

TOTAL ENERGOLD CORPORATION (TOD-T;TODGF-Nasdaq)

1988 YEAR END REVIEW - Total Energold Corporation is the restructuring of Gatty Resources Limited with Total Erickson Resources Ltd. in September 1988 and the full consolidation of two oil and gas subsidiaries, Ranchmen's Resources Ltd. 53.9% owned since July 1, 1988, and Consolidated Trans-Canada Resources Ltd. 43.1% owned for the full year ending Dec.31, 1988.

Total's 49% share of the drill-indicated geological reserve in the Tundra Gold Venture 130 miles northeast of Yellowknife, N.W.T., estimated at 32,500,000 tons grading 0.20 oz. gold/ton, provides long-term reserves. Shaft sinking at Tundra is approaching the target depth of 1,500 feet. Underground drifting, crosscutting, and diamond drilling will continue through 1989, resulting in a feasibility study in 1990.

Total's interest in the Tundra Gold Venture has a book value of \$10,700,000. Mineralization consists of zones of gold-bearing disseminated arsenopyrite, pyrite and pyrrhotite in a block measuring 4,900 feet in length, 3,800 feet in depth and 590 feet in width. Seventeen individual zones have been identified, ranging from 10 to 60 feet in true width, with a minimum of 0.12 oz. gold/t. The horizons occur as a series of parallel, nearly vertical shear zones roughly conformable to the enclosing stratigraphy. The deposit is open along strike and to depth.

The \$35,000,000 underground exploration program includes a 1,500 foot vertical shaft, a 2,325 foot long drill drift, two crosscuts, 100,000 feet of underground diamond drilling and assaying, and drifting and raising on mineralized horizons for bulk sampling and metallurgical testing. The exploration program is scheduled for completion in December 1989 and will include initial environmental, permitting, and metallurgical tests. A feasibility study should be complete by mid-1990.

Sinking of the shaft started on July 3, 1988. At February 28, 1989, a depth of about 1,390 feet was reached. Ground conditions are considered very good. Completion of the shaft and stations is anticipated by mid-April 1989.

The rest of the 1989 underground exploration program is designed to drill test the Tundra deposit for a vertical distance of 1,150 feet over a strike length of 3,300 feet.

The company suspended milling operations at the Mount Skukum Gold Mine in early August while continuing with exploration, and suspended milling operations at the Erickson Gold Mine three months later after starting a 2.5 km adit to access the high-grade Michelle zone.

At the beginning of 1989, Total had no bank debt, and only \$1,300,000 remains outstanding from a \$14,000,000 convertible debenture that was issued in 1985. The company has \$25,800,000 in cash, as well as an aggregate bank line of credit totalling \$46,000,000. Shareholders' equity was \$133,600,000 or \$4.95 per share.

The 100% owned Erickson Mine at Cassiar, B.C. is a classic mesothermal, volcanic-hosted, multi-vein type underground gold mine, situated within an 80 square mile property package whose exploration potential remains largely untested.

On Nov. 7, 1988, the company suspended production due to limited ore reserves.

In October 1988, work on a 2.5 km exploration adit started. The target of the adit, the Michelle Extension Vein, is an area of drill indicated ore reserves estimated to hold 25,000 tons with a cut grade of one oz. gold/t. The adit and associated drilling are expected to be completed by early 1990.

The 37% owned Mount Skukum Gold Mine reserves were locate in epithermal veins associated with mineralized structures related to a collapsed caldera system.

On August 2, 1988, production was suspended pending evaluation of an underground and surface exploration

program on several targets on the property. The production suspension followed underground development work which was unable to confirm drill-indicated reserve estimates in the Lake Zone.

It is anticipated that exploration over several seasons will be required to develop sufficient reserves to warrant resumption of production.

The Logan property, located 65 miles northwest of Watson Lake, Yukon, has a geological inventory of some 13,500,000 tons grading 6.17% zinc and 0.77 oz. silver/t using a 2.0% zinc cutoff. The company has earned a 50% interest, and is now project operator. A preliminary economic evaluation of this project is underway.

Total Energold plans an exploration budget in 1989 of \$17,700,000 with contributions from the company's partners expected to add \$10,000,000 to joint venture programs. Approximately \$12,300,000 of the company's funds are dedicated to the Tundra Gold Venture and to the Erickson Gold Mine. (SEE GCRL NO. 40, P.2, 27 Feb 89 FOR A REVIEW OF FINANCIAL RESULTS)

FINNING LTD. (FTT-V.T)

THREE MONTHS ENDED MARCH 31	1988	1989
Revenue	\$182,987,000	\$160,630,000
Net Income	\$8,900,000	\$8,881,000
Per Share	62¢	61¢

FIRST QUARTER REPORT - Revenue from North American operations was \$99,773,000 compared to \$94,871,000 while net income was \$5,648,000 as against \$5,635,000. Finning's UK operation contributed revenue of \$83,214,000 compared to \$74,757,000, an 11.3% increase over the same quarter in 1988. Net income was \$3,253,000 as against \$3,056,000.

CHENI GOLD MINES INC. (CZO-V.T.M)

AGREEMENT IN PRINCIPLE - An agreement in principle was reached between Cheni Gold Mines Inc. and the International Union of Operating Engineers, Local 115 and the Tunnel and Rock Workers' Union, Local 168, a joint certification representing the employees of the company at its gold-silver mine on the Langers property in the Teedoggonne area, B.C. The agreement must still be ratified by the employees by secret ballot vote to be held by May 3, 1989. The employees who have exercised their lawful right to strike on April 5, 1988 will return to work on April 19, 1989.

CANADIAN UNITED MINERALS INC. (CUM-V)

GUNNER GOLD MINING CORP. (OGO-ALBERTA; GUNFR-Nasdaq)
FIREWEED ASSAYS REPORTED - Michael Callahan, president of Canadian-United Minerals Inc. reported further assay results from the Fireweed project near Smithers, B.C. SEE ASSAY TABLE OVERLEAF P.2. The Fireweed property is 100% owned by Canadian-United subject to a 2% net smelter return. Gunner Gold Mining can earn a 50% interest in the property, convertible to Canadian-United shares, upon expenditure of \$5,000,000. Gunner is funding the current exploration work.

Three holes were completed on the 1600 zone located 450 meters west of the main West zone mineral reserves. The 1600 zone has been tested over a 50 m portion of the 600 m strike length. A number of parallel polymetallic massive sulphide horizons, up to 2 meters wide, appear to be continuous from hole to hole.

On the East zone, three step-out holes have extended the massive sulphide bearing breccia zone 200 m to the west, for an overall strike distance of some 500 m. A total of 1,400 m in 8 holes were completed in the East zone before the area was abandoned due to spring break-up. Assays for the remaining holes are expected in the near future.

Drilling is currently being focussed on the West zone to extend and detail the previously released mineral inventory in this area (SEE GCRL No.66, p.1, 6Apr89).