

ESPERANZA EXPLORATIONS LTD. (EEP-V)

DRILLING HAS EXTENDED- Seven exploration diamond drill **EAST RIDGE GOLD ZONE** holes have intersected an extension to depth of the East Ridge gold zone at Esperanza Exploration's Tillicum Mountain project near Burton, B.C.

Assays from the first hole drilled this season, DDH88-134 returned 0.64 oz.gold/t over a true width of 14.5 feet. Assays are pending from the next six holes and drilling is continuing.

Previous drilling, trenching and an underground cross-cut at East Ridge had outlined gold mineralization over a strike length of 2000 feet and to a depth of 250 feet. The current drilling has extended the mineralization to a depth of 400 feet within the central part of the deposit which still remains open in all directions.

A significant increase to presently inferred reserves at East Ridge is indicated. Accordingly, \$1,000,000 has now been budgeted for an accelerated program of diamond drilling and underground exploration. The underground program will start in about 4 weeks time.

The construction of a 100 per ton day mill has been postponed until the additional reserve potential at East Ridge has been assessed. Underground development of the nearby Heino-Money deposit is continuing. Drilling will be underway on the Strebe Gold zone within the next few weeks.

PARAGON RESOURCES LTD. (PAR-V)

<u>SIX MONTHS</u>	<u>1988</u>	<u>1987</u>	<u>Wm.E.Whittall</u>
Production-BBLS Oil	2,510	2,342	president has
Natural Gas NCF	6,711	11,188	reported
Loss*	\$58,600	\$91,609	Paragon Res.
*After Depreciation	24,000	31,609	Ltd. in the

first six months, carried out a program of soil sampling and geophysics on the Cariboo, B.C. gold project, and some additional claims were staked. Results of the program indicate that further work should be done, including trenching and, if advisable, diamond drilling. Management expects that, subject to financing, this work will be done later in the year.

COMINCO LTD. (CLT-V,T,M)

ZINC PLANT SHUT DOWN - Cominco Ltd. has reported one of the zinc roasters at Trail, B.C. has suffered a mechanical failure which will take it out of service for approximately one week. About 2,000 tons of zinc production will be lost from the incident. This is in addition to a scheduled July maintenance shutdown at the zinc plant which must still proceed as planned. The maintenance shutdown for roasters and stack repairs in July will result in a further production loss of 7,000 - 8,000 tons.

EUREKA RESOURCES INC. (EUK-V)

HUNTINGTON AREA- Eureka Resources Inc. plans a \$20,000 **PROGRAM PLANNED** preliminary geochem and trenching program on its 1800 acre claim block located 2.5 miles south east of the Huntington project near Vernon, B.C.

Soil sample values up to 385 parts per billion were recorded from the project, previously identified as the "Miller Number 1 Claim". Eureka has the right to earn a 100% interest in the project. (SEE PROPERTY LOCATION MAP GCNL NO.119 21JUN88).

PROSPECTORS AIRWAYS CO. LTD. (PRS-V)

LOW GOLD ASSAYS REPORTED- E.O.(Ted) Chisholm, president, Prospectors Airways Co. Ltd. has reported results from 5200 feet of diamond drilling on the Point Granby gold property on the Granby Peninsula at Anzac, B.C., about 145 km. northwest of Prince Rupert. Assays ranged to a high of 0.08 oz.gold/t and 5.84 oz.silver/t over 8.5 feet in the core. Twenty-eight holes were drilled on two former producers, The Granby Point Quartz Mine and Reserve Quartz Mine and which together produced 165,000 tons grading 0.1 oz.gold/t and 3.0 oz.silver/t from 1914 to 1935.

All but one of the 28 holes intersected vein with widths ranging between 5 ft. and 30 ft. The mineralization is prone to the nugget effect indicating higher values may be obtained from bulk sampling.

Numerous channel and grab samples were taken with the highest value being 6.6 oz.gold/t and 56 oz.silver/t across a 3-foot width.

The company currently has a 40-man crew in camp with two diamond drills working, and a research team from the Mineral Exploration Research Institute from Montreal assisting in the mapping and geological investigation of the property.

Further results are expected by mid-July 1988.