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George Cross News Letter

"Reliable Reporting"

NO.64(1983)
MARCH 31, 1983

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WESTERN CANADIAN INVESTMENTS

INCA RESOURCES INC.

Cameron Zone		Width	Oz.Gold/T
Hole No.	Interval		
DDH-104	219-235 ft.	16 ft.	0.158
DDH-114	140-155	15	0.106
Virgilia Zone		Width	Oz.Gold/T
Hole No.	Interval		
DDH-111	287-298	11	0.186
	298-305	7	Stoped
	305-310	5	0.220
DDH-116	244-253	9	0.196

FIRST DRILL ASSAY FROM CAMERON ZONE SHOW GOOD GOLD VALUES

Inca Resources Inc. chairman M.G.Berretta has reported gold values from first drill holes in the Cameron zone (see table) on the Rich Gulch property, 105 miles north-east of Sacramento, California. He said, up to now, this zone, which is geochemically, geophysically and geologically similar to the Central zone, had never been tested by diamond drilling. These holes are located 400 feet apart and some 5,400 feet along strike from the Central zone. Both zones are part of a 20,000 foot gold bearing horizon that, to date, has only been partially tested. Drilling is continuing in this zone and in the Virgilia zone where hole 111 was drilled at -80° and intersected the zone 150 feet down-dip from hole 103 which returned 83.5 feet of 0.126 oz.gold/ton. Hole 116 is located 300 feet south of holes 108 and 111. (See previous story in GCNL No.42(21Mar83).

CAROLIN MINES LIMITED

PRODUCTION RESUMPTION - Carolin Mines Limited president Orval E.Gillespie has reported that the milling operation at the Ladner Creek mine near Hope, B.C., was recently stopped so that access to higher grade ore could be facilitated. Work continues on this process in the stopes and drawpoints and it is anticipated that these operations will be satisfactorily concluded in the next couple of weeks. He anticipates the new material will grade out around 0.135 as opposed to the previous lower grade mill feed. At the same time the company has been enhancing the storage pond system for the mine tailings. The Chief Inspector of Mines for B.C. must be satisfied prior to the resumption of milling operations. Consulting engineers, Golder & Associates, continue to liase with representatives of the Inspector of Mines to ensure adequate compliance with directives of the Inspector. He is hopeful that no delay will be occasioned to the planned resumption of milling by reason of any difficulties in this area.

(See previous story on plant shutdown in GCNL NO.61, 28Mar83).

BREAKWATER RESOURCES LTD.

ANNUAL MEETING SET FOR MARCH 31, 1983 - Breakwater Resources Ltd. will hold its annual meeting in the Caribbean Room of the Four Seasons hotel, Vancouver, B.C. at 2:30 p.m., March 31, 1983. The meeting will hear a review of the property exploration program from Ralf Kleine, vice-president of mining for Asamera Inc. who is managing the program on the Hatchee Washington, U.S.A., gold property. R.G.Hunter, president, will also report on his recent series of financing meetings in the United Kingdom. (See GCNL NO.55, 19Mar83, for the most recently announced diamond drill assay results).

COHO RESOURCES LIMITED

SHARE OFFER FOR PARTNERSHIP INTERESTS OUTLINED - Coho Resources Limited has made an offer to buy selected interests including shares, promissory notes, limited partnership units and joint venture interests in the Coho 80-1 and Coho 80-2 Energy programs and the CRI-81 Land Program which programs were sponsored and organized by Coho Resources. The programs are currently managed by Coho Resources which has interests for its own account in all lands in which the programs have an interest. Coho is offering 1,211,580 class A subordinated voting shares or 1,905 shares per unit for each of the 636 unit equivalent in the Coho 80-1 Energy Program; 1,140,480 class A subordinate voting shares or 880 shares per unit for each of the 1,296 units or unit equivalents in the Coho 80-2 Energy Program; 450,000 class A subordinate voting shares and \$2,400,000 U.S. in gross overriding royalties or 56,250 shares and \$300,000 U.S. in gross overriding royalties per participating unit for each of the 8 participating units in the CRI-81 Land Program; and 60,000 class A subordinate voting shares for certain U.S. tax credits.

The total number of shares to be issued under this offer, if fully accepted, would be 2,862,060 class A subordinate voting shares and the company would have 7,177,909 class A subordinated shares and 1,665,572 class B common shares issued and outstanding. A further 3,213,306 class A subordinate shares are reserved for issue upon the exercise of existing warrants and the conversion of existing debt and preference shares at an average exercise and conversion price of \$8.29 per class A subordinated share.

Assuming 100% acceptance, the company's shareholders' equity will increase by \$14,300,000 from \$50,200,000 to \$64,500,000 and its consolidated long-term debt will be reduced from \$19,300,000 to \$10,300,000.

Based on independent engineering reports dated 11Mar83, the company's annual net oil & gas sales revenues, assuming certain development drilling & no further exploration success, during 1983, 1984 & 1985 are estimated to be \$4,384,000, \$9,309,000 & \$12,098,000 before the Offers To Purchase & \$5,977,000, \$11,965,000 & \$15,420,000 respectively after Offers To Purchase, assuming 100% of the Offers are accepted. Consolidated net proved & probable reserves will be 3,091,000 bbl. of oil, a 14% increase over company's 2,709,000 bbl. & 38,752 MCF of gas, a 35% incr. over company's 28,804 MCF of gas assuming 100% acceptance.

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WESTERN CANADIAN INVESTMENTS

TECK CORPORATION INTERNATIONAL CORONA RESOURCES LTD. NORANDA EXPLORATION CO.

TWO IMPORTANT HOLES EXTEND - International Corona Resources Ltd. has announced the results
THE GOLD ORE ZONES AT DEPTH of two drill holes on its Hemlo property, Ontario.

Teck Corporation advises that drill hole 213 located on the East zone intersected the deposit in the interval 2,476.4 feet to 2,485-6 feet which assayed 0.297 ounce gold per ton over 9.2 feet. This is the deepest intersection obtained to date on the East zone and extends the zone a further 700 foot down dip to a depth which is 2,400 feet vertically below surface.

On the quarter claim optioned by Teck Corporation and International Corona to Noranda Exploration Company in the northwest corner of the property, Noranda reports that drill hole NTC-2 intersected the mineralized horizon in the interval 2,255-4 feet to 2,352.1 feet representing a true width of 48.0 feet which assayed 0.167 ounce gold per ton. Within this, the interval 2,293.4 feet to 2,352.1 feet representing a true width of 29.0 feet assayed 0.231 ounce gold per ton. This intersection is at a vertical depth of 2300 feet approximately 525 feet from the west boundary of the optioned property. This indicates that mineralization found in the Goliath - Golden Sceptre deposit being developed by Noranda extends easterly for at least this distance into the optioned ground. Teck and International Corona retain a 50% net profits interest in the quarter claim.

Noranda have five drills in service which are testing the reserves potential of the quarter claim while Teck has three drills at work on International Corona's property.

TECK CORPORATION INTERLAKE DEVELOPMENT CORP. NORANDA EXPLORATION COMPANY

DRILL PROGRAM STARTED AT HEMLO - T. Barry Coughlan, president of Interlake Development Corp., has reported that Teck Corporation, operator and Noranda Exploration Company will start immediately an initial three month drilling program on Interlake's 31 claims in the Hemlo area of Ontario. Approximately 25 surface targets will be explored. All initial drill targets are from geophysical and geochemical surface indicated anomalies. The decisions on drilling deep holes on the property to intersect with any potential down dip-extension from other gold bearing horizons will be made while the initial program is underway.

Under the joint venture, signed in March, 1983, Teck/Noranda will spend \$1,000,000 on exploration by 31 Mar 84. If the property is taken to production, Interlake retains a 40% net profits interest. (See further detail of the joint venture deal in GCNL NO.46, page 2, 8 Mar 83).

TECK CORPORATION COPPERFIELDS MINING CORPORATION

FORMULATION OF POSSIBLE MERGER PLAN NOW UNDERWAY - 3r. Norman B. Keevil, president, said that Copperfields Mining Corporation is considering the possibility of a merger with its subsidiary, Teck Corporation.

While nothing concrete has been decided as yet, he said that as a preliminary step it has been decided to place both companies under the same jurisdiction. Since Teck is a company governed by federal law and Copperfields is a company governed by Ontario law steps are being taken to transfer Copperfields to the federal jurisdiction under the Canada Business Corporations Act.

If a suitable merger plan is developed, Dr. Keevil said that it would be a logical conclusion of Teck Corporation's consolidation program under which a number of companies within the Teck Group have merged. Prior mergers were Area Minos, Leitch, Highland-Bell, Silverfields, Highmont, ISO Mines, Afton Mines, Brameda Resources and Yukon Consolidated. i

..-^"CAROLIN MINST LIMITED " ^ U k) ~u S

PRODUCTION EXPECTED TO RESUME IN TWO WEEKS --i Carolin J. Jinos LiKufod--prcsidont'. Orval E. Gillespie, has reported a 4?rogram to modify the ore outlincsf^the-Carolin'Mne near Hope, B.C.^ from a 0.05 oz/ton gold cutoff to a 0.08 oz/ton gold(^t^fr_is^nearl complete. The 79 Stope drawpoints are being cleared of low grade material which is being crushed and set aside in a low grade stockpile. When production from the stope resumes, it is anticipated that the mill feed will be 0.135 oz/ton gold. Preparation of a second stope is almost complete.

The company is continuing its treatment of the tailings pond so that a purer effluent from the pond will be obtained. This will achieve maximum recoveries of gold within the mill, because tailings pond effluent is used in the milling process, and also the purer effluent will allow the secondary treatment plant to maintain an improved quality of water released into the stream system. The completion of these programs and the resumption of gold production will take place in approximately two weeks.

Exploration drilling near the south end of the mine has encountered additional mineralized zone material beneath the ore reserves in the No.1 sone. The intersection has a length of 103 feet. Check assaying by a commercial laboratory is being awaited.

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