

reconnaissance drill-  
as in-fill drilling and  
nearby Alma claims  
ing has returned 0.221  
gold per ton over 20.0

**Cious Metals Inc.** (TSE,  
NASDAQ) and **GEXA**  
have announced the  
of a significant new gold  
outhwestern Nevada.

find is located on the  
claim group located  
Nevada, approximately  
orthwest of Las Vegas.  
Recently-completed drilling  
of 28 holes encoun-  
ade mineralization.

drill-indicated geologic  
vein have been placed at 3.8  
averaging 0.04 ounces  
on, including 2.4 million  
ng more than 0.05 ounce  
per ton.

joint venture partners  
ately undertake a pro-  
ase reserves, up-grade  
serves to the proven  
conduct metallurgical  
cessful, a detailed fea-  
will begin this summer.

**erling Explorations Inc.**  
as acquired five strate-  
ed claim groups in the  
Camp of southwestern  
mbia. One group of  
Crackerjack, is sur-  
ree sides by the pro-  
ot Gold Mine.

ny has just completed  
ching and drilling pro-  
atsy claim group which  
**Banbury Gold Mines**  
0,000-foot drilling pro-  
erred a 40-foot miner-  
n. The company is  
y results.

ny is presently raising  
unds for stage II drill-  
on the Patsy claims  
exploration program  
rjack claims.

ces of gold at an average cost of US\$100  
per ounce employing standard gravity con-  
centration and cyanidation techniques.

FreeGold is evaluating its Slumbering  
Hills claim groups for its potential as a  
large tonnage open-pit heap leach deposit  
and a high-grade hardrock mine. The  
company's preliminary exploration pro-  
gram indicated explosive hydrothermal  
brecciation activity, a favorable environ-  
ment for gold mineralization. Geochemi-  
cal analysis of selective rock samples from  
fault structures within the outcrops were

*BE BALLOS*

## McAdam advancing on two projects

**McAdam Resources Inc.** (TSE-MMM)  
and joint venture partner **Tashota-Nipigon  
Mines Ltd.** (VSE-TNM) continue to en-  
counter strong gold values at the Spud Val-  
ley gold project on Vancouver Island, Brit-  
ish Columbia. The project is near the old  
gold mining town of Zebellos on the west  
coast of the island where other exploration  
companies such as **New Privateer Mine  
Ltd.** (VSE-NPM) are also having success  
in delineating zones of gold mineralization  
missed by the old-timers.

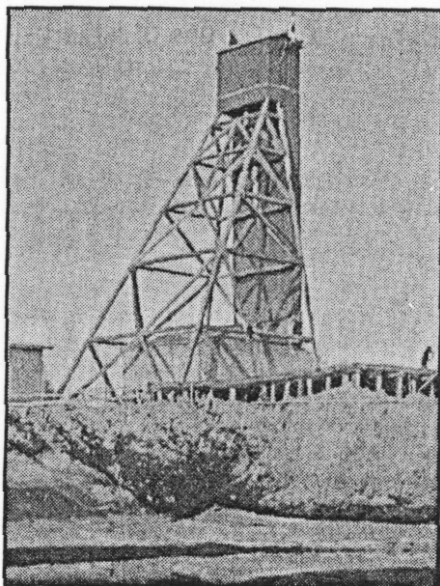
At the Spud Valley property, explora-  
tion drifting on the Linton North Vein,  
located some 500 feet north and east of the  
former mine, has encountered high-grade  
gold values with the entire drift averaging  
0.352 ounces of gold per ton over 4.0 feet  
for a total of 193.5 feet.

John McAdam, president, says contin-  
ued success on the Linton North Vein is  
expected as 100 feet further east and 85 feet  
above the level, surface drill hole 86-G-13  
intersected 0.55 ounces of gold per ton over  
4.0 feet. He says other surface drill holes  
also intersected the Linton North Vein  
with hole G-18 returning 3.69 ounces of  
gold per ton over 4.2 feet at 85 feet above  
the drift and drill hole G-9 averaged 0.93  
ounces of gold per ton over 4.0 feet at 65  
feet above the drift.

The Spud Valley Project hosts reserves  
in all categories of approximately 247,078  
tons grading 0.41 ounces of gold per ton.  
The joint venture is owned 75% by Mc-  
Adam and 25% by Tashota-Nipigon.

The Spud Valley property was in pro-

duction from 1936 to 1942 and produced  
54,000 ounces of gold at an average grade  
of 0.29 ounces of gold per ton. The Zebel-  
los Gold Camp itself produced some  
288,000 ounces of gold. At the close of  
production in 1942, the Spud Valley mine  
workings included seven levels on the main  
Goldfield Vein, six levels on the Spur Vein,  
and two levels on the Roper Vein.



**McWatters headframe.**

The current exploration on the property  
is aimed at upgrading the reserve picture.  
This year will see a C\$1 million program  
that will include diamond drilling, drifting,

and sampling on the new vein structures  
intersected by last year's underground ex-  
ploration program.

**FreeGold Recovery** is currently negotiating with **Free-  
Gold Recovery** to acquire the major interest  
in the Quesnel Placer Project for cash,  
work commitments and a royalty. Can-  
Alaska is presently preparing for a bulk  
sample program to be completed by mid-  
July. Subject to a positive feasibility study,  
CanAlaska intends to put the project into  
full production by the end of August.

FreeGold Recovery is also involved in a  
tailings processing project at Kirkland  
Lake, Ontario where the company has out-  
lined one million tons grading 0.020 ounce  
of gold per ton.

and sampling on the new vein structures  
intersected by last year's underground ex-  
ploration program.

Near Rouyn, Quebec, McAdam is devel-  
oping the **McWatters Project** in which it  
has a 50% interest. Reserves in all cate-  
gories are approximately 910,869 tons grad-  
ing 0.19 ounces of gold per ton including a  
15% dilution factor. This reserve figure  
does not include any reserves for the  
adjoining **Clerno** property where previous  
operators estimated 475,000 tons grading  
0.13 ounces of gold per ton. The **McWat-  
ters mine** is a former producer, having  
yielded over 100,000 ounces of gold grad-  
ing over 0.30 ounces of gold per ton prior  
to 1945.

A multiphase exploration program is  
ongoing at the **McWatters Project** with a  
work force of some 50 people. Surface  
diamond drilling is continuing with a series  
of close-in drill holes planned for the  
immediate future. Underground, develop-  
mental work is underway and a hoist will  
be installed for a winze (an underground  
shaft). Once installed, the the hoist will  
facilitate dewatering and to access the  
deeper levels for diamond drilling and bulk  
sampling.

The exploration program is designed to  
upgrade the gold reserve status with the  
goal of proving up sufficient reserves to  
justify production. The 1988 budget is C\$6  
million, 50% of which will be funded by  
McAdam, who is operator, and 25% each  
by **Tashota-Nipigon Mines** and **Quinteko  
Resources Ltd.** (ASE-QTK).

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