

THE MOSQUITO CREEK GOLD MINING COMPANY LIMITED

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GOLD PRODUCTION & DEVELOPMENT - TARGETS ARE BEING ACHIEVED - Targets set for production and development at the producing gold mine of The Mosquito Creek Gold Mining Company Limited at Wells, B.C., are being achieved, the major disappointment being the decline in the price of gold. In reporting this, president C.J. McFeely says over 1,500 tons of ore have been mined from the surface Kutney Pit (Trench 1) since 7 Sep 83 and he expects more than 1,000 tons to be mined before the access road becomes impassable. On September 15, the milling rate reached 100 tons per day and averaged, over 21 operating days in September, about 90 tons per day. Management is confident production will be maintained at 100 tons per day until March 1984 on present reserves and mining rates. At month end, broken ore reserves underground and on surface were 1,524 tons. Mining faces have been increased to 6; stope preparation is ahead of mining. Mined out stopes are being prepared for underground waste disposal. Ore grade was 0.25 oz. gold per ton due to the use of low grade quartz gold ore while readying stoping areas for production of replacement ore bodies required over the winter when surface mining virtually ceases.

At 394 feet, the highest monthly footage of underground development was achieved since production started in 1980. Underground work, including 1,535 feet of diamond drilling, resulted in discovery of several potential ore bodies, which development work will open up in coming months. On Level No. 1 the NW advance has penetrated the fault revealing an unexpected ore zone, from which muck samples over the 8 by 8-foot drift ran 0.3 oz. of gold per ton. Drill cuttings from 26 of the 30 blasting holes in the present drift face ran ore grade. A 600-foot drive SE on Level No. 2 has been started with the aim of intersecting underground the down plunge of the Kutney Pit, a secondary objective being to test for underground extensions of other surface indications. To relieve the bottleneck caused by the shaft's lifting capacity, the decision is being made to drive Level No. 2 or 3 out to a portal on Mosquito Creek. The No. 3 Level drive would be positioned to intersect 2 indicated significant mineralized areas. A new adit will substantially improve operating efficiency over at least the next 5 years.

Concerning exploration, surface work is being closed down by deteriorating weather conditions. The Kutney Pit further extended SE than expected and what appears to be a new zone has been found NW of N Trench. The drive on Level No. 2 is considered a more effective way of exploring the area. Ground NW of the shaft will be explored by drilling from Level No. 1, which may result in an exploratory sub-level to test the up-plunge of the new NW fault ore zone.

INTERNATIONAL CORONA RESOURCES LTD.PEZAMERICA RESOURCES CORPORATION

BIG SHARE PURCHASE PLANNED - International Corona Resources Ltd. recently bought 200,000 shares of Pezamerica Resources Corporation on Vancouver Stock Exchange in accordance with their notice carried in GCNL 197(83). Now, Murray Pezim, chairman, reports that International Corona, starting Oct 19/83, may buy on the V.S.E. for investment, up to a further 700,000 shares of Pezamerica for a total amount not exceeding \$3,000,000.

The company proposes to arrange sufficient financing with their bankers to buy the shares and may use uncommitted capital on hand or receivable upon exercise of outstanding warrants.

As a group, the directors and other insiders of Corona hold 6.5% of the outstanding shares of Pezamerica. Pezamerica have 4,761,620 shares outstanding.

KLONDEX MINES LTD.

GOLD PRODUCTION - STARTS IN NEVADA - S.J.O. McClay, managing director of Klondex Mines Ltd., announces that their Fire Creek gold property in Nevada is now in production. On Oct 12/83 a gold bar weighing 210.84 ounces was produced and 40 ounces arrived too late for retorting. This amounts to 250 ounces for 10 days of operation.

Mr. McClay notes that only part of the present 30,000-ton pad was in operation; 1000 tons are being added to the heap daily. When completed, the pad will hold about 40,000 tons. The operators (and partners) Minex Resources Inc. of Riverton, Wyoming, estimate between 25 and 30 ounces of gold go into the pregnant solution pond daily. This is being processed through the carbon columns. The carbon will be stripped and the metal retorted twice per month.

Klondex retain 5% royalty from all gold produced. Minex then receive 80% of first production until they receive \$315,000. Klondex retain 20% up to this point. Thereafter, Klondex will receive 5% royalty and 62.5% of 95% of production from the present pad. Minex will receive 37.5% of 95% until the present heap, Phase 1, is finished.

In Phase 2, Minex will pay the expenses of developing, mining, and leaching an additional 100,000 tons of Fire Creek ore and Minex will receive 70% of 95% of such production revenue until their costs are recovered. Then, Minex and Klondex will share proceeds on a 50-50 basis.

FOR THE RECORD

Stanford Resources Limited's cash offer for all outstanding shares of Newport Petroleum Ltd. at \$1.32 per shares resulted in the tender for acceptance of 4,845,965 shares, being 93.7% of those not then owned by Stanford. Stanford intend to invoke the Alberta business corporation act to acquire the remaining shares.

Black Thunder Petroleum Corp. have arranged a private placement of 600,000 units at 15¢ per unit comprising 1 share and 1 warrant exercisable for 12 months to buy 1 share for 20¢. The funds will be used to pay Black Thunder's share of exploration costs in their 50-50 joint venture with Invermay Resources Inc. on the "Troy Gold" prospect in Pershing county, Nevada.