

Goldrich Looks To Be Gold Rich With Early Production From Bayonne Mine

by David O'Keefe



Goldrich President Paul Frigstad



Now is that a vein, or is that a vein!

Once more the pattern of re-opening old producers continues. From Canada to the United States old mines are getting a new lease on life. New techniques, new geology and a still attractive gold price are the spur. There are many old gold camps in British Columbia, among them is the Sheep Creek Mining Camp in the southeast of the province, near the city of Nelson. It is here, in the very heart of this old Camp that Goldrich has returned the Bayonne Mine to production. Goldrich president Paul Frigstad plans to have production at 150 tons by early summer rising to 250 tons per day by early next year.

The Bayonne property first received attention as early as 1901 but actual production didn't begin until 1936, closing in 1942 due to war shortages. In its first production life the mine yielded 85,000 tons of material averaging 0.47 ounces of gold and 1.12 ounces of silver per ton. In his October 1982 report, Professional Engineer Roy Phendler noted that from the one to two ounce gold enriched zone of the mine the average production grade of 0.47 suggests that either excessive dilution took

place in the stopes or recovery was poor at the straight cyanidation circuit mill that had a 60 ton per day capacity. Metallurgical tests by Goldrich have determined that a 98.5 percent gold recovery can be expected from the Bayonne ore which will be processed at the David Minerals HB Mill at Salmo, British Columbia.

With our diverse readership we try to simplify the sometimes complex geological terminology that is part and parcel of reporting on mineral properties. The Bayonne Mine is an unusual property so I feel justified in quoting an excerpt from Engineer Phendler's 1982 report.

"The Bayonne Mine is unique in British Columbia in that the veins are heavily oxidized to a maximum depth of 135 metres. In this zone the sulphides have largely disappeared, their place being taken by limonite and minor amounts of secondary level and zinc minerals. The bottom of this zone is characterized by a rather abrupt transition zone to fresh sulphides. Conclusions are that the area has suffered from deep preglacial weathering that escaped removal

by continental glaciation, a rather surprising condition, considering the high elevation and exposed location but not unheard of. The oxidized zone consists of limonite and rusty, honey combed quartz that often assayed one to two ounces of gold across narrow widths. Dilution brought this grade down to the half ounce range. Below the oxidized zone is a 50 foot thick zone of apparently enriched material that assayed between 0.50 and 1.0 ounce of gold per ton and below this in primary material assays are closer to the 0.40 gold average. However, stopable lengths of vein material continue to average close to 1.0 ounce of gold per ton - see east end of 8A level."

The Bayonne property, which now covers some 11,000 acres, had been developed on eight levels, one hundred feet apart vertically. Levels 1,2,3,4,5,6 and 8 were driven from surface on the main vein with crosscuts to the mines "A" vein driven on the 4,5,6 and 8 levels. Access to level 7 is by internal raises. An additional level - No.9 - was developed for 420 feet from the No 1 shaft sunk vertically from level 8.

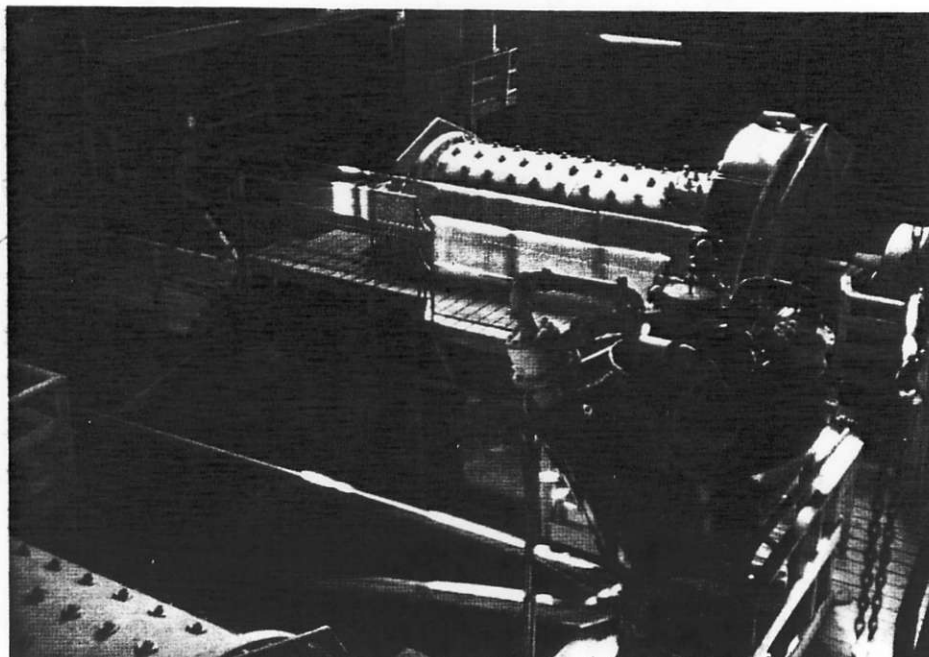
By the middle of the summer of '83



Helicoptering onto the property



Darryl Frigstad operating tram on the #4 level



The HB Mill

reserves had been calculated at 31,000 metric tons proven, 31,000 possible and 50-70,000 inferred, with grades averaging to 0.422 ounces of gold and 0.75 ounces of silver per metric ton. By the fall of '83 these figures became subject to sharp revision with two significant finds that will extend the mines potential. Firstly a new vein, the "North" had been located 100 metres from the main Bayonne vein system. The vein was located by extending trenches north from the eight portals on the main zone. The vein has been exposed on the surface for 2,800 feet, 22 channel samples have been assayed and returned values ranging from 0.01 to 2.10 ounces of gold per ton plus silver, lead and zinc values. Average grade of the channel samples is 0.395 ounces of gold per ton across the vein width, up to 2.5 metres. The new zone will be tested to depth by underground diamond drilling from the established workings. In addition to the North vein, a further structure, the "Echo", south of the "A" vein has been trenched and sampled.

Secondly, a diamond drilling program on the present structure has increased the length from 3,600 feet to 4,300 feet and successfully tested the structures continuity at depth with the vein being intersected at the 10 and 11 level. The intersection at the 10th level assayed 0.685 ounces of gold over the vein width.

Opening of the 10 level would result in additional proven and possible reserves of 120-130,000 tons. The potential of this 10 level and the potential for at least 10 more levels being driven into this mountain - without a shaft - was a crucial point in Goldrich's decision to proceed with Roy Phendler's recommendation to proceed with production.

Progress to date by Paul Frigstad's Goldrich has not been achieved without an intense corporate effort and from the original financing by Walwyn Stodgell and Canarim which raised the funds for the initial work program consisting of 1,142 feet of diamond drilling in three holes, all intersecting the "A" vein at the 10 level, adits 1 to 7 opened, number 4 portal opened and re-timbered for 285 feet, partial establishment of the 10 level portal and 10 kilometres of access road completely upgraded. Subsequent financing has left Goldrich in a debt free position with \$700,000 in the treasury with another \$900,000 to come.

In late news I.P. & D. has learned that Goldrich has made a further move to consolidate its position in the Sheep Creek Camp by signing a letter of intent with Goldbelt Mines to acquire the former producing Goldbelt Mine two miles from David Minerals HB Mill at Salmo. Available reports on the mines potential show 50,000 tons of 0.43 ounce gold and 3.0 ounces of silver per ton, with two million tons of probable reserves.

Subject to Regulatory Authorities approval, the letter of intent calls for the issuance to Goldbelt of 300,000 Goldrich shares, a payment of \$85,000 on approval and a further payment of \$75,000 on the anniversary of the acquisition or commencement of production, additionally Goldbelt will retain a five percent net smelter return.

Goldrich trades on the Vancouver Stock Exchange under the symbol GRD. 