

TBS → Old Nick

Positive Results For Gold City

886240

by Vivian J. Hartnett



Surface facilities, Caramelia Project (Camp McKinney), Boundary Gold Fields.



Reverse circulation drilling.

A Gold City Mining Corporation report says that recent explorations at the Cariboo Gold Fields and the Boundary Gold Fields projects in British Columbia are encouraging as they have yielded positive results.

In the company's annual report published in May this year, John Chapman, President and Chief Executive Officer says progress was made in advancing the metallurgical treatment of nickel and cobalt bearing rocks from the Old Nick, a large near-surface sulphide mineral deposit. The Old Nick project is located in the Boundary gold field near Bridesville, British Columbia, and is jointly owned by Gold City (50 per cent);

Phoenix Gold Resources Ltd. (25 per cent); and Orion International Mineral Corp. (25 per cent).

The company says the Old Nick is a unique sulfide deposit that, based upon drilling and trenching, contains approximately 30 million tonnes of near-surface geological resources, grading 0.22 per cent nickel and 0.015 per cent cobalt. The report stated that previous operators estimated the deposit could contain in excess of 100

million tonnes and that at present metal prices the contained gross metal value is \$36 per tonne. Chapman says that recent bench scale metallurgical test work on Old Nick rock samples has indicated a possible hydrometallurgical process suitable for treatment of this large near-surface deposit of nickel and cobalt.

"Exploration for gold at the Boundary Gold Fields and the Cariboo Gold Fields yielded encouraging results."

Chapman says.

Gold City Holds a 26-per-cent interest in the Rock Creek Gold Trend Joint Venture with Phoenix Gold Resources Ltd. (37 per cent, operator) and Orion International Mineral Corp. (37 per cent). Gold City has the right to increase its interest to 49 per cent by funding the next \$500,000 in exploration expenditures. The company reports that there have been several mineral discoveries on the property, including: Ket 28 (gold); Dayton (cop-

per, gold); and Old Nick (nickel, cobalt). The Joint Venture controls approximately 6,000 hectares of mineral lands in the highly mineralized Boundary Gold Fields, between Republic, Washington and Hedley, British Columbia.

The property is located within 10 km of the Crown Jewel gold deposit, which contains 1.6 million ounces of gold reserves.

The Welbar Gold project, located in the Cariboo Gold Fields in Central

British Columbia, was the focus of exploration during 1995. The company says it has assembled the largest mineral land position ever held by a single owner in the Cariboo gold fields. The 10,000 hectare land position is in a location with basic infrastructure already in place. This has enhanced the company's ability to cost-effectively target large tonnage, lower grade lode deposits using wide ranging, modern geophysical and geochemical exploration methods.

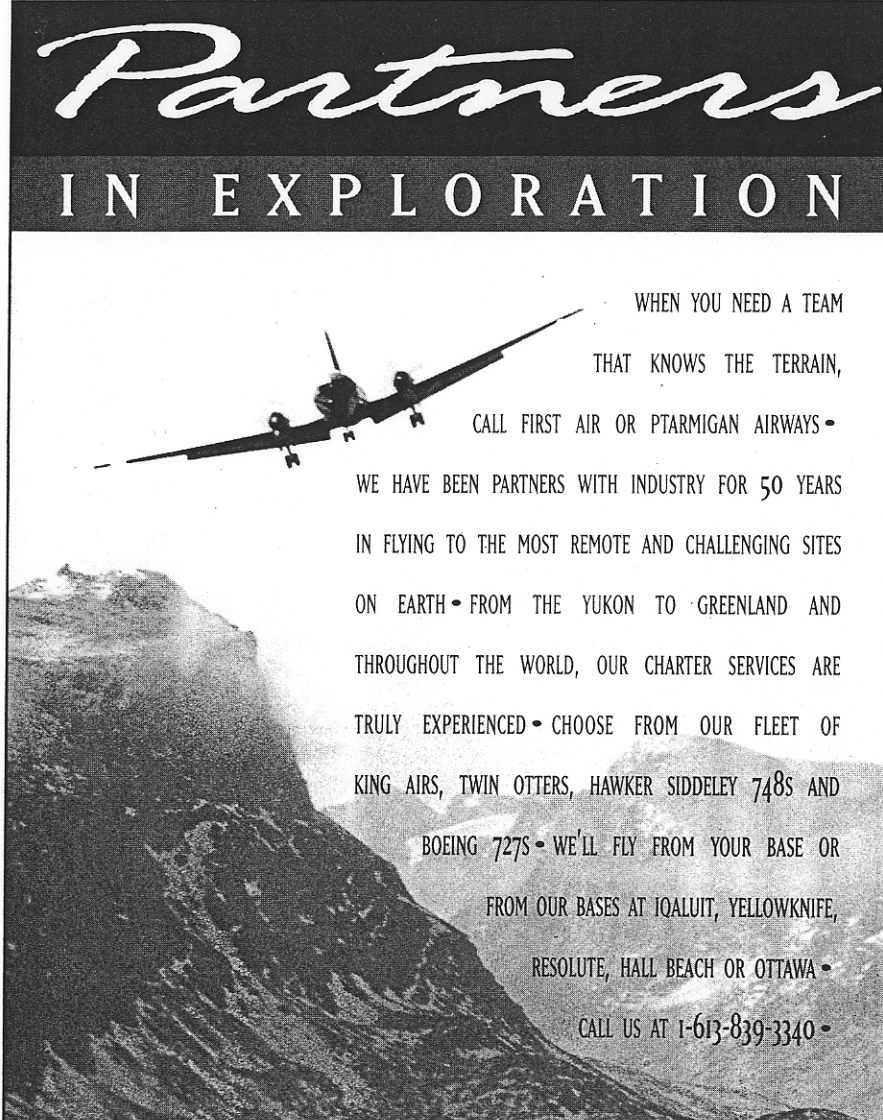
The land position consists of agreements with the owners of five significant mineral properties, totaling 6,000 hectares along a 35-km strike length within the gold fields. In addition, the company has also acquired by way of staking, 4,000 hectares of mineral lands related to positive results from the 1995 airborne and ground exploration program.

Historical lode and placer gold production from the area exceeds 3.24 million troy ounces, since the days of the Cariboo Gold Rush in 1860. The company estimates that this production at a current gold price of about \$550 an ounce, would have had a \$1.8-billion value.

The company retained Intera Information Technologies to fly a 1,000-sq.-km synthetic aperture radar (SAR) survey, and retained Dighem 1 Power to conduct a 1,500 line km airborne geophysical survey. Several exploration targets were developed as a result of the surveys and new gold discoveries made.

The company experienced some financial setbacks with a drilling program at the WelBar Gold project in late 1995. Management failed to conclude a \$1-million financing arrangement which seriously affected working capital.

"Discussions are ongoing regarding a merger with well-financed resource companies in order to rectify the company's balance sheet and to facilitate continuing exploration on its properties in 1996. Also, a merger with one or more junior gold companies with advanced projects will attract institutional investors and facilitate senior financing," Chapman says. ■



Partners IN EXPLORATION

WHEN YOU NEED A TEAM
THAT KNOWS THE TERRAIN,
CALL FIRST AIR OR PTARMIGAN AIRWAYS •

WE HAVE BEEN PARTNERS WITH INDUSTRY FOR 50 YEARS
IN FLYING TO THE MOST REMOTE AND CHALLENGING SITES
ON EARTH • FROM THE YUKON TO GREENLAND AND
THROUGHOUT THE WORLD, OUR CHARTER SERVICES ARE
TRULY EXPERIENCED • CHOOSE FROM OUR FLEET OF
KING AIRS, TWIN OTTERS, HAWKER SIDDELEY 748S AND
BOEING 727S • WE'LL FLY FROM YOUR BASE OR
FROM OUR BASES AT IQALUIT, YELLOWKNIFE,
RESOLUTE, HALL BEACH OR OTTAWA •
CALL US AT 1-613-839-3340 •

PTARMIGAN
LPA[®] **د ا و ا ن**
Makivik Corporation Société Makivik

FIRST AIR
THE AIRLINE OF THE NORTH