

INDUSTRY IN ACTION

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139

EXPLORATION

Lord River Exploration

In its latest release to shareholders, Lord River Gold Mines has outlined the continuing exploration of its two gold properties. At the Pellaire joint venture in southern British Columbia (held equally with Cathedral Gold), the company has proposed an extension of underground cross-cuts to test extensions of the gold-rich ore shoot. The company is currently pursuing avenues to fund this exploration.

On the Trout Creek option located in Nevada's Carlin gold trend, the company will commence a 1,200 m reverse circulation drill programme later this month. Holes previously drilled included 21 m grading 1.9 g/t. Lord River can earn a 55% property interest from Teck Corp. by completing a production feasibility study and making annual payments to a maximum of \$25,000. In return Lord River granted Teck options on 500,000 shares. Lord River is undertaking a rights issue to fund the first stage of the necessary exploration programme. Teck and Consolidated Silver Mines, Lord River's major shareholders, will be taking up their respective entitlements in full.

Breakwater Raising Funds

Breakwater Resources is to issue 77,519 flow-through shares to CMP 1988 Resource Partnership for up to \$C500,000 to fund its mineral exploration programme in Quebec and Ontario.

Sheep Creek Intercept

High-grade copper mineralization has been intersected over a significant thickness on the Sheep Creek property in Montana. The project is an equal joint venture between a unit of Cominco Resources International and BHP-Utah International. The latter is now completing its \$3 million earn-in expenditure.

The latest drill hole on the property included 7.2 m at 7.4% copper at a depth of 400 m. This intersection lay within a thicker zone grading an average of 5.7% copper over 12 m. This new discovery is to the southeast of previous drilling results (*MJ*, September 25, 1987, p.244) and is thought to indicate an eastern extension of the Lower Zone mineralization. This zone now extends over a distance of more than 780 m in Proterozoic sedimentary rocks. Good copper re-

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covery rates have already been indicated by preliminary metallurgical tests.

Raising Two Black Flags

Windsor Resources has announced drill inferred geological resources for its two gold joint venture projects at Black Flag in Western Australia. A revised estimate at the 50%-owned Lady Bountiful South project puts reserves at 0.4 Mt grading 2.5 g/t (using a 0.5 g/t cut-off). The other Black Flag joint venture, where Windsor is earning a 25% stake, is the Black Flag Fault project. Reserve calculations, based on 124 reverse circulation drill holes, put the total at 0.3 Mt grading 3.5 g/t.

Windsor Resources recently announced a quarterly gold production of some 12,000 oz from its 54.5%-owned Mt. Percy mine. The company is making improvements to the leaching facilities that will result in higher levels of gold recovery in the future. Windsor Resources is almost 96%-owned by North Kalgurlu Mines.

Golden Star in South America

Edmonton-based Golden Star Resources has announced recent activity in South America, where it is currently concentrating its efforts. The company is to purchase a private Bolivian mining company which, in the year to September 1987, had gross revenue of \$US2.8 million from the production of zinc, silver and tin concentrate. In Guyana, Golden Star has negotiated an agreement with Giant Resources of Australia whereby Giant can acquire a 45.75% interest in the Tiger Creek/Eagle Mountain projects by funding 80% of the required exploration expenditure up to \$7.5 million. This deal is subject to the agreement of the Guyana Government.

Mascot's Nickel Plate

Test mining is to begin shortly on newly-explored ore reserves at Mascot Gold Mines' operation at Nickel Plate near Hedley in British Columbia. The ore bodies are located in the Princeton Adit in the southwest corner of the producing mine. Eight ore grade beds have been discovered which are geologically similar to the beds currently being mined at higher elevations. Updated ore reserve calculations are not expected until the autumn.

The 1988 surface exploration programme on the Nickel Plate property will include more induced polarization surveys and soil sampling, with drilling of anomalous zones. This programme will

continue on to adjacent properties where Mascot Gold Mines has agreements with the owners.

Inco & Queenston Upper Canada Agreement

Following an agreement with Queenston Gold Mines, Inco Gold can earn a 50% interest in the latter's Upper Canada mine property near Kirkland Lake, Ontario by completing a \$C0.5 million surface and underground exploration programme and making cash payments to Queenston of \$C0.3 million. In addition, Inco can earn its 50% interest over the next 26 months by spending \$C3.5 million on underground exploration and making additional cash payments to Queenston of \$C0.2 million.

Adjacent to the Larder Lake gold structure, the Upper Canada mine property produced over 1.5 Moz of gold at an average grade of 11 g/t from 1938 to 1971 when higher operating costs led to its closure. Most of the mine facilities remain, including the operational 540 t/d McBean mill.

Noramco/Battle Mt Agreement Off

The agreement under which Battle Mountain Gold was to acquire an interest in Noramco Mining has not been completed as scheduled. The parties have agreed not to proceed with the original document as disclosed at the end of April.

Alternative proposals will focus on the Noramco group's exploration properties. Four of Noramco's associate companies are also affected by the announcement; Golden Day Mining Exploration, Golden Group Explorations, Golden Hope Resources and Zahavy Mines.

Billiton Acquires Indonesian Gold Interests

Billiton International Metals, the metals sector of the Royal Dutch/Shell group of companies, has reached agreement in principle with the Australian company, CSR, to acquire the latter's gold mining and exploration interests in Indonesia. The sale, comprising a 70% interest in PT Lusang Mining which mines gold and silver at Labvong Tandai, Sumatra, and interests in subsidiary companies which have 11 contracts of work covering gold exploration prospects in various parts of Indonesia, will be acquired through Billiton Indonesia BV.

The transaction, which should be completed during July, follows Inco's recent sale of 20% of its Indonesian nickel subsidiary to Sumitomo Metal Mining (*MJ*, May 27, p.441).

Laramide Commences Exploration

Underground exploration has commenced at Laramide Resources' 35%