

The density of the sampling and the consistency of the assay data gave a higher degree of reliability compared to the drill-proven reserves of almost any other gold deposit. Although the tonnage is lower than originally anticipated based on government production records of the Hedley mill, the assay results were better than expected.

This, together with earlier metallurgical test results of a 70% recovery, translates into a ratio of recoverable gold worth C\$10 per share outstanding in the company. Operat-

interest in the project. The vendors have approximately a 7% carried net revenue interest and approximately a 2.6% net smelter royalty interest in the project.

This new agreement is subject to regulatory approval.

Candorado has a separate agreement with Cantrell Resources Ltd., whereby Cantrell can earn a 45% working interest in the project by carrying out all of the pre-production, exploration, and mine design expenditures. ✕

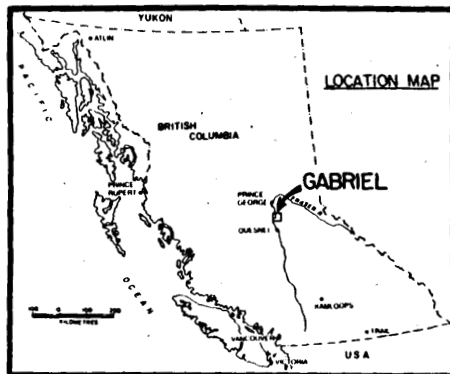
Gabriel diamond drilling testing 24 anomalies on properties north of Quesnel

QUESNEL, BC—Diamond drilling continues on Gabriel Resources Inc.'s (GBI: VSE) Ahbau Creek and Yellow Lake gold properties located 22 miles north of Quesnel in central British Columbia. The program is designed to test approximately 24 geo-physical anomalies previously located.

To date, 5,000 feet of drilling has been completed in 16 holes. Two holes have intersected massive sulphide mineralization composed of pyrite, pyrrhotite, chalcopyrite, and sphalerite across mineable widths.

An additional four holes intersected disseminated sulphides hosted in shear and breccia zones in andesite volcanics. The cores are presently being logged and sent for assay.

On the financial front, Gabriel, one of the Hughes-Lang group of companies, will issue 400,000 common shares at a price of C\$1.25 per share to a group of private investors, including directors, companies controlled by directors, and public companies with common management.



Attached to each share will be a non-transferable share purchase warrant entitling the holder to purchase an additional common share at a price of C\$1.50 within 12 months.

Proceeds of the private placement, which is subject to regulatory approval, will be used to fund continued exploration of Gabriel's mineral properties near Quesnel, and for general working capital.

Gabriel holds an option on 804 mineral units between Quesnel and Prince George, which were staked in 1981 following a heavy mineral concentrate sampling program of tributary drainages east of the Fraser River.

Exploratory work has been directed to three principal properties which, from north to south, are Government Creek, Yardley Lake, and Ahbau Creek. ✕

**THERE'S A GOLD MINE
OUT THERE WITH YOUR
NAME ON IT. FIND IT IN
NORTH AMERICAN GOLD
MINING INDUSTRY NEWS.**

886703