



MORNING STAR

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by

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MEMPR

### HIGHLIGHTS

SNIP

\* First shipment of **Snip concentrate** (500 sacks) to be treated at Premier Gold arrived at the mine-site for production of gold dore. Sacks weigh approximately 1.5 tons and average about 7 opt Au.

\* Habsburg Resources Inc. has reached a tentative settlement with 12 creditors owed \$1 million, that would permit reactivation of mining at **Dome Mountain**. There are hurdles to overcome; outstanding mine safety issues, reclamation bond, milling contract (with Equity closed, Premier Gold is the only option).

### FIELD ACTIVITIES

EQUITY SILVER

\* Toured two visitors from P.T. Kelian Equatorial Mining to **Equity Silver Mine** on May 3. Kelian is a large (20,000 Tpd), 2-year old, open-pit gold mine in central Borneo with a substantial ARD problem. The Mine Superintendent and Environmental Officer came to benefit from Equity's experience. There is a mining boom in Indonesia that has outpaced government policy but Kelian's parent company (CRA Group of Australia) intends to operate to "international" standards.

MORNING STAR (NEW)

\* **Morning Star** (103P 034, 039) drilling program near Kitwanga was visited on May 12 and 19. Mineralization is related to a cluster of five small quartz monzonite stocks and comprises a zonation from quartz-molybdenite stockwork to peripheral veins containing arsenopyrite, sphalerite, chalcopyrite and galena. Amax mapped and 'geochemed' Morning Star in 1980 as a moly target, and Equity Silver drilled the arsenopyrite zone for gold-silver in 1991. Owner-pro prospector Ed Carlson is also targeting the arsenopyrite veins; however the S.P. anomaly tested in the first two holes proved to be graphite in the Skeena Group country rocks. Unfortunately Carlson was unaware of useful data in Amax's assessment report which I provided to him, and alternate targets are being considered for remainder of the program.

RED MTN.

\* **Red Mountain** (103P 086) was visited on May 10. Underground development is 25 meters behind schedule. Underground drilling has been slowed as a result but reserve definition of the AV zone is expected by the end of June. Analysis of 1993 work shows that gold grade determined by bulk sampling in two of three Marc zone cross cuts is comparable to drill indicated grade; in the third cross cut the bulk sample grade is higher. Drilling of the 141 zone has given mixed results, geometry of the zone is not clear and is to be addressed by surface drilling to begin in early June. Current plans favour an underground mill on site, rather than custom milling at Premier. Another tailings disposal option, suggested by MoE is being considered; separate pyrite and dispose of it underground (as backfill) and discharge the benign component of the tails under Cambria Icefield.