/Stikine's Eskay Creek discovery, **American Fibre Corp** has signed a contract for a minimum of 5,000 feet of diamond drilling on **Silver Butte's** SIB properties.

A 6,000-foot drilling program is half-completed, with the initial drill target the Central Zone, in the middle of the SIB claim group. This is the zone from which recent surface trenching gave results of 2.17, 0.65 and 0.55 oz/ton gold, over 3.3, 16.4 and 9.8 feet respectively.

American Fibre has the option to earn up to a 50 per cent interest in the SIB claims by spending \$400,000 on exploration.

Located about 70 miles from Stewart is the Teryl Option Project. **Cheryl Resources** can earn up to a 50 per cent interest in the property from **Teryl Resources** by spending \$1 million on exploration over a three-year period.

The project consists of two claims situated four miles northwest of the Prime Resources and Cominco joint Snip property. The Teryl property also lies adjacent to the Iskut joint venture of Prime Resources, American Ore and Golden Band Resources, to the east, and to the Phiz project of Crest Resources and Magenta Development. A feasibility study will be published in the near future.

Cheryl is also involved in another project, 65 miles northwest of Stewart. Cheryl and **Ticker Tape Resources** jointly hold an undivided 100 per cent interest in the Newice Project.

Assay results from a program of prospecting, mapping and geochemical sampling outlined new gold discoveries on the property. The new findings are located over an area 200 metres west of the King Vein, where in 1988 an average grade of 1.0 oz/ton gold over an average width of one foot and a strike length of 367 feet were recorded.

A program of gridwork, geochemical sampling, prospecting and detailed mapping of the property has been going on since July. Drilling is anticipated shortly.

Lying immediately adjacent to the Eskay centrepiece is the GNC property, where **Calpine Resources** has undertaken to complete its current \$300,000 exploration program on the claims this year to earn a 66.6 per cent interest. This will be followed by a further \$2 million expenditure over three years. **Canarc Resource Corp**, part of the **Arc Resource Group**, will then retain a 33.3 per cent stake.

Wheeling and dealing

The magnitude of the Calpine/Stikine find has encouraged a host of companies to chase after every scrap of property in sight of Eskay Creek.

Toronto-based **Terex Resources** and

Canadian Giant Exploration have signed a letter of agreement whereby they each can earn a 30 per cent interest in two separate claim groups, the Treaty Claims, covering over 51,000 acres in the Eskay Creek/Sulphurets area. Both Terex and Canadian Giant must make option payments of \$450,000 by March 1, 1990 and spend \$1.5 million on exploration by December 31, 1992. The property is owned by Catear/Bighorn Corey group.

Calgary mining company, **Winslow Gold Corp** has agreed to grant **Bethlehem Resources Corp** an option to earn 50 per cent in four claim groups located 14 miles southwest of the Calpine deposits. Bethlehem must pay \$100,000 in cash, issue 200,000 shares and spend \$1 million on the properties by December 31, 1992. A small exploration program will take place later this season.

Kengate Resources has recently acquired three separate claim groups in the Eskay Creek region. The company bought the Tim, Iliad and Heinricks Group claims each for 100,000 Kengate shares and \$50,000 payable prior to December 31, 1990.

While Pezim has grabbed the headlines with stunning results, a host of smaller players are set to drill.

Six kilometres north of Calpine's property, **Siemont Resources** has agreed to purchase a 100 per cent interest in properties held by **RJV Resources**, covering 20 claims. Siemont will pay RJV \$20,000 in cash plus 100,000 shares. The company has arranged a private placement of 500,000 shares at \$0.21 per share to pay for a work program on the property.

Hughes Lang company **Cream Silver Mines** has negotiated an option to acquire a 100 per cent interest in the MORE 4 mineral claim, 6.5 miles northwest of the Calpine discovery, for \$10,000 and 100,000 shares.

Pass Lake Resources, which holds claims in Galore Creek and Telegraph Creek in northwest B.C., has staked a 158-unit claim block 40 miles north of Eskay Creek, west of the Iskut River and three miles from the Stewart-Cassiar Highway. The company is looking for a third party to partner it in exploring the play.

Another Iskut River claim block being bought into is along a 18-mile section from Snippaker Creek in the north, southeasterly along the Unuk river. **Universal Trident Industries** is to acquire a 50 per cent stake from **Daiwan Engineering**. The claims are currently the subject of a dispute with the vendor of the claim to Daiwan.

Consolidated Regal Resources has agreed to assign 50 per cent of its interest in the Virginia Lake Project to **Consolidated Rhodes Resources**. The property is in the Skeena Mining Division, 52 miles northwest of Stewart and 11 miles southwest of the Calpine's 21 Zone discovery.

Consolidated Regal, another Murray Pezim company, has entered into an option agreement to earn a 100 per cent undivided interest in the property for \$40,000 in cash and 200,000 shares to Consolidated Rhodes, which will in turn pay Consolidated Regal 50,000 of its shares for the 50 per cent option.

Jointly acquiring a 100 per cent option in the STEW 1-4 claims, 60 miles northwest of Stewart, are **Trans International Gold Corp** and **Vikon International Resources**. Both will make \$50,000 cash payments and issue 200,000 shares to the optionor over a three-phase work program.

The STEW claims are six miles northeast of the Calpine deposit.

U.S. Grant Gold Mining Company has purchased the LIZ and SARA claims, 4 miles north of the Calpine/Stikine Eskay Creek discovery, for \$40,000 and 100,000 shares to J. Paul Stevenson and Associates. Indeed, like most of the purchasers of proximity plays, the company will contract Prime Explorations to operate the exploration program on the claims.

Also four miles from the Calp deposit, the ARC 3 and ARC 4 claims, comprising 30 units, have a new 50 per cent joint venture partner in **Buffalo Resources**, which optioned to **International Viking Resources** for \$8,000 cash and 100,000 shares.

And so the players and press releases continue to come. But trying to pick a winner at this stage makes as much sense as sticking a pin on a map of northwest B.C. while blindfolded.

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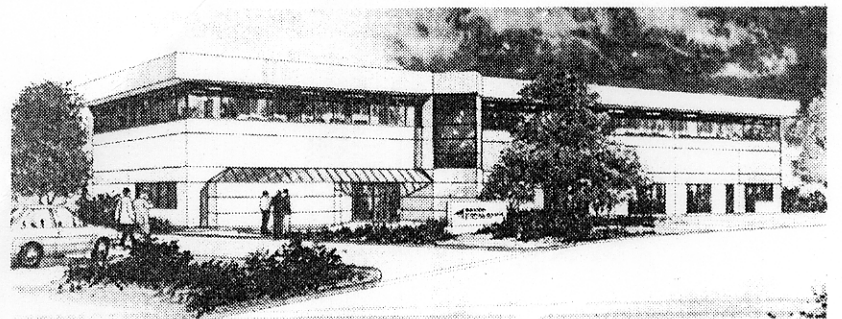
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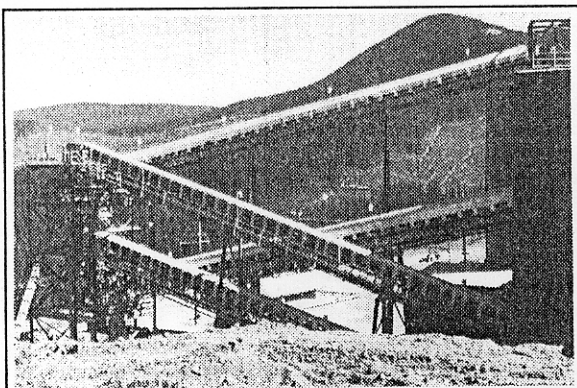
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