

**PIONEER METALS CORPORATION (PSM-V,T)**

**BRITISH SILBAK PREMIER MINES LIMITED (BSK.A-V)**

**PURCHASE OF CONTROL OF - Pioneer Metals Corporation and OF SILBAK ANNOUNCED** British Silbak Premier Mines Limited have announced Pioneer has offered to purchase 1,049,209 Class A voting shares for \$5,246,045 from John Block and 258290 B.C. Ltd. or companies associated or affiliated with them. Mr. Block has agreed to accept the offer upon approval of the transaction by Silbak shareholders. In addition Pioneer has, subject to acquisition of the Class A shares, subscribed for up to 4,500,000 units for \$16,875,000 of Silbak each unit comprising one common share and one-non-transferrable share purchase warrant. The units are being issued at a price of \$3.75, with the warrants exercisable for a period of two years at a price of \$4.00 per share in year one and \$4.25 per share in year two. The funds realized by Silbak will enable Silbak to maintain its 50% working interest in its mineral properties near Stewart, B.C.

The 1,049,209 Class A shares to be acquired from the controlling shareholders of Silbak will be purchased at a price of \$5.00 per share and will be paid for in cash within five business days of receipt of shareholder and regulatory authority approval.

Upon conclusion of the change of control and private placement, the board of directors of Silbak will be restructured with three nominees being appointed by Block Group and four nominees being appointed by Pioneer.

The transaction is subject to the approval of the shareholders of Silbak, the approvals of regulatory authorities for both companies and to the offer to purchase Class A shares being exempt from the take-over bid requirements of all securities legislation.

Effective Wednesday 22 July 87, Silbak will change its corporate name to Silbak Premier Mines Ltd.

Drilling to date on Silbak's 50% owned Silbak Premier properties near Stewart, B.C., has outlined geologic probable and possible reserves of 6,380,157 tons containing gold equivalent of 0.108 ounce per ton. (See GCNL 129(87)p.1 for detail review of recent property results).

At 31 Jan 87, British Silbak had 2,031,107 class A shares issued and 6,876,123 class B shares issued. Pioneer could buy 9,000,000 class B shares plus 1,031,107 A for a total of 10,031,107 of Class A & B or 56% of the then total issued 17,907,230 combined A and B shares. The total cost to Pioneer would be \$30,121,045.

Silbak has a further 592,000 class B shares reserved for directors and employee options which, if exercised, would bring the issued shares to 18,499,230 combined A & B of which Pioneer could own 54.2%.

**KAMAD SILVER CO. LTD. (KDS-V)**

**DRILL CONTRACT LET FOR - Kamad Silver Co. Ltd. has WINDPASS GOLD PROPERTY** reported that, on the Windpass Gold property, 15 miles east of Little Fort, 50 miles NNE of Kamloops, B.C., Kerr Addison Mines Ltd., has completed 41 kms. of grid line; the southern part of the property has been geologically mapped on a scale of 1:5000; an excavator dug 2.2 kms. of 2 metre wide trenches which are being hand cleaned, sampled and mapped over the southern portion of the grid and the immediate periphery of the claims prospected for signs of new showings or favourable geology. Based on favourable results from this program Kerr Addison have awarded a 2,000 metre drill contract to commence on 25 July 87.

**MULTINATIONAL RESOURCES INC. (MUT-V)**

**FIRST 1987 DRILL HOLE ASSAYS - Multinational Resources Inc.** has completed the Phase I drilling program on its Toodoggone River area property, 200 miles north of Smithers, B.C. Sixteen holes aggregating 5,036 feet were drilled to test the B Zone along strike to the northeast and southwest. The most significant intercepts are tabulated below:

DRILL HOLE	CORE LENGTH (FT.)	OZ. GOLD/T	OZ. SILVER/TON
M87-8	13.5	0.215	0.47
M87-9	14.5	1.342	2.26
M87-12	12	0.362	0.30
M87-16	14	0.341	3.39

The recently completed program indicates that the plunge of the high grade B Zone ore shoot steepens at depth. The Phase II drill program, consisting of approximately 6,000 feet scheduled to start in one week, will further test the B Zone mineralization at depth as well as along strike to the northeast.

DRILL PROGRAM UNDERWAY - Gulf International Minerals Ltd. has reported the program on its 100%-owned McLymont claims 100 km north of Stewart, B.C., is progressing on schedule. (See property location map GCML128) Recent trenching has exposed two additional high grade quartz veins. Seven samples returned an average grade of .857 oz/ton gold over an average width of 12 inches and over a strike length of 230 feet. This vein is coincident with a geophysical conductive zone which has an 850 foot strike length.

Five samples from another vein averaged .594 oz/ton gold over an average width of 14 inches and a strike length of 200 feet. Drilling is now in progress.

**EQUINOX RESOURCES LTD. (EQX-V)**

**BUCKHORN MINE RESERVES EXTENDED** - Gold production from the Buckhorn Mine owned by Equinox 23.56%, Cominco 76.34% for June was 2790 ounces, year to date 16,566 ounces. Since November, 1986, Equinox has received more than US\$1,069,000 in net revenue from mine production as against the acquisition cost on 30Sept86 of US\$1,680,000.

The 1987 drilling program has located a new orebody containing 300,000 tons, proven, of mineable oxide ore grading 0.067 ounce gold per ton. Areas around several ore-grade drill hole intercepts and geophysical anomalies are being further drilled to test other new zones on the property.

Equinox has granted an option to earn a 24% working interest in the Axegold property located 50 km north of Takla Landing, north central B.C., to Technigen Corporation. Technigen may exercise the option by funding 1987 work expenditures totalling approximately \$282,000 on an exploration drilling, geophysical surveying and geological mapping program under the operation of Imperial Metals Corporation. Upon completion of this program, Technigen will hold a vested 24% working interest, Equinox Resources Ltd. will hold a 25% working interest and Imperial Metals Corporation will hold a 51% working interest.

The Axegold property was discovered in 1983 by stream silt reconnaissance which outlined anomalous gold values. In 1985 a number of small geochemical grids were established which confirmed the presence of significant multi-element anomalies. During 1986, a detailed soil geochemical program confirmed and further defined the presence of strong multi-element anomalies in soil with gold values up to 9050 parts per billion. Gold values up to 0.368 ounce per ton occur in quartz-fluorite veinlets which carry visible stibnite-galena-chalcocite-chalcopryrite-sphalerite mineralization.

Exploration has resumed on the 100% owned Cay Gallium-Germanium property, northern B.C. An I.P. survey is being carried out and a drill camp established for an August drilling program. The B.C. government has provided a \$50,000 FAME grant to Equinox to assist in funding this \$300,000 program.

In 1986, rock sampling along a 15 km strike length of stratabound zinc mineralization in carbonate rocks produced average grades of 0.034% gallium and 0.251% germanium. These appear to be the highest gallium-germanium grades on record from sampling of more than 300 world primary zinc occurrences. Work in 1987 will test the subsurface extent of surface mineralization through a major drilling and surface exploration program.

OLD GOLD ORE DUMPS ON ALPINE MINE - Cove Energy has TO BE PROCESSED AS EXPLORATION PROCEEDS reported

representative samples from two ore dumps on the formerly producing and recently optioned Alpine mine, located 18 miles northeast of Nelson, B.C., returned 0.712 and 0.733 oz.gold/t. Silver, lead, zinc assays are not yet reported. The two dumps are estimated to contain 20,000 tons of material mined in the 1940's. The 2,000 pounds of samples were taken in a total of 48 locations, 24 from each of the dumps and were collected at 15 foot intervals to a depth of 2 feet. A lesser quantity mill dump, with 27 similarly selected separate samples, assayed 0.238 oz.gold/t. The 17 separate samples collected from two tailings areas returned values of 0.041 and 0.055 oz.gold per ton.

Cove has called tenders for rehabilitation of 7 miles of mine road. It is planned to process in excess of 20,000 tons of ore from the dumps. Tests underway are designed to confirm possible recovery of approximately 65% of the gold by gravity.

Dr.Giles Peatfield, consulting geologist, has recommended a \$2,000,000 exploration program in three phases including road rehabilitation, mapping, sampling of underground and surface vein exposures, surface and underground drilling, metallurgy, environmental studies, drifting and crosscutting as well as test mining and bulk sampling. In excess of \$1,000,000 is directed to expand ore reserves by underground and surface drilling, drifting and raising. He noted that there may be more than one vein arranged in a shingle pattern. Where seen the vein is clean quartz with a low sulphide content, which might well make a good smelter flux. This possibility should be explored.

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**ALGO RESOURCES LIMITED (AGO-V)**

**EARLY START PLANNED** - Algo Resources Ltd. will start AT ADAMS LAKE about 7Aug87 a 4000 foot phase II, diamond drill program on its Adams Lake gold and silver prospect 35 miles northeast of Kamloops, B.C., in August. Drilling will test an arsenical zone in a quartz feldspar porphyry rhyolitic flow discovered during surface exploration.

E.C. Hemingson, president, said the company has completed preliminary field geology and 1,600 soil samples and channel sampling of the arsenical zone. Assays are awaited. White Geophysical Inc. is conducting an IP survey, to define earlier EM targets outlined by geochemical and geological areas of interest. Algo has received the \$162,500 from the private placement of 250,000 units at 65¢ announced earlier. The warrants are for 250,000 shares at 75¢ for six months. A statement of material facts for a major financing will be submitted immediately. Vincent E. Hemingson has been appointed a director.

**BEMA INTERNATIONAL RESOURCES INC. (BMI-V)**

**BETTER GRADE GOLD VALUE ENCOUNTERED UNDERGROUND**

A seven man crew has advanced the 187-meter elevation Abo crosscut and drift approximately 155 meters from the portal on the Harrison Lake Gold property. The workings are on the southeast side of Harrison Lake, 4 km from the Harrison Hot Springs resort, and 100 km east of Vancouver, B.C.

At 90.5 meters from the portal, the level entered the gold bearing quartz vein stockwork in the Jenner stock quartz diorite breccia zone. The level has been drifted in the breccia for approximately 65 meters. A north drift and a south drift have each been driven 20 meters in the breccia zone and two raises, No.39 and No.46, have been blasted up one round. After services are installed, the raises will continue up into the quartz diorite around two diamond drill holes. Each 8 foot drift round face is hand chip channel sampled vertically, horizontally and on both diagonals. Each bucket of muck is hand sampled. Muck from each drift and crosscut is stockpiled separately on the property. Muck from the raises will be trucked 8 miles to a test concentrating plant now being readied for tune-up at a temporary site near Agassiz, B.C. The plant is designed to crush and grind to 150 mesh at a rate of 2 tons per hour, 30-35 tons per day. Gold recovery is to be by gravity, jig and table, followed by 3 stages of flotation. All gold occurs as free flakes, up to 2 millimeters diameter. This has resulted in erratic distribution of gold values. Initial metallurgical test work gave 97.7% gold recovery by using a coarse grind with gravity concentration to scavenge coarse free gold, followed by bulk re-grinding and bulk flotation. Between 65% and 70% of the gold is recovered by gravity. The plant is on the site and is being modified to process about 1,000 tons of bulk sample. It is expected to be ready to start tune-up in a week or two. Some 200 tons of low grade have been stockpiled at the site for tune-up purposes.

Bema International holds options to earn a 35% interest in the property by spending \$750,000 in 1987, and a further \$250,000 in 1988. If Bema spends the full \$1,000,000 on exploration, the property interests will be Bema 35% working interest, Kerr Addison, project operator, 25% working interest and **ABO RESOURCES CORP. (ABU-V)** 40% working interest. Abo Resources' property interest is carried through expenditure of \$1,750,000 on exploration, then becomes a working interest.

Bema International has provided \$509,529 from recent financing for the current program. (SEE DETAIL OF FINANCING IN GCNL NO.131, July 9,1987).

**TUNGCO RESOURCES CORPORATION (TNG-V)**

**INTERESTING GOLD VALUES REPORTED - Tungco Resources FROM SKYLINE AREA PROPERTY Corp. president,**

Kevin C. Whelan, has reported assays from 9 of 31 samples from the Waratah project, Iskut River, B.C., ranged between 0.314 oz/ton gold and 2.03 oz/ton gold. Five of the samples were from the Golden Arrow area. (SEE MAP OVERLEAF).

Significant results to date include: the location of several other gold bearing structures in the Bluff showing; additional sampling and extension of the River showing, some 800 metres east of the Main area; the location of the Golden Arrow structure 3 km to the east where visible gold is present and values range between 0.806 oz/ton gold and 2.03 oz/ton gold over 20 cm; identification of a larger structure several metres wide 1 km west of the main area. Assays are awaited; the Bluff showing has been extended to 50 metres long where assays of 1.7 oz/ton gold over 0.6 metres have been reported. In addition, to the south, mineralization over one metre returned 0.703 oz/ton gold. Should this be an extension of the Bluff showing, some 200 metres of length would be indicated. Trenching is proceeding; values in excess of 1.2 oz/ton gold over narrow widths from a north trending vein 80 metres west of the Bluff showing; - values up to 3.7 oz/ton gold from an undefined north trending zone north and west of the Bluff showing; - a rock sample of 1.3 oz/ton gold from an area 300 metres east of the Bluff showing.

A drilling contract has been let for 3,500 feet of diamond drilling to proceed on 1Aug87.

**ANGLE RESOURCES LTD. (AGU-V)**

**SILVER CLOUD MINES LTD. (SIV-V)**

**AMALGAMATION PLANNED - Angle Resources Ltd. secretary**

Leo E. Nowek and Silver Cloud Mines Ltd. president, Eric M. Ascroft report that, subject to regulatory and shareholder approvals, it is planned to amalgamate the companies on the basis of 1 share of Angle for 1 share of the amalgamated company and 3 shares of Silver Cloud for 1 share for the amalgamated company.

Directors would be James W. MacNeil, Thomas S. Hughes, Glen D. MacNeil, Paul A. Quinn and Messrs Nowek and Ascroft. Both Angle and Silver Cloud have interests in the Yellow property near Port Alberni on Vancouver Island, where this past year's exploration resulted in a major gold discovery. The amalgamated company will hold 75.5% interest in the Yellow property; Reward Resources Ltd. will hold the remaining 24.5% interest.

The Yellow claim is surrounded on all sides by the Debbie project, a joint venture between Westmin Resources Limited with 50% interest, Nexus Resources Corporation 25% and Angle Resources Ltd. 25%. Messrs Nowek and Ascroft comment, "As a result of this amalgamation, it is expected that the Yellow claim could become an integral part of development in this area."

It is planned that the new company would adopt the name, Angle Resources Ltd.

**MINISTRY OF ENERGY / MINES AND PETROLEUM RESOURCES**  
GEOLOGICAL PUBLICATIONS RELEASED - The B.C. Ministry of  
Energy, Mines and  
Petroleum Resources announces the release of three  
publications:

Preliminary Map 63 entitled Geological Setting of  
the South Half of the Elk Valley Coal Field in S.E. B.C. by  
D.A. Grieva and R.A. Price at a price of \$3 per copy;  
this 1:50,000-scale compilation depicts the geology of  
the Lewis thrust sheet within NTS 82G/15 and 82J/2.

Open File 1987-14 entitled Geochemistry West of  
Chilko Lake (92N/1,8) by G.P. McLaren at a price of \$20  
per copy; this presents analytical results of a stream  
sediment survey over some 600 km<sup>2</sup> at an average sample  
density of one sample per 3 km<sup>2</sup> plus analyses of 144  
rock samples taken during prospecting of alteration or  
mineralization zones in the form of a litho-geochemical  
sample location map, a stream sediment sample location  
map and 15 sediment geochemical data maps on a scale of  
1:50,000 plus a complete tabulation of analytical re-  
sults; the survey complements Open File 1987-12 released  
in January 1987 displaying the geology of the area;

Open File 1987-19 entitled Tertiary Stratigraphy  
and Industrial Minerals in Princeton and Tulameen Basins  
(92H/2, 7, 8, 9, 10) by P.B. Read at a price of \$3 per  
copy; this comprises three 1:25,000-scale geological  
maps detailing the Tertiary stratigraphy, lithology and  
industrial mineral occurrences in the Princeton and  
Tulameen basins, compiled on a single sheet plus, in  
note form, detailed descriptions of zeolite and  
bentonite occurrences of potential economic significance.

Publications can be obtained from Publications Dis-  
tribution, Finance and Administration Division, Ministry  
of Energy, Mines and Petroleum Resources, Parliament  
Buildings, Victoria, B.C. V8V 1X4; telephone:  
(604)387-3188, or over the counter at the Geological  
Survey and Mineral Titles Office, Mineral Resources  
Division, Ministry of Energy, Mines and Petroleum  
Resources, Room 159, 800 Hornby St., Vancouver. Cheques  
should be made payable to the Minister of Finance.

Tom Bruland, project geologist for Kerr Addison  
Mines property operators, stated, during a property tour  
on July 17 that the assays to date are considered  
encouraging and, while some are higher than the average  
grade calculated from the diamond drill holes, there is  
far too little work done to form any underground grade  
conclusions. Drill indicated grade is between 0.1 and  
0.077 oz. gold/t, varying with the calculation assump-  
tions, on from 1,000,000 to 2,000,000 tons. The Jenner  
quartz diorite zone has been confirmed by drilling to a  
depth of 250 meters, but these tonnages assume only a 100  
meter depth. He stated that detailed results will be  
reported when a meaningful number of assays have been  
received, evaluated and processed through the appropriate  
corporate channels.

The future of the project is very much subject to  
the success of the current underground bulk sampling and  
exploratory drilling program. Present thinking is, if  
the work is successful, a mid-1988 feasibility study and  
production decision that could lead to a 1,500 to 2,000  
ton per day plant using the low cost block caving mining  
method and then a first gold pour in mid-1989.

The Jenner stock is sub-vertical, dipping 80 degrees  
to the east, elliptical, 120 meters north-south by 75  
meters east-west, and tested by drilling to 250 meters  
below surface. Within the zone there are at least 7 sets  
of quartz vein stockworks. The quartz veins vary in  
thickness from less than 0.02 inches to about 4 inches  
wide carrying pyrite, pyrrhotite and free gold. Drilling  
indicated between 1 and 15 quartz veins per meter with  
the average indicated at between 3 and 4 veins per meter.  
It is suggested that the gold grade varies with the num-  
ber of veins per meter. Current work will include a de-  
tailed statistical analysis to establish a relationship  
useful in mining operations. The Jenner is open to sub-  
stantial extension to depth and may be widening down dip.

The best intersection in the 1984 drilling was in  
hole No. 84-28 which cut 0.11 oz. gold/t across 210 feet.

The Jenner is one of the 8 quartz diorite breccia  
zones located on the property by geological mapping.  
Several of the other breccia zones have been tested by  
preliminary drilling and found to be gold bearing. One  
of the holes cut a 1-meter section assaying 4.5 oz. gold  
per ton. The mapping indicates that many of the other  
quartz diorite stocks have a much larger surface  
expression than the Jenner with the attendant very large  
tonnage implications. Testing of these other zones will  
progress as the program continues.