

ALGONQUIN MERCANTILE CORPORATION (AMF-V)
ALGONQUIN TO SELL BALFOUR INTEREST - Algonquin Mercantile Corporation has agreed to sell its 13.35 interest in Balfour Forest Products Inc. for about \$12,500,000 under Canfor Corporation's offer to buy 100% of Balfour, subject to consent of the Ministry of Forests and normal regulatory approval.

ALBAN EXPLORATIONS LTD. (AMN-V)
GOLDEN PRINCESS MINING CORPORATION (GLP-V)
NEVADA PROPERTY OPTION TERMS CHANGED - Alban Explorations Ltd. will acquire a 100% interest in the Enigrant Canyon project located near Golconda on the Gatchell Trend, Humboldt county, Nevada, by financing future exploration, development and acquisition costs. Golden Princess Mining Corporation will retain a 10% net profit interest from production. The agreement is subject to regulatory approval.

Golden Princess is currently negotiating for the acquisition of additional properties along the Gatchell Trend, and plans an intensive exploration program on the Enigrant Canyon properties, formerly called the Golconda project, to test for disseminated gold deposits. (SEE ALSO GCNL NO.51, 14March89 and NO.28, 9Feb89).

Alban Explorations has received a report from Noranda Exploration Company on the exploration work between Nov.1988 and Feb.1989 on the Hislep property 46 miles east of Timmins, Ontario, in which Alban and Noranda can jointly earn a 60% interest or 30% each.

The work to date consists of detailed mapping, surface sampling, geophysical surveys and two stages of diamond drilling in 22 holes totalling 18,806 feet. Noranda's summarized the work as follows: "Two mineralized zones were identified in the No.2 shaft area of which the lower zone in particular provides the most promise and is open along strike and at depth. Additional drilling is recommended to further define and extend the mineralized zone in the No.2 shaft area and test the ultramafic - mafic contact zone outside the main shearing area". (SEE GCNL No.28, 9Feb89 for assay results).

PASTEL FOOD CORPORATION (PLF-V)
PRIVATE PLACEMENT REPORTED - Douglas B. Reid, secretary reported that Pastel Food Corporation has agreed, subject to regulatory approval, to a private placement of 2,200,000 units at \$1 per unit for total proceeds of \$2,200,000. Each unit carries one-half warrant, one full warrant is exercisable to buy one share at \$1.06 in the first year and \$1.15 in the second year.

PINERIDGE CAPITAL CORP.(PRE-V) is acquiring 1,000,000 shares of the private placement to increase its holdings to 3,350,000 shares of Pastel, with the balance of the shares being placed with European investors. Pastel will use the funds for expansion of its restaurant chains for itself and with potential joint venture partners.

PEGASUS GOLD INC. (PGV-T,AMEX)
FIRST QUARTER PRODUCTION REPORTED - Pegasus Gold Inc. reported first quarter, 1989 production of 52,500 ounces of gold, 375,300 ounces of silver, 7,368,000 pounds of zinc, and 3,580,000 ounces of lead. This compares to 43,200 ounces of gold, 256,000 ounces of silver, 7,800,000 pounds of zinc and 4,350,000 pounds of lead in the first quarter last year.

Comparative first quarter gold production figures for the company's operating mines are as follows:

MINE	1988	1989	CHANGE	NOTE
Zortman/Landusky	9,000	8,300	8.4%	'While gold production at Montana
Florida Canyon	19,200	10,600	81.1	'Tunnels was only 5% below the same per-
Relief Canyon	7,800	8,300	(6.0)	'fod last year, it
Montana Tunnels	15,200	16,000	(5.0)	'was 26% below plan.
Beal Mountain	1,300	--	--	
Total	52,500	43,200	21.5	'The shortfall from

plan was due to 3 distinct factors: 17% lower than expected gold grade; harder grinding ore; and record cold weather. The latter

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2 factors caused a 12% reduction in mill throughput. Ore mined at Montana Tunnels came essentially from two areas peripheral to the central core of the ore body. An infill drilling program has been started to determine the extent of the grade and rock hardness in these two peripheral areas.

Modification of Montana Tunnel's blending, crushing and grinding system is in progress. These changes will reduce or eliminate the adverse throughput effects of the harder ore as it is encountered.

At this time it appears that 1989 gold production from Montana Tunnels will be about 70,000 ounces compared to the 85,000 ounces planned. However, projected total gold production for 1989 will remain at 300,000 ounces due to increased production at the Florida Canyon and Zortman/Landusky mines.

ANTILLES RESOURCES LTD. (ARV-V)
ANTILLES TO EXPLORE - John B. White, president reported TWO FRENCH ISLANDS that Antilles Resources Ltd. and CORONA CORPORATION have reached an agreement to explore the exclusive mineral permit areas of the French Bureau de Recherche Geologique et Miniere on the islands of Guadeloupe and Martinique in the eastern Caribbean. The joint venture has agreed to spend 1,000,000 french francs on each island and has the right to earn up to 80% interest by spending 7,500,000 french francs on any one island. The joint venture will become the operator after it has earned a 50% interest. Corona can earn up to 60% of the joint venture by providing up to \$1,000,000 over 3 years.

Antilles and Corona are exploring for bulk tonnage gold deposits in the Lesser Antilles volcanic island arc in the eastern Caribbean and now has permits for the islands of Montserrat, Nevis, Guadeloupe and Martinique. Permit applications for additional islands are pending. (SEE also GCNL No.28, p.2, 9Feb89).

ANTRONICS ENTERPRISES LTD. (ARI-V)
CONSULTANT RETAINED - Autronics Enterprises Ltd. has formed an association with Kurt Gitter, M.D. for the development of the Autronics MX-0 optical imaging system. Dr. Gitter is an ophthalmologist and retinal surgeon, professor of ophthalmology at Louisiana State University, chief of ophthalmology and director of eye research at Toussaint Infirmary, and co-director of the Foundation for Retinal Research. He will assist in research of the imaging system.

Autronics intends to market to ophthalmologists who use mydriatic fundus cameras. The proposed MX-0 system requires the practitioner to replace the 35mm camera in front of the fundus microscope with a standard video camera. The MX-0 will digitize the video signal, analyze it, enhance it and store the digital image. Applications software will allow the practitioner to perform the fluorescein angiogram procedure as he has in the past, but will provide the images needed to diagnose and treat the patient within the same office visit.

AVONDALE RESOURCES INC. (AVO-V)
ISKUT RIVER PROPERTY OPTIONED - John Ivany, president, reported that Avondale Resources Inc. has signed an agreement to option the Forrest Kerr property in the Iskut River area some 60 miles NW of Stewart, B.C. Subject to regulatory approval, Avondale can earn a 100% interest in the claim by making cash payments totalling \$450,000 and spending \$4,000,000 on exploration, subject to a 3% net smelter royalty.

Geologic evaluation carried out to date has identified a prominent 400 meter by 600 meter alteration zone with intense quartz veining. Eleven occurrences are presently documented in four main areas associated with persistent regional-fault structures. Outcrop samples provide assays up to 0.347 oz.gold/ton. Float samples with visible gold associated with the alteration zone have yielded up to 5.8 oz.gold/t. Prospecting, mapping, geochemical sampling, and geophysical surveys followed by trenching and diamond drilling are planned for 1989.

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