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in year one and at \$2 in year two. Avatar will provide an initial \$50,000 loan for working capital to Beau Val and up to a further \$50,000 as required. If the merger is not completed by Aug.1,1989, Beau Val will repay the loan or, at Avatar's option, issue shares at 20¢ each.

The merged company will have two mineral prospects. Avatar's option on an 80% interest in the Georgia River property in the Stewart, B.C. area, which consists of high grade veins and has been explored by 54 holes to date. Ed Kruchkowski, consulting geologist, recently completed a reserve estimate of 320,000 tons grading 0.84 oz.gold/ton in all categories. A drill program is planned for 1989 to bring a threshold reserve into the proven category. Beau Val's Keystone property in South Dakota covers 6 miles of favourable strike hosting 17 former gold producing properties or underground prospects. The principal target is an ironstone formation.

FOR THE RECORD

COVENTRY VENTURES INC.(CVQ-V) report the principal terms for the acquisition of up to 19% of the company have been settled. An arm's length Toronto syndicate has agreed to acquire 700,000 of the 750,000 escrow shares from current principals as well as up to 320,000 free trading shares from other shareholders. The acquisition prices will not exceed the company's 8May89 closing price of 15¢ per share, and/or subject to regulatory approval. GOLDHILL RESOURCES INC. common shs. were conditionally listed on 10May89 on VSE. The shs. will be called for trading when the Exchange has evidence of satisfactory distribution of the following offering. By 28Apr89 prospectus registered 10May89 with B.C. Sup't.of Brokers, Goldhill are offering 800,000 common shs. at 75¢ per sh. on VSE thru Continental Securities as agent by 4Jul89. For the agent guaranteeing the offering, Continental will be issued non-transferable warrants exercisable for 1 year from the date Goldhill shs. are called for trading to buy 200,000 shs. at 80¢ per share.

HISWAY RESOURCES CORP. (HIS-V) has acquired a 100% interest in 13 placer mining claims including water rights on Allgold Creek, near Dawson City, Yukon for 100,000 shares of Hisway. The company has also purchased for 100,000 Hisway shares a 100% undivided interest, subject to a 3% net profits royalty, in the Ada #1 through #5 mineral claims (5 units) and the Roy mineral claim (18 units) located in the Nanaimo mining division B.C. The Ada/Roy claim are situated 3 miles east of Hisway's other claims near Port Hardy, B.C.

KENDRA GOLD RESOURCES LTD. (KGO,KGO.UN-V) common shs. & flow-thru shs. were conditionally listed on 10May89 on VSE. The common shs. & flow-thru shs. will be called for trading when the Exchange has evidence of satisfactory distribution of the following offering. By 21Dec88 prospectus registered 10May89 with B.C. Sup't.of Brokers, Kendra Gold are offering 300,000 units at \$1 per unit, each unit comprising 1 common sh. & 1 flow-thru sh. on VSE thru Pacific International Securities Inc. by 6Nov89. For the agent guaranteeing the offering, Pacific International will be issued non-transferable warrants exercisable for 2 years from the date Kendra Gold shs. are called for trading to buy 125,000 shs. at 60¢ per

**RECORD PROFIT RECORDED- Royal Pacific Sea Farms Ltd.**

attributes the increased revenues to record sales from its marine farm division, and the purchase of Prince Rupert Sea Farms Ltd. and the aquaculture assets of National Seastar Corporation.

**CRESTBROOK FOREST INDUSTRIES LTD. (CFI-V,T)**

3 MONTHS ENDED 31 MARCH	1989	1988
Sales	\$63,254,000	\$60,761,000
Net Earnings	8,639,000	5,893,000
Per Share	\$1.13	77¢

**FIRST QUARTER REPORT - Crestbrook Forest Industries Ltd.**

reports that new production records were established at the Skookumchuk Pulp Division. Pulp sales were \$39,600,000 for the 1989 first quarter versus \$29,800,000 for the first quarter of 1988. Lumber and plywood sales were down, reflecting a declining wood products market. Rising interest rates and a resulting decline in housing starts have put pressure on lumber prices. Although there are signs of market weakness, Crestbrook anticipates continuous reasonable demands for all products during the second quarter.

**TEUTON RESOURCES CORP. (100-V)**

**CROESUS AND MAX PROPERTIES - D.Cremonese, president** OPTIONED TO GOODGOLD RESOURCES reported that Teuton Resources Corp. has granted **GOODGOLD RESOURCES LIMITED** an option to acquire an undivided 60% interest in the Croesus and Max properties by making cash payments totalling \$200,000, issuing 200,000 shares and spending \$1,000,000 on exploration over 4 years.

The Croesus property is located 25 miles east of Stewart, B.C. and covers 11,000 acres. Previous work has indicated a potential for massive sulphide deposits; a 1988 chip sample taken from one zone across a true width of 15 feet returned a weighted average of 8.1% copper and 0.22 oz.gold/ton. The 1,250 acre Max property is located 50 miles NW of Stewart, B.C. in the McQuillan Ridge area and covers a 12,000,000 ton iron-copper skarn deposit established by drilling in the 1960's.

Goodgold will contract with Prime Explorations Ltd. to provide consulting and management services for the Croesus-Max project. (SEE GCNL No.89, p.3, 9May89, GNCL No.88, p.2, 8May89 and the map overleaf p.1 in GCNL No.59 28Mar89 for Teuton's land holdings in the Stewart area).

**COMINCO LTD. (CLT-V,T,M)****COMINCO RESOURCES INTERNATIONAL LIMITED (COR-V,T)**

**COMINCO RESOURCES & COMINCO LTD. FORM JOINT- VENTURE TO BID ON CHILEAN COPPER DEPOSIT** to a request for bids from ENAMI the Chilean government owned mining company, Cominco Resources International Limited and parent corporation Cominco Ltd. have submitted a bid to ENAMI for the right to develop the Quebrada Blanca copper deposit located 1400 km north of Santiago, Chile. Bids closed on 10May89. The Cominco bid is a joint venture, held 50% by Cominco Ltd. and 50% by Cominco Resources.

copper. Reserves in the underlying primary porphyry zone are estimated to be at least 400,000,000 tonnes grading 0.8% copper. Production from the enriched zone could exceed 40,000 tonnes per year of cathode copper for over 15 years. Mining and milling of the underlying primary copper zone could be expected at a later date.

Quebrada Blanca was the subject of intensive exploration between 1977 and 1982. Over 130,000 ft. of drilling 8,000 ft. of tunnelling and 1,000 ft. of raising was done to test the continuity of mineralization.

**COMINCO LTD. (CLT-V,T,M)**

Start of production at the 46% owned Aberfoyle, Australian mining operation of 1,100,000 tons per year and the construction at the Red Dog zinc-lead-silver mine in northwest Alaska were featured at the Cominco annual meeting.

Aberfoyle started up Feb.21,1989 and is operating at rated capacity with only minor adjustments. The project was completed on schedule and within budget.

The Red Dog project is on schedule toward the start of production in the fall. The capital cost of \$460,000,000 is made up of \$160,000,000 for road and port facilities, \$300,000,000 for the plant and mine development. The project is currently about 3% over budget and is expected to be completed near this estimate. The overage arose from severe winter conditions. The 300 man camp is complete, the mill is under construction in the Philippines in 9 modules ranging in size from 800 to 1,800 tons which will be shipped in the near future to the Alaskan port for transportation to the mine.

The start of construction at the 51% owned Snip gold project, 100 km north of Stewart, B.C. awaits B.C. governmental permits. If the permits are received soon the project could achieve production in July 1990. R.E.Hallbauer told the meeting a delay until 1991 is possible. He noted that while final design of the plant has not yet been completed, a cost of \$230 US per ounce of gold recovered is indicated.

Cominco declared a dividend of 20¢ per share, record June 12, payable June 30, 1989.

**BREAKWATER RESOURCES LTD. (BWR-V,T)**

FIRST QUARTER ENDED MARCH 31	1989	1988
<b>OPERATING DATA:</b>		
Tons of Ore Milled	128,721	125,120
Average Grade oz.gold/ton	0.309	0.325
Gold Produced oz.	36,414	37,285
Silver Produced oz.	83,817	56,972
Gold Recovery	91.47%	92.16%
Cash Cost oz./gold US	266	264
<b>FINANCIAL DATA:</b>		
Earnings	\$890,000	\$1,978,000
Per Share	3¢	7¢

**LOWER EARNINGS REPORTED - Brian G.Pewsey, president** reported Breakwater Resources' lower earnings were the result of lower gold prices as the company received an average of US \$405 per oz. gold shipped in the first quarter of 1989 compared to US \$461 in the first quarter of 1988.