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INDUSTRY IN ACTION

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EXPLORATION

Deep Drilling at Elkhorn . . .

Vancouver-based Mountain-West Resources Inc. is planning a 3,000 m deep diamond drilling programme of five or seven holes on the Elkhorn gold property which is situated 35 km south of Helena, Montana, U.S. This will test for the presence of skarn-type mineralization near the intersection of the gold-bearing pipes and a Cambrian shale.

Four gold mineralized pipes occurring in andesite and diorite have been identified and the presence of several others is suspected. One pipe has been thoroughly drilled to a depth of 145 m and returned a weighted average grade of the mineralized intercepts of 8.9 g/t gold. Gold Fields Mining Corp. is said to be actively drilling the same Cambrian shales on its deposit located about 2.5 km to the north.

Homestake Mining Co. has the option to earn a 50% interest in the property by spending \$3.0 million within four years and making payments to Mountain-West of \$100,000 annually. Homestake may increase its interest to 55% by delivery of a formal feasibility study in the same time frame or may opt for an additional two years to deliver the study by extending the payments to Mountain-West.

... Initial Drilling at Richfield

Esso Minerals Canada as operator is carrying out an initial 5,500 m reverse circulation drilling programme on the Richfield gold-silver property located 270 km west of Prince George in British Columbia, which it holds under option from Mountain-West. Esso and Sirius Resources Corp. can earn 40% and 30% in the property respectively. Mountain-West's 30% is subject to the property vendor's 7.5% carried interest in the company's share of production. Current work has outlined a reserve of 200,000 t averaging 4.1 g/t gold and 192 g/t silver, open down dip. The programme is designed to trace this zone under glacial till.

Ennex in Scotland

Ennex International plc reports that it has completed four holes on its Cononish prospect, which is located northwest of Glasgow in Scotland. The holes were drilled some 300 m east of previous drilling which had intersected 4.0 m grading

11.3 g/t gold. The best values from the current drilling programme included 8.5 g/t across 2.7 m; 19.5 g/t across 2.4 m; 16.8 g/t over 1.8 m and 10.9 g/t over 1.4 m.

Caithness Gold Data

On September 4, 1987, the British Geological Survey will release data on 25 new identifications of microscopic gold in panned concentrates from stream sites in the area of the Caithness 1:250,000 geological map (20-40W:580-590N) in Scotland. The data was collected as part of the Regional Geochemical Reconnaissance Programme funded by the Department of Industry. Price £25 plus VAT. Enquiries about the data should be addressed to M. D. Forrest, British Geological Survey, 64 Grays Inn Road, London WC1X 8NG. Tel: (01) 242 4531.

Golden Star/Giant Work in Guyana

Results are now available from the first phase evaluation programme carried out on the Baramita property in Guyana, which is being explored by a joint venture between Golden Star Resources Ltd. of Edmonton and Giant Resources Ltd., an Australian holding company.

Assay results from the Millionaire location have delineated an area of significant gold mineralization with a strike length of 800 m associated with weathered Precambrian rocks. The mineralization averages some 240 m in width and is open in both strike directions. The next phase of exploration will consist of infill auger drilling, detailed surface geological mapping, trenching and sampling and geophysical surveying; this is expected to be completed by December. Gold mineralization has also been delineated at the Old World and Reserve locations but no work is planned on these areas.

The first-pass augering work is in progress at the Arakaka property and will be initiated shortly at the Million Mount property (MJ, July 17, p.40).

Kinsley Mountain Gold Confirmed

Cominco Resources International Ltd. reports encouraging initial drilling results from the 2,000 ha Kinsley Mountain gold property in Elko County, Nevada. The results are from the first phase of a \$375,000 exploration programme, comprising 7,300 m of drilling, which is being done in two phases. The new drill results, combined with last year's drilling, confirms the presence of gold mineralization within a fractured zone. This zone has been identified over a distance of 1,200 m. Results include 20 m of

2.7 g/t gold from a depth of 18 m and 112 m of 1.0 g/t from the surface.

Cominco Resources holds a 60% interest in the project, with a 40% participating interest held by U.S. Minerals Exploration Co.

Amax Farm-In for Reserve

Reserve Industries Corp. of Albuquerque, New Mexico, has signed an agreement with Amax Exploration Inc. regarding gold exploration on Reserve's properties near Austin, Nevada. Under the terms of the agreement, Amax can earn a 50% interest in the 64 mining claims by expending \$500,000 in exploration and development work. Thereafter, each company will fund the project in proportion to its interest.

Echo Bay Expands Cove Reserves

Results from the latest round of drilling have substantially increased geological reserves in the Cove deposit on the McCoy property in Lander County, Nevada. The Cove deposit is located within 1.5 km of Echo Bay Mines Ltd.'s wholly-owned McCoy open pit mine (MJ, April 10, p.273).

Drill-indicated geological reserves are now calculated at 14.9 Mt grading 2.6 g/t gold and 110 g/t silver. In total, the precious metals content is now estimated at 1.2 Moz (37,324 kg) of gold and 53.3 Moz (1,657,802 kg) of silver. Further drilling is expected to add significantly to reserves. Echo Bay's land holdings at McCoy total over 19,500 ha.

Cream Silver Continues Buttle Lake Drilling

Cream Silver Mines Ltd. of Vancouver has completed the phase I exploration programme for 1987 which has defined three geophysical anomalies on the Buttle Lake property in Vancouver Island, British Columbia. Once the company receives the required permits from the Ministry of Environment and Parks, as part of the property is located in Strathcona, it will embark on a \$C1.5 million phase II exploration programme which will consist of further geophysical surveys, and nearly 10,000 m of diamond drilling. The property is prospective for copper-lead-zinc-silver-gold mineralization, and is adjacent to the Price mine which Westmin Resources is developing.

Underground Work at Donalda

Minnova Inc. and Syngold Exploration Inc. are re-negotiating their existing agreement on the Delbridge/Kerralda joint venture near Rouyn-Noranda in Quebec. Equity will thus be held 65% by Minnova and 35% by Syngold.

Surface diamond drilling has increased reserves on the Donalda No.1 gold-bearing vein to 469,000 t grading 8.5 g/t gold. A second, deeper zone containing