

REDFERN RESOURCES LTD. (RFR-V)

UNDERGROUND PROGRAM BEING CONSIDERED AT TULSEQUAH CHIEF

J. Michael Kenyon, a director of Redfern Resources, reports that following the successful Fall 1987 exploration program on the Tulsequah Chief deposit 100 kms south of Atlin, B.C., an underground and surface program estimated at more than \$1,500,000 is being considered. The underground program, estimated to cost about \$1,200,000, would include rehabilitation and about 2,000 feet of drifting on the 5400 level (some 400 feet above sea level). This level is ideally situated to provide drill stations for following the continuation of existing massive sulphide bodies and for exploring the new, high grade area discovered last fall (See GCNL6 p.1 11Jan88 for review of 1987 program).

The surface exploration program, costing about \$300,000, would include drilling to extend the ore horizon to the southwest and to test the new massive sulphide system outlined in the 1987 mapping.

Redfern can earn up to 40% interest from the operator, Cominco Ltd., by spending \$3,000,000 on the property, of which \$1,350,000 has been spent to date.

DRAGON RESOURCES LTD. (DGN-V)

GREENSTONE RESOURCES LTD. (GRE-V,T)

COMSTOCK-SILVER CUP MINE BEGINS LIMITED PRODUCTION

Bob McGowan, president of Dragoon Resources, reports that production of silver-lead-zinc concentrates has begun at the Comstock-Silver Cup mine, Slocan district in SE B.C., owned by a 50-50 joint venture of Dragoon and Greenstone. "We are currently developing additional reserves from underground to enable increased production. We also need to tune up (Ainsworth) mill, which has been idle for several years, and scale up the mining operations and ore haulage facilities," Mr. McGowan says. Full production of 150 tons per day will start once these tasks are completed. The joint venture has acquired ore from a nearby property for processing in the short term, as the mill is expected to be ready before the mine.

SEA GOLD OIL CORP. (CDE-V)

DRIFTING RETURNS FAVORABLE - Recent sampling in the RESULTS FROM SE BC PROPERTY newly opened portion of the upper level drift of the Midway Mine property 32km SW of Cranbrook, B.C., has indicated the presence of an ore grade zone with economically attractive gold values. In reporting this, director Charles S. Underhill says Sea Gold Oil Corp. completed a development drift on the upper level of this gold property in January and February. Channel samples cut across the entire width of the vein for a 240-foot strike length in the drift from 810 ft. to 1050 ft. in from the portal returned an average grade of 0.21 oz. gold/ton and 1.46 oz. silver/t for an average vein width of 2.6 feet. In this same area, a 110-foot interval from 971 feet to 1081 feet in from the portal averaged 0.38 oz. gold/t and 0.94 oz. silver/t for an average vein width of 1.2 feet.

Mr. Underhill says consultants recommend further rehabilitation work aimed at establishing ore reserves.

Robin T. Forshaw has been appointed as a director, effective 29Mar88. Sea Gold has granted a director's incentive option to buy 180,000 shares at 37¢ each, good through 28Mar90, subject to regulatory approval.