

*Frenier (perlite) Frenier (new)*

**NOT LEAST**

**Madison concessions**

In an option agreement, **Madison Resources** (VSE) has acquired a 50% interest in the Belencillo

**Resources** (VSE) \$250,000 over shares over three years and a further \$250,000 over four years.

The option is exercisable. Subsequently, the option is exercised. Subsequently, the option is exercised. Subsequently, the option is exercised.

In addition to the advanced Petaquilla project, **Metall Mining** (TSE).

**Increases copper output**

**National** plans to increase copper output to 50 million lb. compared with 40 million lb. in 1992.

A 10¢ drop in operating costs

in connection with a small merger with a small company, **Roy Shipes**.

**Buy Cameco shares**

A unit of federally owned **Energy Services Corp.**, has sold five million shares of **Cameco** at \$20.50 per share.

The unit is owned by the **Energy Services Corp.** (NYSE) and public shareholders.

**Hayden mill**

Low head grades at the **Hayden** mill, **Max Gold** (NYSE) to suspend operations.

The mill, started up in the third quarter of 1992, operated with lower-than-expected grades.

At \$432 per oz. in 1992; it increased to \$432 per oz. in the first quarter of 1993.

While engineers work on a procedure to adopt. Heap leaching in the first quarter and is expected to be completed.

**Sells warrants**

**Energy Services** sold 1,275,000 special warrants for a total value of \$7.8 million.

The warrants entitle the holder to receive a Class A

share of gold and silver bullion to the value of 1.2 million oz. gold and 6.8 million oz. silver. The warrants are arranged through **Pollitt**.

**Argentine prospect**

The **Odemira** polymetallic prospect is owned by **Cercal Minerals**.

The company will test eight gravity anomalies below surface. The initial estimated strike length of the prospect is 1.5 km. Ongoing exploration is estimated to cost \$1 million.

**Tanqueray options B.C. perlite mine**

Calgary-based junior **Tanqueray Resources** (ASE) has acquired an option to buy the **Frenier** perlite mine in central British Columbia.

The mine, near **Clinton**, has proven reserves of more than 450,000 tonnes with more than one million tonnes in the probable category.

Perlite is used in mortars, acoustic tiles and boards, as well as in low-density bricks, tiles and ceramics. It is also used as a soil-conditioner, carrier for pesticides and herbicides and in fertilizer.

The company has agreed to

pay the vendor \$15,000 and 12,000 **Tanqueray** common shares and 12,000 warrants for the option. Each warrant entitles the holder to buy one **Tanqueray** share at \$1.50 per share until Dec. 15, 1994.

The option is valid until Dec. 31, 1994 but may be extended until Dec. 31, 1995, if **Tanqueray** pays the vendor an additional \$20,000 before Dec. 31, 1994.

**Tanqueray** can buy the mine at any time by paying the vendor \$150,000 and issuing 75,000 shares and 75,000 share purchase warrants. The warrants

will be valid for two years from the date of issue and can be exercised at a price 20% higher than **Tanqueray's** shares as of their date of issue.

The mine, now closed, operated profitably from 1983 to 1987. **Tanqueray** plans to mine and crush a few hundred tonnes initially to re-establish the material on the market and determine the feasibility of re-opening the mine. All reserves are minable by open pit. Perlite does not require processing or separation; it is mined, crushed, dried, sized and expanded.

The Canadian perlite market is currently supplied by imported material. Perlite ore sells for \$90-110 per tonne in the Vancouver market. Expanded and specialized grades sell for up to \$700 per tonne. The company estimates mining and transportation costs to be between \$50 and \$70 per tonne.

**Tanqueray** estimates an initial annual market in western Canada for 3,000 to 10,000 tonnes of ore. The total Canadian market is between 40,000 and 60,000 tonnes per year.

**MVP Capital to issue \$1m in bonds**

A Swiss securities dealer has agreed to buy \$1 million in convertible bonds and warrants from **MVP Capital** (TSE).

**MVP** plans to use \$500,000 of the proceeds, together with \$500,000 already advanced to **Dundee-Palliser Resources** (TSE), to subscribe to a new issue of **Dundee-Palliser** convertible debentures. **MVP's** 5.3 million shares of **Dundee-Palliser** will be pledged as security for the bonds.

Proceeds received by **Dundee-Palliser** will enable it to extend its option to buy the **Gays River** lead-zinc mine in Nova Scotia. The mine is currently owned by **Westminer Canada**.

In other news, **MVP** and its subsidiary **Valdez Gold** (ASE) have signed a letter of intent with **Cambior** (TSE) whereby **Valdez** would transfer to **Cambior** its 25% interest in the **Valdez Creek** Placer operation in Alaska. In return, **Valdez**

will be freed from its obligation to pay back a gold loan and other obligations relating to the operation. **Cambior** will also receive 15 million shares of **MVP**.

The transaction, if approved, would give **Cambior** total ownership of the placer operation which, at year-end, had proven and probable minable reserves of 3.2 million cubic yards grading 0.09 oz. gold per cubic yard.

An agreement has also been reached, subject to regulatory approval, whereby **Valdez** will transfer to **MVP** its 39.6% interest in **Excellon Resources** (VSE) and its interest in **Valdez Gold USA**, a subsidiary. As a result, **Valdez** will be freed from its \$4.2-million debt owing to **MVP**.

**MVP** has accepted an offer from an investor group to buy its interest in **Valdez** for \$160,000, provided the **Cambior** and **MVP/Valdez** transactions are completed.

**Tombill buys back shares**

Toronto-listed **Tombill Mines** (TSE) plans to make a normal course issuer bid which would allow it to buy back nearly 84,000 of its class A voting shares and more than 85,000 class B shares.

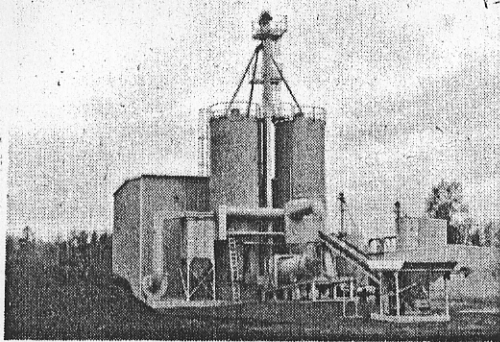
All the shares, which will be bought through the facilities of the Toronto Stock Exchange, will be cancelled by the company.

**MINERS - STRIKE GOLD (& DIAMONDS)**

**LAS VEGAS INVESTMENT in MINING Conference**

**THE GOLD SHOW • NORTH AMERICAN DIAMOND MINING CONFERENCE**

**BALLY'S CASINO RESORT**



Aurun Mines Ltd.'s Fraser Plant which processes perlite ore from the company's deposit near Clinton, B.C.

## 'Popped' Rock

# A Big Hit For Aurun

With the successful coming on-stream of Canada's first fully integrated perlite mining and processing operation, an operating adhesive extender processing plant, and a recently negotiated agreement with Placer U.S. on an important gold property in Nevada...Aurun Mines Ltd. appears to be entering a new phase of corporate development - one of consolidation and a new emphasis on solid growth.

It has been an extremely busy year so far for the ambitious company. A major highlight was the completion and official startup this spring of the company's perlite processing operation at the company's Fraser River plant in Surrey, B.C.

The perlite ore used in the company's recently opened processing plant is surface mined from the company's Frenier perlite deposit located in southwestern British Columbia, sixty kilometres northwest of Clinton. The perlite outcrop was discovered in 1949 by the late Lawrence Frenier, a well known mineral prospector in the Clinton area. Because perlite deposits are the product of volcanic action, the only known deposits occur in British Columbia. Prior to the coming onstream of the Aurun perlite mine, all perlite came from New Mexico.

In 1983, John Chapman, one of the company founders and the current president of Aurun, joined the company full time and supervised the opening of the perlite mine which has reserves to last an estimated sixty to seventy years. He has an extensive background in the mining industry with major mining companies such as Placer Development and Minalta Coal.

Perlite is the generic term for a naturally occurring siliceous volcanic rock that has a special ability to expand up to 20 times its original volume when heated to a suitable temperature, normally over 850 degrees Celsius. To produce commercially usable perlite, the rock is crushed and sieved to the desired size, then run through a furnace. Because each perlite granule contains moisture, the furnace turns this moisture to steam and the granule bursts in the same way as popcorn...changing the heavy granules into a product so light it floats in water.

---

*Perlite is considered one of the finest sterile growth mediums available and is widely used in horticulture applications.*

---

By carefully controlling this expansion process, a vast number of unique products may be produced. Aurun calls its high quality perlite product 'Aurolite'. It really does look like a kind of 'rock popcorn' and you may recognize it the next time you buy potting soil. One of the most important uses for perlite is in horticulture applications where it is widely used for plant growing mixes and as a soil conditioner. Perlite is considered one of the finest sterile growth mediums available. Because of its low density and high absorption qualities, perlite is frequently used as a carrier for pesticides, herbicides and in the production of lightweight fertilizer.

One of the best known properties of perlite is its very high insulating performance with heat and sound. As a result it is widely used in thermal insulating applications ranging from high temperature to low temperature, including cryogenic tanks and containers. Perlite's properties also make it ideal for use in plaster, mortars, acoustic ceiling tiles and boards. Applications taking advantage of its low density include floor, roof, and masonry fills, lightweight refractories, brick, tiles and ceramics.

A growing application area is that of fillers where perlite is used in plastics, coatings, paints, adhesives and caulking compounds. Other important areas include filtration where perlite filter aid is used for clarification of water and products such as beer, wine, sugars, oils, pharmaceuticals and chemicals. Research work is presently being done to enable Aurun to enter the sophisticated filtration market.

Perlite is ideally suited for oil well cementing to prevent loss of drilling fluids and for oil absorption applications in refineries, factories and garages. As an abrasive, perlite is used in soaps, cleaners and polishes.

Before the present facility in Surrey was constructed the company conducted their own research and testing at a perlite test plant constructed in Aldergrove, B.C. in February of 1984. The plant consisted of a two tonne per hour crushing and screening system and a 150 kilogram per hour expander furnace. The test plant was established to gain experience and compile technical information necessary to develop a full-scale commercial operation.

A 1.6 hectare site was acquired in Surrey and a plant was designed 'in-house' with at least 65% of the process equipment locally fabricated. The plant's single perlite expander furnace has the capacity to produce 360,000 bags (110 litres each) per year. There is room for expansion to include two additional furnaces of equivalent capacity.

After six months of plant construction, the new 'Pacific Perlite Operations' joint venture between Aurun (operator and 75% owner) and Red Rock Resources Ltd. of Calgary, Alberta was completed in April of 1986 and officially opened that month.

The company plans to build upon the perlite markets established from the test plant and with new operating efficiencies in the Fraser plant, sell Aurolite aggressively into the more distant southern Washington, Hawaiian Islands and Alberta markets. The company sells approximately 20% of its Aurolite perlite products to these markets with the balance being sold in B.C.

Alongside the perlite operation is an extender plant which has a 15 thousand tonne per year capacity. It receives hemlock and alder bark which is 'hogged', dried, pulverized, classified and then bagged for shipment. The finished product, Aurobond RX-100 is a fine powder used in plywood veneer bonding operations as well as applications in other industries. The Pacific Extender Operation is a joint venture: Aurun Mines is operator and 50% owner; Red Rock Resources and R3 Resources, both of Calgary, are each 25% owners in the joint venture.