



October 4, 1991

To: V.A. Preto  
From: R.E. Meyers

Watson Bar  
889406

## SOUTH-CENTRAL DISTRICT MONTHLY REPORT

September 1991

### DISTRICT HIGHLIGHTS

*Chu Chua*  
\* **Adams Lake Area** Minnova Inc. is in the process of completing approximately 4,000 metres of drilling in 9 holes on the **Chu Chua** property. The work has been focused on the north and south extensions of the main Chu Chua horizon. Results seem to indicate that the zone dies out very quickly to the south; but to the north and at depth, significant silicification has been cut, suggesting that the system still has potential in these areas. Drill core for this and other properties will be displayed on Minnova's company field trip, Oct 21st.

\* **East of Adams Lake**, the Minnova drilled 15 holes for 2100 metres on the **Plateau** property (**Mosquito King, Spar, Boler Ck**). Targets were well spread out and are related to geophysical anomalies outlined along predicted sulphide horizons.

*Jordan River*  
\* **Jordan River** First Standard Mining Ltd. has completed surface exploration work, focused mainly on Frisby ridge. Company personnel stated that the results of drilling carried out in 1990 increased reserves potential on property by 2 or 3-fold. Current published reserves are at 2.6M tonnes @ 5.1% Pb, 5.6% Zn and 35 g/t Ag. The company believes there is potential for 10M tonnes or more.

*J+L*  
\* **J & L Cheni** and Equinox have taken a 30 tonne bulk sample from the Main Zone of the J & L deposit for metallurgical testing. Although the results of this year's \$3.4M u/g exploration project has been very encouraging, with major increases in reserves, Cheni has been experiencing cash problems with the Lawyers property and have shut down the J & L project for the interim. The feeling is that another drill program will be undertaken later this fall or winter. (See July91 monthly for details).

*ELK*  
\* **ELK Fairfield Minerals Ltd.** is continuing with a further 8,000 feet of drilling on the **Siwash North** zone. Approximately 18,000 feet were completed by early Sept. The vein structure has been intersected in every hole and is now continuous for over 2600 feet along strike and, in shoots, for 835 feet down dip. Intersections at the west end of the system, near the Nicola contact, are narrower, but with gold grades > 1 oz/t. Fairfield's objective is to increase drill-indicated reserves by 60-100% with this year's work. NOTE: Fairfield recently announced that it plans an underground exploration and development program for spring 1992. See attached news release.

*Watson Bar*  
\* **Clinton Commonwealth Gold Corp.** has commenced drilling the **Watson Bar (Second)** property, 15 Km SE of Blackdome. Approx. 7500 feet of drilling are planned with a budget of \$400K. Commonwealth optioned the property from Cyprus Canada Inc.

NO: OCT 16 1991 VAN 5

ACTION: JES - Janice - file in appropriate Property file

FILE NO: DG - Kamloops



February 3, 1992

To: V.A. Preto  
From: R.E. Meyers

## SOUTH-CENTRAL DISTRICT MONTHLY REPORT

December 1991

### DISTRICT HIGHLIGHTS

\* Beaton Engineering Ltd. have acquired a lease for an underground exploration/mining program on the Huntington/Corona **Brett** property on Whiteman Creek, west of Vernon. The company plans to drive an adit on the highest grade portion of the Main Shear vein. About 300 metres of development is planned.

BRETT

\* Carpenter Lake Resources Ltd. and Amazon Petroleum Corp completed 884 metres of diamond drilling in four holes on the **Wayside** property near Gold Bridge. All holes were drilled to intersect veins below the 9th level workings. The two companies are to be restructured and will operate under the names Wayside Cons. Gold Mines Ltd. and Brigadier Petroleum Corp., respectively.

WAYSIDE

\* Cyprus Gold drilled 2100 metres in 12 holes on the **Watson Bar** property, 15 km SE of the Blackdome mine. No assays reported yet.

WATSON BAR

\* MineQuest Exploration Associates have made a deal with Pacific Copperfields Ltd. (Arthurian Resources) to carry out detailed exploration on the **Ken Claims**, one of their properties in the Aspen Grove copper belt, SE of Merritt.

\* **Pacific Talc Ltd.** has reported that financing is in place to carry out a bankable feasibility for the talc property near **Boston Bar** in the Fraser canyon. Recent drilling has indicated potential reserves of 20 years may be present.

LOG NO:	FEB 10 1992	VAN	2
ACTION:	YES → Xeroxes to "property files"		
FILE NO:	DG - Kamloop 5		

share the first year and \$0.35 per share if exercised in the second year.

A previously announced private placement of 88,889 shares at \$0.45 per share has been cancelled.

The proceeds of the 800,000 share private placement will be used for the acquisition of the florist shop and to provide working capital.

Shareholder approval is expected in November 1991 to change the company's name to U.R. Flowers Corporation. U.R. Flowers Corporation intends to act as a franchisor to the retail flower industry offering a unique retail and corporate sales concept to franchisees.

**Charlemagne Resources Ltd** **CHG**  
Shares issued 5,301,789 Oct 17 close \$ 0.03

**Cease Trade Company**

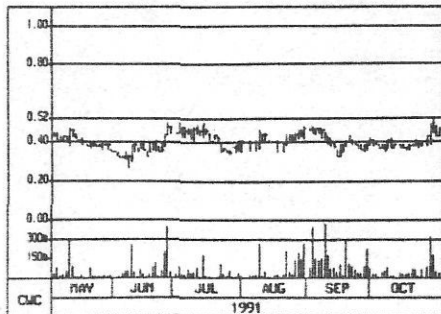
Effective November 1 1991, trading in the shares of the company is suspended for failure to meet maintenance requirements.

**Colorfax International Inc** **CFN**  
Shares issued 1,870,000 Nov 1 close \$ 0.13

**Delinquent Filer**

The superintendent of brokers advises that the company is delinquent for interim financials dated July 1991.

**Commonwealth Gold Corporation** **CWC**  
Shares issued 11,314,537 Nov 1 close \$ 0.46



**News Release**

**4,500 ft of drilling completed on Watson Bar project; 7,000 ft planned**

Mr Bevan Anderson reports

**CYPRUS CANADA JOINT VENTURE**

Additional trenching has recently been completed on zone V on the Watson Bar project to try to define the structural attitude of this previously known zone of mineralization. Sampling across the main zone has returned 1.35 oz/ton Au over 7m, uncut. This includes one high value of 7.8 oz/ton over 4m. This zone appears to remain open down plunge to the south-west. The current drill program will test this potential with at least one hole. The drill is currently drilling on a separate structure, the Switchback zone. One additional zone will be tested before moving to test the down plunge extension of zone V.

Eight holes (4,500 ft) have been drilled to date in the current program, testing other geochemical/geophysical

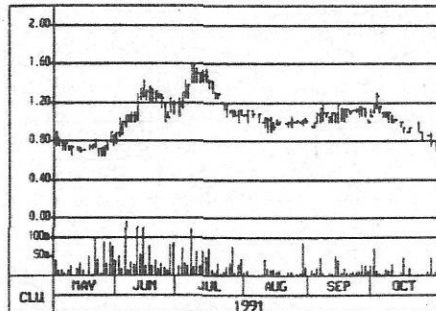
targets on the property. A total of 7,000 ft are planned for the current phase of the program.

**Computrex Centres Ltd** **CXC**  
Shares issued 5,432,600 Oct 31 close \$ 0.02

**Delinquent Filer**

The superintendent of brokers advises that the company is delinquent for annual financials dated March 1991 and interim financials dated June 1991.

**Consolidated Golden Lion Resou** **CLU**  
Shares issued 3,363,802 Nov 1 close \$ 0.89



**News Release**

**Mead Daly well to commence production**

Mr Richard Pearson reports

Further to news in Stockwatch October 30 1991, the Mead Daly HD 01-06 oil well will be back in production on or about November 2 1991.

Despite encountering minor difficulties in drainholes No. 1 and No. 2 of the Mead Daly HD 01-06 well, the horizontal drilling tools performed to their capabilities and the company is actively seeking other candidate wells with which to apply the drilling tools.

The government of Manitoba's royalty holiday on horizontal drainholes has been extended for at least one more year. This program will allow up to 37,735 barrels of oil to be produced, from up to four drainholes per well, without any royalty taxation.

The company has sold 10% of their interest in the Carbon 10-5 gas well and 14% of their interest in the North Virden properties to Goldstake Resources.

Consideration for the Carbon 10-5 well interest is \$44,000, based on 40 months cash flow and shall be paid by 100,000 shares at \$0.44 per share.

Consideration for the North Virden property interest is \$44,800, based on two years estimated cash flow, and shall be paid by the issuance of 100,000 of GDR at \$0.44 per share.

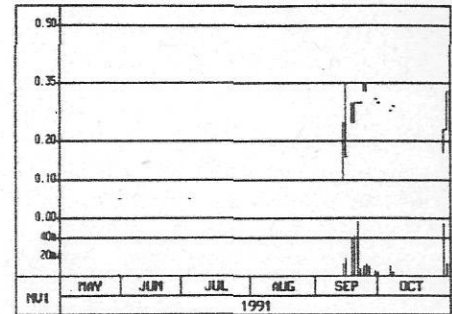
**Consolidated Newgate Resources** **KGT**  
Shares issued 1,008,238 Oct 16 close \$ 0.12

**Private Placement**

**400,000 shares at \$0.15**

The VSE has accepted for filing, subject to the transaction closing no later than 45 days from October 11 1991, documentation with respect to a private placement of 400,000 shares at \$0.15 per share to Mesquite Management (James H. Hirst).

**Consolidated Nirvana Industrie** **NVI**  
Shares issued 2,381,320 Nov 1 close \$ 0.33



**News Release**

**Test results from Patrick No. 1 well**

See Priority Ventures Inc. (PVS) News Release

Mr James H. Simpson reports

Test results have been received from the Patrick No. 1 well.

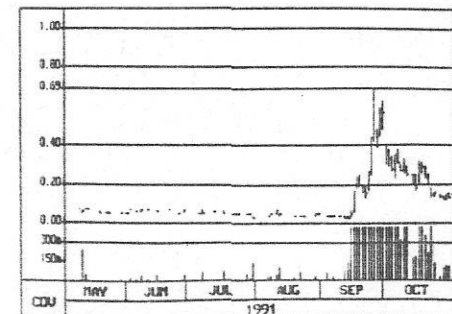
Date	bbls/oil	bbls/water	mcf/gas	ftp
10/27	590*	18	554	-
10/28	746	80	650	560
10/29	608	154	650	610
10/30	656	110	1000	650
10/31	787	169	2000	750

\* Production on October 27 1991 was extrapolated by taking the 708 barrels of oil per day IP and dividing by 24 hours, then multiplying by 20 hours (actual production on 10/27).

The choke size was changed on October 30 1991 from a 24/64 inch choke to a 28/64 inch choke. The change in choke size increased production to 787 barrels of oil per day, 169 barrels of water per day, and two million cubic feet of gas per day with a flowing tubing pressure of 750 pounds per square inch.

Priority Ventures and Red Fox Minerals each have a 4% working interest and Consolidated Nirvana Industries has a 2% working interest in this well.

**Cove Resources Corporation** **COV**  
Shares issued 10,534,218 Nov 1 close \$ 0.15



**News Release**

**Unuk River drilling results**

See Springer Resources Ltd (SPR) News Release

Mr Murray Pezim reports

Drilling results have been received for the Unuk River joint venture project, Eskay Creek region, north-western BC.



**Private Placement**

**226,900 shares at \$0.25**

Mr Michael McInnis reports

Challenger Gold has agreed to purchase 226,900 shares of the company at \$0.25 per share on a private placement basis.

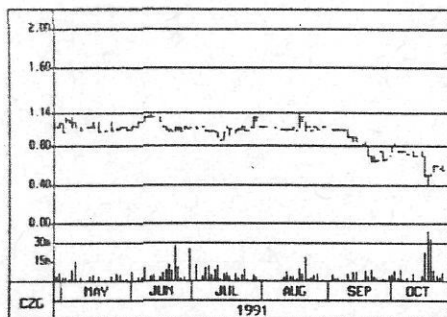
The company will receive \$56,725 from the private placement which will be used for working capital purposes.

**Cheni Gold Mines Inc**

Shares issued 11,095,000

**CZG**

Oct 24 close \$ 0.56



**News Release**

**Higher grade ore from BV deposit to be milled during fourth quarter**

Mr Paul Savoy reports

Operations for the nine months ended September 30 1991 resulted in a net loss of \$3.7 million or \$0.33 per share, as compared to net earnings of \$2.5 million or \$0.23 per share in 1990. These results reflect the lower millfeed head grade and the consequent reduction in gold production (28%) and silver production (38%) this year as compared to 1990.

During the current year, the gold price reached a five year low and the silver price a seventeen year low, while the Canadian dollar reached a fourteen year low against the American dollar.

Revenues to September 30 were \$16.5 million as compared to \$23.9 million in 1990. After taking hedging transactions into account, average selling prices realized were US\$399/oz gold and US\$4.8/oz silver, as compared to the London afternoon prices of US\$363/oz gold and US\$4.0/oz silver.

Operating costs for the first nine months averaged US\$346/oz gold equivalent as compared to US\$199/oz in 1990. The lower head grade experienced during the year as well as increased mining costs relating to the final development of the Cliff Creek zone led to this increase in costs.

The company has revised its ore reserves at the Cliff Creek North zone to 154,000 tons grading 0.199 oz/ton Au and 5.79 oz/ton Ag. In addition, the reserves at the Duke's Ridge zone were revised to 24,000 tons grading 0.232 oz/ton Au and 6.33 oz/ton Ag.

As a consequence of the revision to the ore reserves and because of relatively lower gold and silver prices, the company anticipates that it may have to curtail mining operations in mid-December of this year. Accordingly, in compliance with statutory requirements, the company has given eight weeks notice of termina-

tion to certain of its employees. The scale of future operations will be determined by gold and silver prices and the ability of the company to increase its ore reserves. Milling operations are continuing.

Mining of the BV deposit was completed during the third quarter, and this higher grade ore will be milled commencing in the fourth quarter of this year. The company is seeking the appropriate permits to mine additional reserves from adjoining deposits during the summer of 1992.

The summer exploration campaign of the J&I project has been completed. The Main zone has been traced through to the old Roseberry workings, 2.5km to the west, and drilling confirmed continuity of the Yellow-jacket zone to the east. Details of these results will be the subject of a further press release when field results are fully compiled. Metallurgical work is continuing to pilot test the flotation portion of the process.

The company continues to work in co-operation with BRGM, its principal shareholder, on the possibility of acquiring off-shore, open-pit, heap-leach properties.

**STATEMENT OF EARNINGS**  
Nine months ended September 30

	1991	1990
	(\$ 000's)	
Revenue		
Sales	\$16,544	\$23,890
Less: Shipping and refining	220	471
	16,324	23,419
Costs and expenses		
Cost of operations	14,079	12,409
Depreciation and amortization	3,837	5,276
Exploration	189	960
General and admin	1,187	1,347
Interest	684	903
Foreign exchange (gain) loss	(110)	(32)
	19,866	20,863
(Loss) earnings before taxes	(3,542)	2,556
Income and mining taxes	139	63
Net (loss) earnings	\$(3,681)	\$2,493
(Loss) earnings per share	\$ (0.33)	\$ 0.23

**Colorfax International Inc**

Shares issued 1,870,000

**CFN**

Oct 23 close \$ 0.16

**Delinquent Filer**

The superintendent of brokers advises that the company is delinquent for interim financials dated July 1991.

**Commander Resources Ltd**

Shares issued 2,318,550

**CMY**

Oct 24 close \$ 0.47

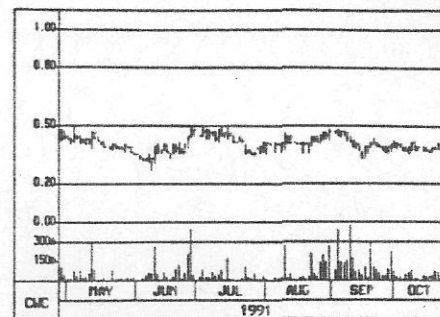
**Delinquent Filer**

The superintendent of brokers advises that the company is delinquent for interim financials dated July 1991.

**Commonwealth Gold Corporation CWC**

Shares issued 11,314,537

Oct 24 close \$ 0.40



**News Release**

**Watson Bar project results**

Mr Bevan W. Anderson reports

Seven holes have been completed to date on the Watson Bar project, totalling 4100 ft. Four main areas have been tested. Holes 1 and 2 were only weakly anomalous in gold. Holes 3 and 4 tested an extensive IP chargeability anomaly with anomalous arsenic and weak gold.

Assays are pending on holes 5 and 6.

Hole 7, drilled on zone IV, intersected several zones of quartz veining and silicification, with pyrite-arsenopyrite associated. The drill is currently moving to the Switchback zone, zone IX, where one hole is planned to test a zone of quartz veining which on surface has assayed up to 0.5 oz/ton Au over one metre. Drill sites have also been prepared on zones I and V.

Additional trenching was completed on zone V to attempt to better define the structural attitude of this mineralized zone. At least one hole is planned to test this zone down plunge.

**Computrex Centres Ltd**

Shares issued 5,432,600

**CXC**

Oct 23 close \$ 0.04

**Delinquent Filer**

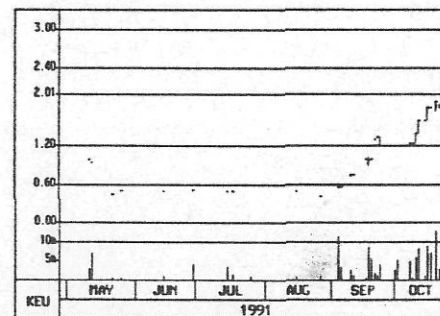
The superintendent of brokers advises that the company is delinquent for annual financials dated March 1991 and interim financials dated June 1991.

**Consolidated Eurocan Ventures**

Shares issued 2,142,685

**KEU**

Oct 24 close \$ 1.80



**Private Placement**

**640,000 unit financing closes**

Mr Lukas Lundin reports

Regulatory approval to the private placement of 640,000 units, announced in the Stockwatch dated September