

VELVET EXPLORATION CO. LTD. (VLV-V)

**FOUR POSSIBLE ACQUISITIONS REVIEWED** - Velvet Explorations Co. Ltd. is negotiating the purchase of a 50% interest in two patented mineral claims located near Menden, Arizona. Previous records and assays of a shipment of about 2000 tons were 0.78 oz.gold/t, 0.23 oz.silver/t and 9.6% copper.

Negotiations regarding a joint venture hotel project in the Peoples Republic of China are continuing. A contract is expected in 120 days.

Velvet is still attempting to procure additional claims adjacent to their property near Rosland, B.C.

Several Mexican mines are at present being investigated. The San Ignacio property in Sonora, Mexico, is under consideration for possible reopening.

GRANDUC MINES, LIMITED (GDC-V,T)

**PARTICIPATION WILL CONTINUE IN -** Directors of Granduc SULPHURETS GOLD EXPLORATION Mines, Limited, having considered the results available to them of Phase I of the 1987 exploration program on the Sulphurets property 30 miles north of Stewart, B.C., have decided that Granduc will participate in Phase II.

Phase II will consist of further surface and underground drilling, drifting and bulk sampling. Exploration is being conducted by a joint venture of Granduc as to 40%, LACANA MINING CORP. (LCA-T) 30% and NEWHAWK GOLD MINES LTD. (NHG-V) 30%. Newhawk is the operator. The total amount budgeted for Phase II is about \$3,561,000, of which Granduc's share is \$1,440,000.

For summary of results so far received of the Phase I work, see Newhawk story in GCNL 119(87)p.1.

INTERNATIONAL RHODES RESOURCES LTD. (IRH-V) rec'd.VSE

approval for a 1Apr87 letter agreement between International Rhodes & Noranda Exploration Co. Ltd. & Brenda Mines Ltd. whereby International Rhodes acquired an option to earn up to 38.5% interest in 4 claims in Cariboo M.D., B.C. International Rhodes may acquire a 7.7% interest by spending \$276,000 thru 31Dec87, a further 11.55% interest by spending an additional \$416,000 thru 31Dec88 & a further 19.25% interest by spending an additional \$693,000 thru 31Dec89. A joint venture will be formed once International Rhodes has met its obligations to earn an interest in the property.

MICHAEL RESOURCES LTD. (MR-V) rec'd.VSE approval for the following: A total of 91,000 escrow shs. have been transferred by Burn-Abby Developments Ltd., Fort Investments Ltd. & Licon Management & Investments Ltd. to Thomas Newcomb, Robert Metcalfe & Marvin Phillips.

By 14Apr87 amended agreement, Michael Resources obtained an option to buy the Opal 1 & 2 claims in Kamloops M.D., B.C., from Larry McGregor & Bob, Cusson for \$95,000 & 200,000 shs. in 4 blocks of 50,000 shs. each. The vendors also retained a 4% net smelter royalty.

By 14Apr87 amended agreement, Michael Resources obtained an option to buy the Opal 3 & 4 claims in Kamloops M.D., B.C., from Thomas Kingsbury for \$35,000 & 200,000 shs. in 4 blocks of 50,000 shs. each. The vendor also retained a 4% net smelter royalty.

By amended 11Apr87 agreement, Michael Resources acquired an option to buy a 45% interest in Placer Lease No.15454 in Cariboo M.D., B.C., from Mr. McGregor for \$10,000 & 100,000 shs. in 2 stages.