

1988. Logan now has a geological inventory of 13,600,000 tons grading 6.17% zinc, 0.77 oz. silver/t, within a mineralized area 3,750 feet long by 475 feet wide. 90% of this reserve is available to open pit mining.

On May 15, 1988 TOTAL ENERGOLD CORPORATION (TGD-T) exercised the option to increase its interest in the property to 60% from 50% by paying \$200,000 to Fairfield. Total Energold is required to fund 100% of exploration expenditures until a production decision is made. Total Energold is now operator.

Bench scale metallurgical test work showed zinc concentrates of 50-54% zinc with recoveries in the 93 to 95% range. Silver recovery in zinc concentrate is estimated at 85%. The higher grade core of the deposit contains 8,000,000 tons of 8%; including 5,000,000 tons of 10%; or 2,000,000 tons of 14% zinc.

The potential for expanding mineral reserves both at depth and near surface is considered excellent. A substantial drilling program has been recommended for 1989. Preliminary economic studies indicate that further work is warranted. The joint venture partners are actively seeking expressions of interest from base metal producers with respect to future development.

-At Goz Creek, 110 miles east of Mayo, Yukon, 20,500 feet of diamond drilling has identified in open pittable reserve of 2.75 million tons averaging 11% zinc. The potential to increase this inventory is excellent. No work is planned for 1989.

The Elk property, located midway between Merritt and Peachland in southern B.C. hosts gold bearing vein and alteration zones.

The 1988 program included acquisition of more claims, additional soil sampling, geological mapping and backhoe trenching in two areas of strongly anomalous gold soil geochemistry approximately four kilometers apart.

Gold values are associated with quartz veins and with pyritic alteration.

Backhoe trenching in 1989 will test the strike continuity of mineralized structures exposed by previous wide-spaced trenches and will explore gold geochemical targets in a new area. In addition, soil sampling will be conducted on new claims. The \$500,000 program will be funded by Placer Dome Inc.

The Oka property, seven miles by road from Peachland B.C. hosts gold-bearing skarn and vein deposits.

Drilling located thick sections of weakly sub-economic mineralized skarn. Seven of the holes returned gold values greater than 0.10 oz./t over widths of five feet or more. Some of the better results include 0.41 oz. gold/t over five feet and 0.17 oz. gold/t over 20 feet. No work is planned for 1989.

A program to locate base and precious metal minerals in southern B.C. will continue for the fourth year.

The annual meeting has been called for 10:00 a.m. 12 Jun 89, at 1500 - 885 West Georgia St., Vancouver, B.C.

PACIFIC HOUSTON RESOURCES, INC. (PHR-V)
NATURAL SCIENCES AND ENGINEERING - The Natural Sciences
RESEARCH COUNCIL GRANT and engineering
Research Council and

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ONEIDA RESOURCES INC. (ORJ-V)

FOUR PROGRAMS REVIEWED - Oneida's Maple Lake project,

Mishibishu Lake area, NW Ontario is 100% owned, subject to a 2% N.S.R. and ties onto the western boundary of the Central Crude-Memlo Gold's Eagle River property. Oneida will start the 1989 program by the end of May to test for the western extension of the Central Crude-Maple Lake deformation zone.

Last fall a new vein mineralized with pyrite and chalcopyrite was found in the area of the E-W deformation zone. Initial surface grab samples from this east-west vein averaged from 0.16 to 0.19 oz. gold/ton.

A large excavator will trench this zone and may be followed by drilling. Work is also planned for the nearby Floating Heart claims.

The Chicobi project is located 48 miles NE of Rouyn-Noranda, Quebec, where 1989 work will consist of line cutting, a horizontal loop EM, magnetometer surveys to delineate the airborne conductors and drilling. Work will start by mid June.

At least one base metal showing has been located on the Montanier project 20 miles SW of Rouyn-Noranda, Quebec. The Phase I follow up exploration program has started consisting of line cutting, horizontal loop EM and magnetometer surveys to delineate the airborne anomalies in anticipation of drilling.

The gold exploration program at Mexican Hat in southeastern Arizona continues. (SEE GCNL NO.91, NO.89, and No.84 for much detail).

FOR THE RECORD

B.C. PACIFIC CAPITAL CORP. (BPQ-V,T) reported earnings for the 3 months ended March 31, 1989 of \$2,618,000 before preferred dividends of about \$2,700,000 for a loss after preferred dividends of about \$100,000 compared to a loss of \$2,525,000 before preferred dividend payments in the same period in 1988.

MERIT TECHNOLOGIES LTD. (MTE-V) reported sales of \$705,893 and a gross margin of \$221,238 for the first 3 months ended April 30, 1989. The complete quarterly report should be available within 30 days.

NORTH AMERICAN FIRE GUARDIAN TECHNOLOGY INC. (NAF-V) has signed an agreement granting Wellclad Industries of Winnipeg, Manitoba, the exclusive rights to use the company's fire retardant in asphalt impregnated construction materials in Canada and the U.S. in exchange for the purchase of no less than 30,000 lbs. of retardant in the first year, 45,000 lbs. in year 2, 60,000 lbs. in year 3, 90,000 lbs. in year 4, 120,000 lbs. in year 5 and 150,000 lbs. in years 6 through 17. Revenue from the sales is about \$60,000 in year one and gradually increasing to about \$300,000 per year in year 6.

REG RESOURCES CORP. (RRE-V) plans a rights offering whereby shareholders can purchase 1 unit for 30¢ for each 10 shares held; each unit carries a warrant good for 6 months to buy one further share at 30¢. If all the rights are exercised the proceeds will be \$158,200 and \$316,000 if all the warrants are exercised.

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