

GCNL NO. 86

May 4/89

SUMAC VENTURES INC. (SS-V)

LONGREACH RESOURCES LTD. (LRR-V)

PLACER DOME SIGNS Sumac Ventures Inc. and Longreach
LETTER OF INTENT Resources Ltd. have signed a letter
of intent to enable Placer Dome Inc.

to explore a group of claims north and west of the Old
Union mine, known as the Franklin group, about 72 km
north of Grand Forks, B.C. Placer Dome proposes to

spend \$925,000 by Dec. 31, 1991 to earn a 70% participat-
ing interest. Sumac will be carried for 24% and Long-
reach for 6% to a production decision. If Placer Dome
provides all production costs, Sumac and Longreach will
retain a combined 15% net profits interest. A number of
crown granted claims and leases have been assembled so
exploration for precious metals can proceed. Assays of
1 oz. gold/ton have been obtained from several old open
cuts.

The Ministry of Environment issued a pollution
abatement order to Sumac Ventures at the Old Union Mine
site on 27Apr89. The order specifies a course of action
for Sumac to deal with a localized leak of cyanide into
ground water in the vicinity of the leach operations.
Sumac is undertaking to resolve the issue and the
Ministry continues to monitor the situation.

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