

HABSBURG RESOURCES INC. (HAB-V)

FIRST ORE SHIPPED - Stafford Kelley, president, Habsburg Resources Inc., reports the first ore shipments have left the Dome Mountain project near Smithers, B.C. for processing at the Equity Silver mine mill near Houston, B.C. Habsburg will receive 20% of the revenue from the first 325,000 tons mined and 40% thereafter. The ore was mined from the upper level of the Boulder zone which contains 325,000 tons grading 0.355 oz.gold/ton and 2.34 oz.silver/ton. Induced polarization surveys and diamond drilling have confirmed the zone is open to the east and to depth; these IP anomalies trace the easterly extension for 1,800 feet before being masked by the sedimentary contact.

Preliminary drilling in the first 1,150 feet encountered ore grade intersections. The remaining 650 feet is yet to be drilled. Sufficient drill holes have intersected the first 500 feet of the extension to define 100,000 geological tons with an undiluted grade of 0.56 oz.gold/ton which have been added to the ore reserves. At a production rate of 300 tons per day, the Boulder zone is now projected to have reserves in excess of five years with potential for up to 1,000,000 tons. The integrity of the shear structure hosting the ore indicates similar ore zones are likely to repeat at depth. Two parallel shear structures immediately to the south of the Boulder zone have similar geological signatures with the one farthest south containing 20,000 drill indicated tons grading 0.68 oz.gold/ton. IP anomalies indicate this zone, called the Forks deposit, also extends to the east.

One exploration drill hole was completed beneath two old adits at Mt. McKendrick five km north of the Boulder zone. This hole intersected 0.34 oz.gold/ton over 8.43 feet, about 200 feet below the lowest adit. The high assay in the hole was 0.65 oz.gold/ton over about 2.0 feet. Sampling of the two adits above the drill intersected and surface exposure of the vein would indicate an ore shoot extends for at least 450 feet vertically. Further drilling will be required to define the tonnage potential in this new zone. (SEE GCNL No.116, 17Jun91, P.3 FOR PREVIOUS PROJECT INFORMATION)

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