

## KANCANA VENTURES LTD. (KCV-V)

**BLASTER CLAIMS ACQUIRED** - Dick Hagopian, president, reports Kancana Ventures Ltd. has acquired an option to earn a 45% interest in the Blaster claim consisting of 20 units covering about 1,200 acres located northeast of Kennedy Lake near the west coast of Vancouver Island, B.C. from 32/532 B.C. Ltd. Kancana must spend \$750,000 on exploration and issue 1,600,000 shares by 31Dec92. The first \$300,000 program will earn a 20% vested interest. The second program of \$450,000 will earn an additional 25% interest. Kancana has a right of first refusal to acquire the balance of interest in the claim should this interest be offered for sale. The previous optionee reportedly spent \$250,000 on mapping, geophysics, petrographic studies, plus 14 diamond holes on the Elite 1 vein. Each of the drill holes intersected the vein 50 metres below surface spaced over a distance of 85 metres. Drill indicated tonnage is 175,000 tons of 0.40 oz.gold/ton, an estimated 70,000 ozs.

The Elite 1 vein remains open at depth and along a strike length of 85 metres on surface trending northeast to southwest. A brecciated zone at right angles to the vein is visible on the surface and extends for 6.4 metres on either side of the vein. These quartz veins tend to be vuggy with coarse gold that can be lost during diamond drilling making assays from bulk samples preferable. The bulk sampling of the surface quartz rock averaged 2.82 ozs.gold/ton as filed by David Pawluk, P. Geol. It is not currently known if the brecciated zones had been assayed. Fractions of drill core containing wall rock are available on the property but it is believed these were thought to be waste material during early work. Recent samples of similar rock types were assayed and found to contain values.

Indications are that a bismuth/telluride may have been masking gold values in recent assays. Bulk sample tests of this work (Vancouver Petrographics, May 1991) would tend to confirm this. Recent work by the owners confirms these earlier findings. This work succeeded in uncovering several new zones. Similar geology to the Elite 1 vein is now evident 400 meters distant on the canyon floor, at an elevation 50 meters below the Elite 1 surface showing. When first sampled in 1990 the Elite II vein was described as about 20 meters wide averaging 0.60 to 0.80 oz. gold/ton. The vein is now reported to be up to 50 meters wide at some points and discontinuously exposed in excess of 1000 meters on strike.

Prospecting in May/91 along the southwest-trending Olympic Creek discovered a magnetite/chalcopyrite mineralized zone. Also, at 50 meters north from this, a large mineralized quartz float (.5 m x 1 m) was found. The source of this float is not as yet known and assays are not as yet available. At 150 meters north of the float sample a series of heavily mineralized parallel quartz veins were found. A brokered financing is planned with work expected to start within 90 days.

(SEE GCNL No.95, 16May91, P.2 FOR PREVIOUS DETAILS)

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