

Industry IN ACTION

EXPLORATION

Spanish Venture for Cluff

Cluff Oil Holdings Plc. has entered into an equal joint venture agreement with Promotora Recursos Naturales SA (PRN) for the exploration and development of gold deposits in Spain. PRN is a wholly-owned subsidiary of Banco de Bilbao and is responsible for exploration and production of various industrial minerals and metals within Spain.

The venture will be aiming at small to medium sized gold deposits which fall below the minimum size required for investment by the major mining houses and which can be exploited by heap leaching or alluvial operations. The partners already have one exploration permit in Extremadura, and further areas are being applied for. Previous exploration has confirmed the existence of auriferous gravels throughout the permit area, but past production has been limited to relatively primitive working by local farmers. A preliminary sampling programme is scheduled for early 1987.

Crone Hill Potential Increased

Quartz Mountain Gold Corp. of Vancouver has released the assay data for 13 additional drill holes from the Crone Hill gold deposit in Oregon, U.S. Of the nine good holes, seven are to the west and north of the areas of previously known mineralization, thereby extending the orebody's potential size. Assays of the 163 drill holes were expected to be completed by mid-December, when the data was to be transferred to Wright Engineers of Vancouver for the estimation of ore reserves and the preparation of a pre-feasibility study. This is scheduled for completion in March. Results to date varied between 0.3 g/t and 2.9 g/t gold over 7.6 m and 65.5 m.

Encouraging Results at Debbie . . .

Westmin Resources Ltd. has reached an agreement with Angle Resources Ltd. of Vancouver, for Angle to fund the second phase of the exploration programme on the Debbie property near Port Alberni on Vancouver Island, British Columbia, to the amount of \$C539,000. On completion of the 1987 programme, Nexus Resource Corp., which has already funded the present \$C461,000 exploration programme, and Angle Resources will have earned a 25% working interest each.

The Debbie property comprises 232 claims and covers a favourable belt of Myra formation volcanic rocks of the Sicker group, the formation which hosts Westmin's mines at Buttle Lake 80 km to the northwest. Hole D3-86 intersected 11.3 m from a depth of 100 m which returned assays averaging 4.2 g/t gold. This included a 2.8 m section from 102 m depth which assayed 5.8 g/t and another

2.6 m section from 107 m grading 6.1 g/t gold. The exploration programme has now been accelerated, with four drill rigs working on the property.

. . . Lead to Yellow Stake

In addition, Angle Resources has agreed to acquire half of a 49% interest in the Yellow mineral claims, which are surrounded by the Debbie property, from Reward Resources Ltd. for \$C112,000. This enables Reward to expend the initial \$C350,000 required on the property with both companies jointly responsible for the final \$C100,000 of exploration expenditure.

Conroy Sustains Drill Results

Conroy Petroleum and Natural Resources Plc has announced the results from five further drill holes in the Galmoy zinc-lead property in Counties Laois/Kilkenny, Eire (*MJ*, December 12, 1986, p.430). In the G zone, hole No. G3 returned an assay result of 10.33% combined zinc-lead (7.01% Zn and 3.32% Pb) over a 3.3 m length. Hole No. G4 assayed 11.13% Zn and 1.02% Pb over 12.8 m and hole No. G5 assayed 9.04% Zn and 0.75% Pb over 15.2 m. In the W zone, hole No. W13 assayed 8.78% Zn and 1.05% Pb over a 16.7 m length and hole No. W14 returned 16.76% Zn and 0.87% Pb over a 9.4 m section. These results confirm the presence of substantial mineralization in zone G and the continued extension of zone W.

Muscocho's Work at Magino . . .

Muscocho Explorations Ltd. has completed the ramp to a depth of 60 m below surface of the Magino gold property north of Wawa, Ontario, and a crosscut has been driven for 200 m across the gold-bearing formation. Numerous gold-bearing veins were cut, with assays up to 28.3 g/t gold across 1.8 m. Drifting has started on three of the more prominent veins; drifts on the other two veins will be started in the near future. Underground diamond drilling is also underway.

Drilling to the northeast of the deposit has intersected a new zone over a strike length of 180 m. The intersections assayed 51.7 g/t over 2.4 m, 56.9 g/t over 3.3 m, and 10.9 g/t over 1.2 m.

. . . and at Mishibishu

The underground ramp has also reached its objective on the Magnacon property at Mishibishu Lake, also in the Wawa area. The bottom of the ramp is 76 m below surface and a crosscut at that level has advanced 43 m towards the main gold-bearing zone. Once the zone is reached, drifting will start together with underground diamond drilling from the ramp. Surface drilling some 910 m west of the main zone has intersected a wide zone of alteration and encouraging gold values.

Muscocho has entered into exploration agreements to fund its continuing mining exploration programme in 1987 and will issue flow-through common shares to the respective partnerships, MVP Exploration and Co. Ltd. Partnership, and CMP 1987 Resource Partnership and Co. Ltd., in exchange for the funds provided.

More Drilling at Snoppy Lake

Dome Exploration (Canada) has announced that following the assessment of the results from the 1986 surface drilling programme on the Opapamiskan Lake property in northwest Ontario, the Musselwhite Grubstake partners have approved a \$C2 million surface drilling programme for 1987. This is intended to expand the drill indicated mineral inventory in the Snoppy Lake area.

During the 1986 season, about 23,000 m of surface drilling was completed in the area. As a result, the drill indicated mineral inventory in two separate zones at Snoppy Lake now totals approximately 2 Mt at an average grade of about 8.4 g/t gold. Early in January 1987, a three drill programme, comprising a total of 13,000 m of drilling, will commence. This will concentrate on expanding the reserve in the Snoppy Lake area. In addition, a decision in respect of a programme of underground exploration at the property will be taken early in the new year.

The Musselwhite Grubstake is a joint venture between Dome Exploration (Canada) as operator (35%), Esso Minerals Canada (24%), Canadian Nickel Co. (24%) and Lacana Mining Corp. (17%).

Laloki Tonnage Increased

The latest drilling programme on the Laloki gold-copper prospect in Papua New Guinea, near Port Moresby, has confirmed the presence of ore grade mineralization and has increased the reserve base. The last estimate of proven and probable reserves was 310,000 t of ore grading 3.5 g/t gold, 6.4 g/t silver, 4.3% copper and 3.4% zinc. The joint venture partners now believe they may have between 500,000 t and 1 Mt of open pit material. The latest drilling, which returned a best intersection of 15 m grading 5.8 g/t gold from 60 m depth, also indicated a marked increase in gold grades (*MJ*, July 11, 1986, p.26).

Adelaide-listed Chase Minerals NL is operator of the project with a 50% interest. Newmex Explorations Ltd. has a 37.5% interest and Minproc Holdings Ltd., Chase's parent, has a 12.5% stake.

The partners announced in mid-1986 that they were planning to install a \$A6.8 million Sirosmelt concentrator at Laloki, which would produce gold-copper-silver concentrates with some zinc by-product. They are now considering the possibility of doubling the concentrator's capacity to 100,000 t/y for an extra capital expenditure of \$A2 million.