

**LINK RESOURCES INC. (LR-V)**

**OPTION GRANTED TO CORONA** - John Ivany, president reports that Link Resources Inc. is now planning for the 1989 field season on its land package of 74 claims in five separate blocks covering about 82,000 acres in the Iskut River area north of Stewart, B.C. Link has granted **CORONA CORPORATION** an option to earn a 50% interest by making cash payments totalling \$700,000 and by spending \$2,500,000 on the properties over 4 years. The 1989 field season is expected to start in June with summer production.

**GUNSTEEL RESOURCES INC. (GUN-V)  
NU-DAWN RESOURCES INC. (NDN-V)**

**MILL JOINT VENTURE PROPOSED** - Gunsteel Resources Inc. 50% and Nugget Mines Ltd. 50% have signed a letter of intent to jointly acquire a 60% interest from Nu-Dawn Resources Inc. in the NB mine and mill and related assets, located 4 miles south of Salmo, B.C. and about 3 miles from the Nugget property. It is a 1200 tons per day flotation mill with a 100 to 150 tons per day gold cyanide circuit attached.

Within 30 days of signing the formal document, Gunsteel/Nugget is making payments to Nu-Dawn totalling \$200,000 plus \$200,000 worth of stock at market prices to a maximum of 45¢ per share. A further \$400,000 is payable out of proceeds from milling. Gunsteel/Nugget will be the operator and profits from the milling operation will be shared 60% by Gunsteel/Nugget, 40% Nu-Dawn.

The mill was owned and operated by Cominco until 1978 to process lead-zinc ore from the adjacent NB mine.

The gold section of the mill will be used to process ore from the Nugget property at Sheep Creek, owned 50/50 by Gunsteel and Nugget MINES, whose ESTAB reserves are about 223,000 tons grading 0.33 oz. gold/ton. At least 20 veins on the property warrant further exploration and could increase reserves. Some gold ore may also be available from the Yair mine owned by Nu-Dawn.

The lead-zinc flotation section of the mill will be used to process some existing ore remaining in the nearby Canex and NB mines, along with custom ore from other properties in the area. Gunsteel/Nugget has a letter of intent from Placer Dome Inc. to acquire the Canex mine and is giving Nu-Dawn the right to participate on the same 60/40 basis as with the NB mine and mill. Past production from the NB mine was 7,300,000 tons of lead-zinc ore, and production from the Canex mine was 8,000,000 tons of lead-zinc ore and 1,600,000 tons of tungsten ore.

**FOOTWALL EXPLORATIONS LTD. (FTW-V)**

**MINERAL AND SUBDIVISION** - John Carson, president reported **PROPERTIES ACQUIRED** that Footwall Explorations Ltd. has acquired a mineral property and a parcel of subdividable real estate in B.C. The mineral property consists of 4 claims in the Greenwood mining division and was acquired for 100,000 shares and payments totalling \$150,000 by the year 2005.

Footwall acquired about 23 acres in the Eagle Nest subdivision on Columbia Lake near Cranbrook, B.C. for 100,000 shares and the vendors will hold a mortgage of \$35,000, payable over 1 year. If Footwall's shares trade over \$1 the company has the option to issue 35,000 shares in settlement of the mortgage. The company plans to subdivide the property for residential development.

**PERIMETER VENTURES LIMITED (PVJ-V)**

**LAC ST. JEAN CLAIMS PURCHASED** - Milan Mlava, director reported that Perimeter Ventures Limited has agreed in principle to acquire a 100% interest in 15 mining claims in Lac Bellemare township, about 130 km northwest of Chicoutimi, Quebec and about 4.5 miles northeast of the copper-cobalt-nickel discovery of St. Philips Resources and McNickel Inc. The interest can be acquired for \$12,500 cash, 100,000 shares and a 2% net smelter return. The property is adjacent to claim group already acquired and enlarges Perimeter's

land ownership in the region to 29 claims, 1,160 acres. Perimeter is pursuing funding for exploration and plans a preliminary surface exploration program when weather conditions permit.

**FOR THE RECORD**

**A & A FOODS LTD. (AA-V)** reported gross sales for the first quarter of 1989 of \$2,495,776, an increase of 31% over the gross sales for the first quarter of 1988.

**COVE ENERGY CORPORATION (COV-V)** has agreed to issue 159,751 shares at \$1.00 to settle debts of \$159,791 with Granges Exploration Ltd. The Cove shares closed at 55¢ on April 4, 1989. All subject to regulatory approval.

**FIRST MANHATTAN RESOURCES CORP.** common shs. were conditionally listed on 7Apr89 on VSE. The shs. will be called for trading when Exchange has evidence of satisfactory distribution of following offering. By 4Apr89 prospectus registered 7Apr89 with B.C. Sup't. of Brokers, First Manhattan are offering 630,000 shs. at 37¢ per sh. on VSE thru Georgia Pacific Securities Corp. as agent by 4Jul89.

**GREAT NORTHWEST RESOURCES CORP.** common shs. were conditionally listed on 7Apr89 on VSE. The shs. will be called for trading on VSE when the Exchange has evidence of satisfactory distribution of following offering. By 31Mar 89 prospectus registered 7Apr89 with B.C. Sup't. of Brokers, Great Northwest are offering 700,000 shs. at 35¢ per sh. on VSE thru Wolverton Securities Ltd. as agent by 4Jul89. For the agent guaranteeing the offering, Wolverton will be issued non-transferable warrants exercisable to buy 175,000 shs. at 35¢ per share in first year & at 40.25¢ per share in second year.

**INTERNATIONAL NORTH AMERICAN RESOURCES INC. (INAJ-)** has received acceptance by the Registrar of an order of the Supreme Court of B.C. approving an arrangement with its debentureholders. The arrangement provides, for the debentureholders forgiving all interest payable, accepting 17¢ per \$1 of principal and receiving reimbursement of certain legal fees and costs.

**INTERNATIONAL PETROLEUM CORPORATION (INP-V, AUSTRALIA)** reports that the Diba-1 well in the Batinah Concession, offshore Northern Gulf of Oman is at a current depth of 10,380 feet. Current operations are making round trip for PDC bit and stabilized BHA prior to drilling ahead. Partners in the concession are BNP Petroleum (Oman) Inc. 60%, operator, International Petroleum 32% and Tethys Exploration Limited 8%.

**MELROSE RESOURCES LTD. (MEL-V)** has signed a letter of intent with a prospector group to purchase a 100% interest in 20 claims in Lac Bellemare township in Lac St. Jean area of Quebec for payments totalling \$10,000 and 100,000 shares, subject to a 1.5% net smelter royalty and regulatory approval. The company intends to begin exploration this summer.

**NINEITA RESOURCES LTD. (MIR-V)** is negotiating to acquire a 100% interest in claims 55 km northwest of Montreal, Quebec, containing proven tonnage of high grade graphite. Particulars of the acquisition will be reported.

**ONEIDA RESOURCES INC. (ONJ-V)** is acquiring the Ragged Ridge property in Nye county, 45 miles SW of Ely, Nevada, subject to regulatory approval. The consideration is a \$3,000 US down payment, a 3% net smelter return and 100,000 shares in the company. The property is subject to a joint venture agreement with Billington Minerals U.S.A. Inc., which may earn a 60% participating interest by fulfilling certain unspecified conditions. It is anticipated that surface geological and geochemical assessment work will begin shortly. Appraisal of these results will be used to design a bore hole program with drilling to start this year.

**VALERIE GOLD RESOURCES LTD. (VLG-V)** reports that Erik Madsen has agreed to transfer 627,000 escrowed shares to Gino J. Cicci, subject to regulatory and shareholder approval. The company also reports that Albert Tsumura has resigned as a director and has been replaced by Edward Tsumura.

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Nevada type, where several phases of staking have been completed. The land holding now includes 160 square miles, covering five mercury showings, originally indicated by geophysical surveys, in a structural, geological and mineralogical setting similar to the model established in the Carlin gold belt. Fracture related mercury up to 0.5% Hg, in the block faulted, dolomite limestone Gateway formation occurs on the property and may be the expression of a major gold deposit at depth. The streams on the property, including Gold Creek, contain fine placer gold currently being recovered by small operators. The mercury is in a similar environment to that at the Pinchi Lake mercury mine in central B.C., 100 miles west of Prince George. Significant amounts of gold were reported with this zone. Dragoon has established the relationship between mercury and gold on the Gill property. This is in a previously unrecognized geological environment in Canada. Four short reconnaissance drill holes testing the anomalous target cut up to 86 feet of intense hydrothermally altered anomalous values in mercury, arsenic, antimony and barite plus anomalous gold and silver values lower in the holes. A 1989 exploration program of \$400,000 has started to seek the sources of the gold, by stream sediment, soil and rock geochemical sampling, geophysical surveys and geological mapping.

**CANSTOCK SILVER CUP:** 80 units, ranging from 4,000 feet to 6,500 feet elevation, 6 miles east of Silverton, B.C., 40 miles northwest of Nelson. A 50/50 project with Greenstone Resources Ltd. Work was suspended in December when snow removal costs became too high to justify continued winter operations. Exploration will resume in May 1989 on the M2 area where surface sampling exposed two feet of vein material grading 25% lead, 13% zinc, 35 oz. silver/t. A former producer, first developed in 1897 by Cominco, with development on 9 levels. In the 1950's, leasers shipped about 500 tons grading 56% lead, 98 oz. silver/t. Sampling and trenching by Dragoon outlined an area between the No.3 and No.5 levels over 600 feet of length with heavy sulphides and assays as high as 200 oz. silver per ton. Exploration in early 1988 discovered the Sarah vein which averaged 7% combined lead-zinc, 155 oz. silver/t, 0.03 oz. gold/t over 3.3 feet about 300 feet west of the No.9 haulage level portal. The Vicki vein, about 5 feet wide, was also recently discovered by drilling. Follow-up surface and underground drilling is planned. The veins are located within a large structure up to 300 feet wide with a suggested strike length of 2,000 feet and a vertical

NO.67 (APRIL 7, 1989) • GEORGE CROSS NEWS

and sale of the mill. The action is being defended.

**ARLINGTON MINE:** Salmo, B.C., a formerly producing high grade gold project, held in a 50/50 joint venture between **RIMROCK GOLD CORPORATION** and South Kootena Goldfields Inc. A drill program is underway seeking to add to reserves. Present reserves, broken in the mine are 68,000 tons grading 0.14 oz. gold/t. The historical mine production was 180,000 tons grading 0.75 oz. gold/t. The 1988 production was 2,000 tons from underground the graded 0.16 oz. gold/t. A small open pit produced tonnage and grade at a profit.

**TIGER-POORMAN:** 5 square miles, 25 miles northeast of Kimberley, B.C. is held by South Kootenay Goldfield Inc. under agreements whereby a 100% interest can be earned by making option payments of \$168,000 over several years. The project has a high grade polymetallic potential where 9 adits and one shaft were driven in the early 1900's into a regional vein structure that outcrop over a distance of several miles. The vein width range from several inches to 6 to 7 feet. Recent chip sampling in some of the old adits returned assays of 50% lead, 2 zinc, 36 oz. silver/t, 0.043 oz. gold/t, 3.38% copper over 2 feet. Other assays include 0.47 oz. gold/t. Reserve to support a 50 to 100 ton per day operation are sought.

**SUMMARY OF RECENT FINANCINGS**

Jan.31,1989, Middlefield Resource Fund 1989 Ltd Partnership of Toronto bought 200,000 flow through shares of Dragoon at \$2.25 each for proceeds of \$450,000 and received an option to buy a further 100,000 shares at \$2.50 per share until Jan.30,1991. Yubex Investment Ltd. received a 21,000 share finders fee. This purchase was approved by the regulatory authorities March 30 1989. At Feb.28,1989 there were 7,100,000 shares of Dragoon issued, fully diluted. There is \$6,300,000 funded for the 1989 exploration programs.

Dec.23,1988, Dragoon sold 150,000 shares at 70¢ each with a warrant on 150,000 shares at 80¢ for one year.

Oct.14,1988, Dragoon settled \$70,000 in debts by issue of 100,000 shares at 70¢ each to nine creditors.

July 22,1988, Dragoon sold by private placement to Yubex Investments Ltd. 300,000 shares at 70¢ each with warrant on 300,000 shares at 80¢ to 22 July 89.

April 29,1988, Dragoon sold 272,727 flow-through shares at \$1.10 each for proceeds of \$300,000 to 198 Tap-IV Resources Limited and on May 10,1988 sold further 272,727 flow-through shares at \$1.10 each for proceeds of \$300,000 to 1988 Tap-IV Resources Limited.

LETTER LTD. • FORTY-SECOND YEAR OF PUBLICATION •

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