

768 → Hearne Hill

Drill discovery raises hopes for Hearne Hill

By Jennifer McLarty
The Interior News

It may soon be coined the great northwestern mine rush.

All one has to do is count off the number of mining developments that have surfaced in the past two years such as the Huckleberry project south of Houston and the Kemess copper-gold site 300 kilometres north-east of Smithers.

There are also more than a dozen exploration sites dotting Northwest maps, including the work under way by Hera Resources at the Nak property near Babine Lake, and at Hearne Hill, where Booker Gold Explorations brought Smithers-area mining history full circle earlier this month.

A press release issued by the Vancouver-based firm confirms the latest test drilling site has produced the richest find to date on the hill — original home of the town's \$100,000 boulder uncovered in 1967.

Located approximately 65 kilometres northeast of Smithers, drill samples from the deepest hole on the 19,000-acre property showed impressive quantities of high-grade copper and gold, according to the release.

"And we're still drilling deeper," said the company's director Paul Stevenson, eyeballing a sample on site. "Other mines have gone ahead with much less."

"Man — this is exciting." The same piece of property has gone through several owners who never stumbled upon the rich deposit. It took a new method of glacial till analysis, done by a young university student who just completed his masters degree, to pinpoint the spectacular peacock ore (one of the highest grades of copper ore) hidden under more than a metre of dirt and silt.

When the rock is split open, dark blue and green patches, dusted with shimmering yellow particles glimmer in the sun.

"This is exactly what you need for an open pit mine — it's beautiful," said Stevenson. "After 30 years, here it is the source of Smithers' \$100,000 boulder. Unbelievable."

The famous breccia boulder — on display outside the Central Park Building — was uncovered by local prospector Peter Bland while working for Trobuttle Exploration. On the strength of the boulder's copper content alone, the Texas Gulf Sulphur Co. optioned the property in 1967 for \$100,000 down, but later drilling failed to locate an economic deposit and the property was handed on to a long chain of owners.

It wasn't until 1989 that then-property owner Pete Bland Diamond Drilling put a finger on the rich zone. Now in the hands of Booker Gold, the property has begun to reach its potential.

History has also come full circle for Stevenson himself, who began his mining career in Smithers with Amax in 1965 as an expediter. That company planned to mine the huge molybdenum deposit beneath Kathlyn Glacier until mineral prices collapsed.

Today, Stevenson has reclaimed the old Amax office across from the airport and turned it into Booker Gold's Smithers headquarters, which will

eventually house a geochemical lab for analysis.

In addition to the Vancouver corporate office, one has been opened in Toronto to help attract potential investors to the Hearne Hill project. While significant interest has been expressed in the east, Stevenson isn't saying what kind of financial commitments have been made.

He expects it will take up to two more years of testing to define the size and depth of the deposit and where it links with another strike the

company made a couple of years ago.

Should a mine be built, pending a feasibility study and environmental assessment review, close to 500 people will be employed to develop the site. That number would taper to 250 should mining begin.

Estimates are the site will yield up to 200 million tonnes of copper over the mine's predicted 10- to 15-year life.

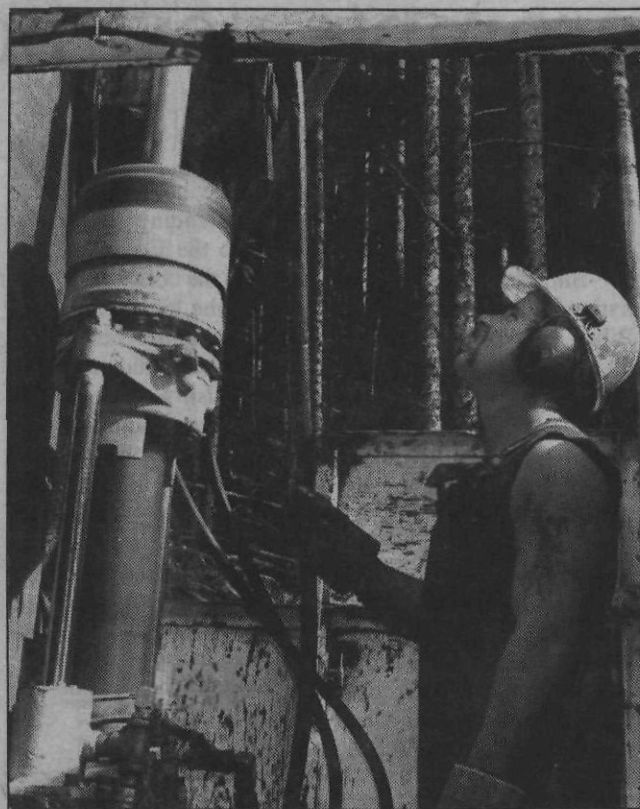
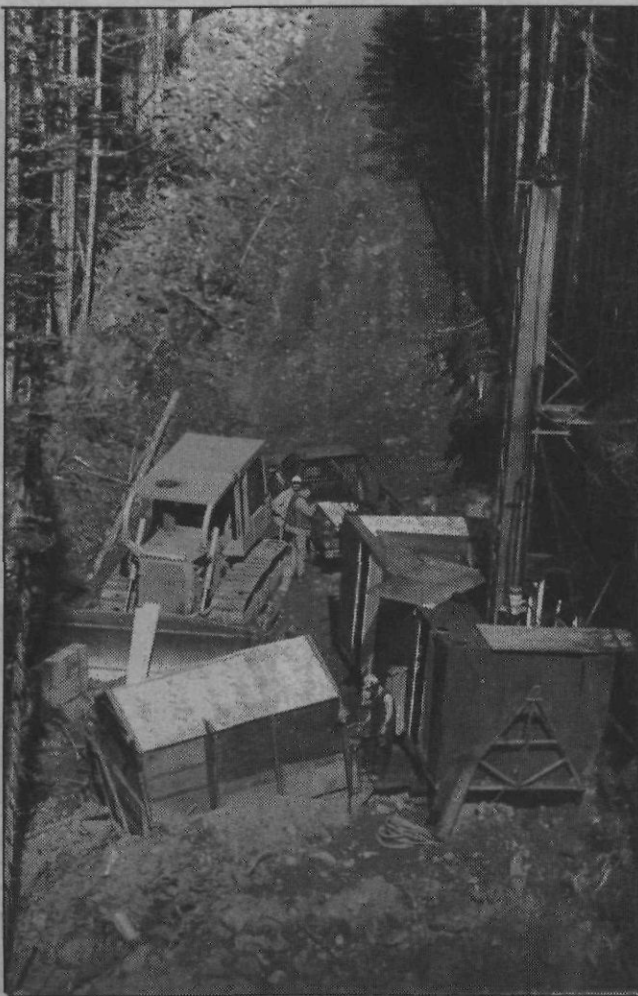
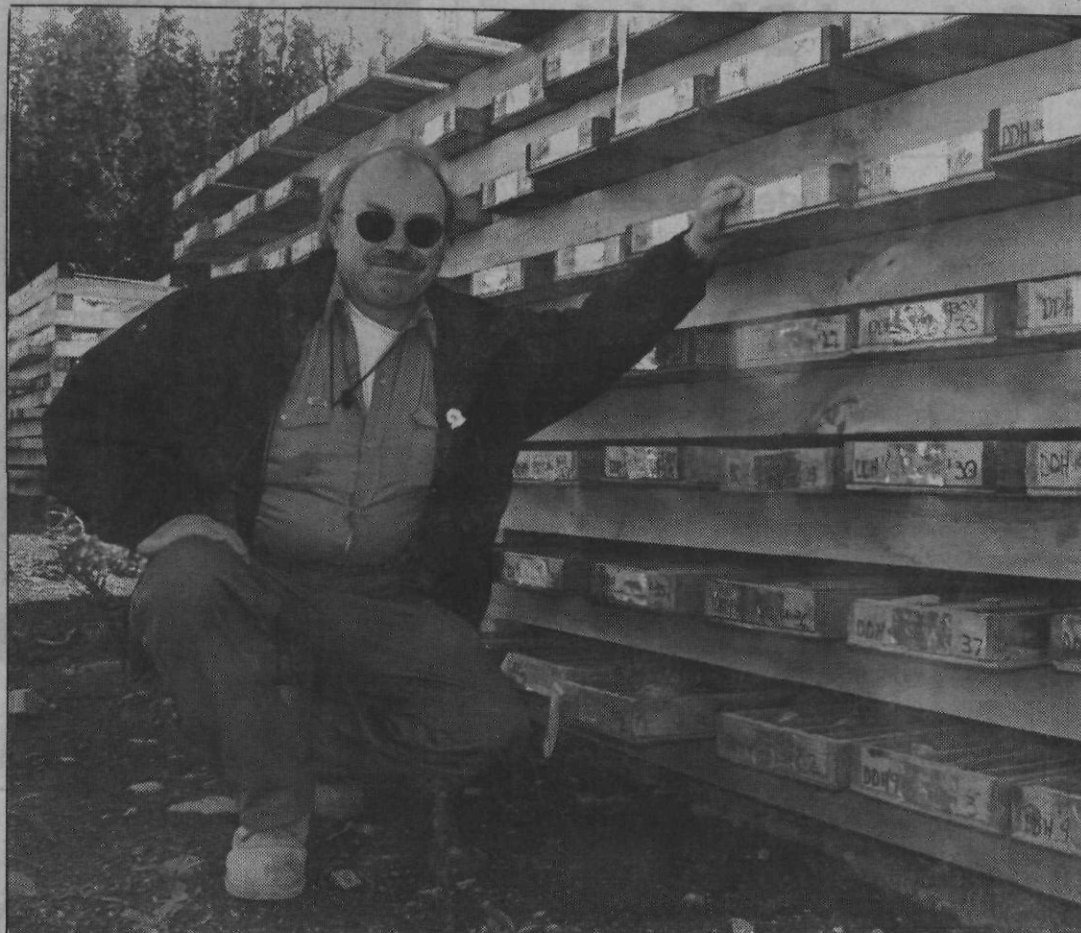
Listed with the Vancouver Stock Exchange, the company's stock has begun to climb, reaching \$3.99 last week, up from \$3.50.

COPPER RUSH:

Booker Gold Explorations Director Paul Stevenson (right) crouches next to shelves of core samples taken from the Hearne Hill property.

Located 65 kilometres northeast of Smithers the site yielded its richest samples yet earlier this month.

News photos by Jennifer McLarty



School District #54
(Bulkley Valley)

School Trustee/Candidate Information Evening

The Board of School Trustees is organizing an information evening for individuals who may be interested in becoming a school trustee on Wednesday, October 3, 1996 at 7:30 p.m. at the School Board Office at 1235 Montreal Street in Smithers. Several trustees and administrators will be available to answer questions about the operation of the School District, responsibilities, time commitment, in-service opportunities, remuneration, etc.

For further information please contact Mr. Jim Floris, Secretary Treasurer at 847-3261.

Smithers Rotary Club
Aspen Motor Inn
Wednesdays, 6:15 p.m.

2nd Annual Ladies
Mini Shopping Mall
Sept. 27, 7-10 p.m. (Fashion Show 8:45)
B.V. Christian Elementary School
4035 Walnut Drive
\$3 Admission includes:
Fashion Show, Coffee, Dessert, Door Prizes
plus 25 tables full of Christmas gift ideas!



Smithers Rotary Club Notes

by Bill Evans, Past-President

The Smithers Rotary Club recently hosted a luncheon for a bus load of foreign exchange students travelling across Canada. In return the students entertained the members with skits and songs from their native countries.

In August our club held its annual 9-hole golf tournament at the Smithers Golf and Country Club. The scoring was done by Mike Parrish who employed his own unique handicapping system which is unlike any other system ever invented. By a strange twist of fate, Mike's team also won the tournament. A barbecue for Rotarians and spouses was held the previous night at the home of Rotarian Sonia Apostoliuk. Try as we might, Dave's recipe for the marinade still remains a secret.

It is with regret that we say goodbye to two Rotarians this month. Sonya Jacubec, a former Rotary Scholar, is in Africa for two years furthering her nursing career. Terry and Donna Walker are leaving for the sunny climate of the Shuswap. For his long and dedicated service to the Smithers Rotary Club, Terry was awarded a Paul Harris Fellowship, one of the highest awards a Rotarian can receive. Good luck Terry and Donna. We're going to miss you.

The club has also completed one of two major fund raisers this month at the Bulkley Valley Fall Fair. The next event is our Annual Rotary Media Auction scheduled for November 20 and 21. If you have items to contribute to this auction, call Vic Swan at 847-3266 days.

If you would like more information about Rotary or if you are interested in joining this service organization, please contact any Rotarian or call the numbers above.



Giant Bonanza Sale

September 23 - October 5

Universal Workwear

Boot Cut Jeans
reg. \$34⁹⁹
2 / \$60

Pioneer

Wool-lined Cruiser Jacket
S-XL reg. \$89⁹⁹ **\$69⁹⁹**
XXL reg. \$94⁹⁹ **\$74⁹⁹**

Levis

Straight leg orange tab jeans
stonewash
reg. \$49⁹⁹ **\$39⁹⁹**

16 inch Steel Toe

Rubber Boot
reg. \$29⁹⁹ **\$24⁹⁹**

Icelandic

Socks
reg. \$8⁹⁹ **2 / \$14⁹⁸**

Levis

White denim shirt
reg. \$52⁹⁹ **\$44⁹⁹**

Kodiak Flannel Shirts

M - 2XL Reg. \$22⁹⁹ **\$17⁹⁹**
M - 2XL tall Reg. \$25⁹⁹ **\$19⁹⁹**
M - 2X-4X tall Reg. \$27⁹⁹ **\$21⁹⁹**

Criss Cross

Work gloves
reg. \$2⁹⁹ **3 / \$6**

Polar Paw

Socks
Mens reg. \$4⁹⁹ **3 / \$12⁰⁰**
Boys reg. \$4⁹⁹ **3 / \$11²⁵**

Red Strap

Jeans
reg. \$39⁹⁹ **\$33⁹⁹**

Enter our northerners at work photo contest. Look for details at Universal Workwear, deadline for entries September 30.



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Main Street, Smithers

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Visa, American Express or Interac Direct Payment



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VSE slaps Booker's wrist

Vancouver junior amends overly enthusiastic release about Hearne Hill copper-gold discovery, but the firm still says it has a 'sweet' find

BY JOHN SCHREINER

Vancouver Bureau Chief *The Financial Post*

Vancouver junior **Booker Gold Explorations Ltd.** has had to eat crow for being "overly enthusiastic" in a news release earlier this week that claimed it had discovered a copper-gold resource in northern B.C. worth \$1 billion in the ground.

The apology came after the Vancouver Stock Exchange halted Booker on Wednesday and gave company officials a dressing down for the wording of a news release put out Monday that exchange officials said was "unbalanced."

"In the excitement of this discovery," Booker director Shelley Hallock said in an "amended" release late Wednesday, "the original news release was couched in overly enthusiastic terms, and Booker Gold would like to apologize to all parties affected by our exuberance."

More damage control
for VSE juniors: page 5

The company acknowledged that it was "premature" to compare the so-called Hearne Hill discovery to two former copper producers nearby, or to calculate that the property has a 28-million-tonne deposit worth \$1 billion. The company said these figures should be "disregarded."

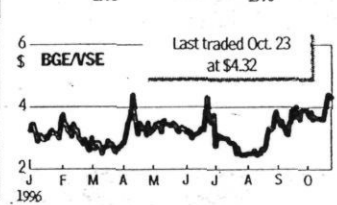
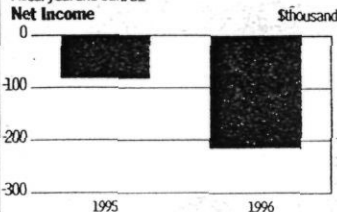
"Additional work . . . will be required to establish definitive tonnage and grades for this property," the amended release added.

But company officials were less humble in interviews yesterday. "We've got the goods and can back it up," Hallock said. "We did whatever the VSE required to get back on the board."

"We stand by that news release," said David Coates, a Booker spokesman based in Toronto. "We

Booker Gold Explorations Ltd.

Fiscal year end Jan. 31



believe we have another sweet hole in the next set of assays."

VSE surveillance manager Angela Huxham said, while "there is definitely merit" to the Hearne Hill prop-

erty, the VSE insisted Booker put out a release "a little more balanced than the previous one."

Booker re-released the assays it published Monday for six holes. "The fact remains," Hallock said in the amended release, "Booker has located further high grade core mineralization in the copper-gold porphyry system."

The VSE was going to reinstate the shares for trading yesterday morning but Booker then asked for a further halt, pending the announcement of a private placement.

Eagle & Partners of Toronto is to handle the placement of 600,000 units at \$4 a unit, with each convertible into one common share and one warrant, exercisable at \$5 within nine months. The money is to be used to accelerate exploration of the Hearne Hill property.

See VSE: page 2

Hollinger bids to lock up control of Southam

BY BRENDA DALGLISH

Media Reporter *The Financial Post*

Hollinger Inc. announced an offer of \$18.75 a share for seven million more shares of **Southam Inc.** yesterday, enough to give it absolute control.

It reserved the right to buy even more shares, depending on how many were deposited to its offer.

For \$131.25 million, Hollinger hopes to increase its stake in Southam to 50.1% from its current 41%. That will allow Hollinger to incorporate the newspaper company's financial results in its own.

But it's not clear that the offer is high enough to persuade shareholders to sell.

Southam shares (STM/TSE) rose

25¢ yesterday to \$18.75, before trading was halted for news of Hollinger's offer to be disseminated. They ended the day at \$18.75, up 95¢ from the beginning of the week.

Jack Boulton, Hollinger's vice-president of finance, said the reaction of shareholders is difficult to predict.

"When we started working on this we thought something less would be enough," Boulton said. "I'm not sure exactly what's been going on with the stock price in the last few days. We think maybe there's been some speculation getting out about something like this happening."

Conrad Black, Hollinger's controlling shareholder, upped his

stake in Southam in May when Hollinger paid \$18 a share to buy **Power Corp.**'s 21.5% stake.

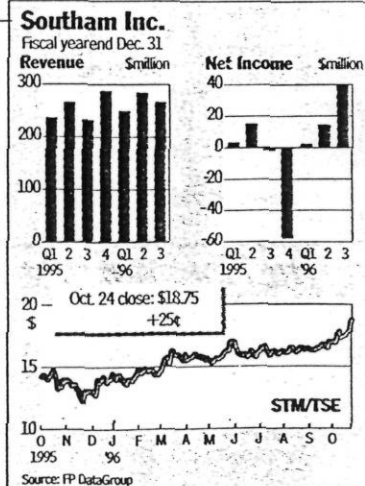
At the time, Black said he intended to increase his stake in Southam eventually, but added that he didn't intend to pay more than \$18 a share. In a news release yesterday, Hollinger attributed the increase to "the time value of money."

By gaining majority control of Southam, Hollinger and its subsidiary, **Hollinger International Inc.**, which holds some of the Southam shares, will be able to consolidate Southam's financial results with their own.

"It has some benefits on our borrowing covenants," said Boulton. "I guess in the long run it would reduce our borrowing costs. Right now, the rating agencies look on it as an asset that doesn't generate any real cash flow, and once it's controlled they'll allow you to count your proportionate share of



Jack Boulton: Benefits to borrowing.



cash flow for purposes of ratings. In the long run, that would improve the ratings."

Since Hollinger took effective control of Southam this summer the newspaper company has un-

See SOUTHAM: page 1

Canada supports Ukraine's request for a special relationship with NATO as the alliance seeks to expand eastward. Foreign Minister Lloyd Axworthy said yesterday on a visit to the former Soviet republic. Ukraine wants a "special partnership" with NATO instead of outright membership. It also seeks assurances that nuclear weapons will not be deployed in new member states. Russia opposes NATO's plans to expand to include its former allies in eastern Europe. Ukraine is the most active participant in NATO's Partnership for Peace program. Axworthy also pledged \$7.5 million to help close Ukraine's Chernobyl power plant, site of the world's worst nuclear accident, and vowed to back the former Soviet republic in the West. He said Canada, home to a large ethnic Ukrainian community, would speak for Kiev among Group of Seven nations, which have promised \$3 billion to close Chernobyl. Canada's funding would also help modernize Ukraine's aging and inefficient hydroelectric plants, he said.

Cautious reopening of cod fishery proposed

The Fisheries Resource Conservation Council is recommending a limited reopening of the cod fishery

ing, has ordered authorities to release sea' documents showing why the federal security guard fell under suspicion in the first place. In a ruling issued late Wednesday, U.S. District Judge Owen Forrester gave the Justice Department one week either to challenge his order in a federal appellate court or to unseal FBI affidavits used to obtain warrants to search Jewell's property. Now unemployed, Jewell is weighing the possibility of suing the federal government and several media outlets, saying news leaks about his role as a suspect and the resulting glare of publicity have ruined his chance of getting a job.

Servicemen withdraw Okinawa rape appeal

Two of the three U.S. servicemen sentenced for raping a schoolgirl in Okinawa last year have withdrawn their appeals, the Kyodo news agency said yesterday. Marine Pvt. Rodrico Harp, 22, of Griffin, Ga., and Kendrick Ledet, 21, of Waycross, Ga., had appealed to Japan's Supreme Court, saying their prison terms were "too harsh" for the crime they committed. Harp had been sentenced to seven years and Ledet to six years. The third convict, Navy Seaman Marcus Gill, 23, of

aggressive and successful policy of the Russian Federation in the area of arms exports, have recently suggested striking an agreement to divide up markets for arms and military technology in a number of regions," he said. Kuzik said the proposal showed that Russia was a force to be reckoned with in the multibillion-dollar international arms industry.

Israelis shoot Palestinian at security check

Israeli police shot and wounded a Palestinian near Tel Aviv yesterday, saying he fled a security checkpoint set up to prevent anti-Israeli attacks to mark an Islamic leader's assassination. When police at the Morasha junction discovered that the man, one of five Palestinian workers in a van, had forged identity papers he fled for a field and refused their order to stop, they said. Police shot and seriously wounded him.

France holds 12 Corsican suspects

French police yesterday detained 12 people suspected of having helped Corsican separatists bomb the mayoral office of Prime Minister Alain Juppé in Bordeaux two weeks ago, the Interior Ministry said. It said police assisted by an anti-terrorist police unit swooped on suspects in Bonifacio, on the French Mediterranean island of Corsica, and around the southern mainland cities of Bordeaux and Marseille. The ministry did not identify the detainees, but said they could have helped with the logistics for the attack which caused no injuries but badly damaged the town hall in Bordeaux, where the Gaullist Juppé is mayor.

Rival Kurdish factions clash, then observe truce

Rival Kurdish factions clashed for five hours near a northern Iraqi town yesterday but later appeared to be adhering to a U.S.-brokered ceasefire following two months of sporadic fighting in the region. Witnesses said the Baghdad-

to argue about joining either the opposition or ruling camp without an agreement on policy." Doi confirmed her party's decision to enter into policy negotiations with Hashimoto's Liberal Democratic Party, which could start sometime next week.

Howard says Australia tolerant, race issue flare

Australia's Prime Minister John Howard defended his country as a tolerant society yesterday in a growing storm over racism after politicians said mixed-race children were "mongrels" and assistance to disadvantaged aborigines was apartheid. "I do not believe Australia is made up of a mob of bigots," said Howard. But the heated debate on immigration and race now engulfing Australia has given racism a platform. Port Lincoln Mayor Peter Davis wrote a letter remarking that children of inter-racial marriages were "mongrels" has defended his comments in the national media, declaring "it's a free world." Davis supports a cut in Asian immigration. Nine of the 10 members of the council in Port Lincoln quit after Davis refused to resign. In Western Australia state, a Liberal party candidate has said Australia is creating an "apartheid" state by giving disadvantaged aborigines special treatment. Don Green said only people with a "black father" should be regarded as aborigines and therefore entitled to assistance, while those aborigines living in cities should not get help. The race debate was sparked last month when politician Pauline Hanson made a parliamentary speech claiming the country was being swamped by Asians and that aborigines were gaining unfair preferential treatment.

Correction

Westaim Corp.'s second-quarter results included an after-tax charge of \$3.9 million. Incorrect information appeared in *The Financial Post* yesterday.

VSE will not roll back trades

Continued from page one

The placement will need the VSE's approval. The exchange is likely to give unusually careful scrutiny to the terms, including whether the pricing adequately reflects what happened to the shares after the original press release.

The shares (BGE/VSE), which have a 52-week range of \$7.25 to \$2.35, closed up 36¢ at \$4.15 on Monday, prior to the news release being issued.

On Tuesday the tightly held stock — there are only 8.3 million shares outstanding — got as high as \$5 before closing at \$4.40, up 25¢ on the day.

On Wednesday, they traded for almost five hours before the VSE halted them at 11:19 a.m. Pacific time. On a volume of 124,900, the shares got as high as \$4.60 but closed at \$4.32. The stock did not trade yesterday.

The VSE is not rolling back any trades. "People that are buying shares on that kind of disclosure are doing so at their own risk," Huxham said.

The Hearne Hill property is near Smithers, B.C., about 15 kilometres from two former copper mines operated by Noranda Mining & Exploration Ltd.

Southam earnings higher

Continued from page one

dertaken a dramatic restructuring that included a change of president and the elimination of a number of senior head-office managers and many of their staff.

Those changes, combined with earlier initiatives taken by previous president Bill Ardell, produced improved results in the third quarter, which were reported yesterday.

Southam said its net income rose to \$40.25 million (53¢ a

share) in the quarter ended Sept. 30, compared with a loss of \$1.90 million (18¢) in the same period of 1995. But that includes an after-tax gain of \$33.8 million (44¢) on the sale of the company's construction data group.

Revenue rose to \$266.87 million from \$232.38 million in the year-ago period.

For the first nine months of the year, net income rose to \$57.2 million (75¢) from \$4.7 million (6¢)

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KORRY'S COMMENTS

WILL RETURN NEXT FRIDAY