

## ESPERANZA EXPLORATIONS LTD. (EEP-V)

UNDERGROUND DRIFTING CONTINUES - John S. Brock, president IN HIGH GRADE GOLD has reported Esperanza Explorations Ltd. is advancing the 2,112 metre level in a gold-bearing zone 220 feet from the face where work was stopped in ore last season. Advancement from the portal now totals 420 feet.

The following assays have been received to date:

ROUND NUMBERS	ZONE, Ft.		AVERAGE FACE GRADES	
	Length	Width	(OzsGold/Ton)	
1986 Program 86-15 to 86-32	110	7	1.81	
1987 Program 87-15 to 87-18	22	8	0.16	
87-35 to 87-42	46	8	1.20	
including 87-38	6	8	9.00	

The higher grade gold zones encountered in the 2112 level are now being slashed in order to determine their ultimate grade and dimension. The property is on Tillicum Mountain, 30 miles south of Nakusp, B.C.

The 2050 metre level has been collared and is now ready for advancement to intercept the Heino-Money gold zone at a depth of 200 feet below the 2112 metre level.

### DIAMOND DRILLING PROGRAM

During June, 16 drill holes were completed on the Heino-Money zone. Fourteen of the holes intercepted the gold zone with thicknesses varying from 3 feet to 22 feet. The drilling successfully defined the continuity of the zone up to 200 feet below the presently established underground workings. Assays now received from the first eight holes (87-110 to 87-118) range up to 0.11 oz. gold/t over 4 feet.

It is planned to continue drifting at least another 300 feet during July on the 2112 level making a total drift length of 720 feet. A raise will be driven from the 2112 level through to the 2160 metre level in order to intercept high grade gold mineralization previously drill intersected (19 ounces gold per ton over 6 feet). A program of trenching will further define the Jenny Zone, where surface samples assay 2.3 ozs. gold/ton across 6.6 feet, on strike and to the north of the Heino-Money gold zone.

## ALGO RESOURCES LIMITED (AGO-V)

OWNERSHIP DISPUTE REVIEWED - Algo Resources Ltd. takes exception to statements which relate to Algo and its Adams Lake property near Kamloops, B.C. made by Nu-Start Resources Corporation. (See GCNL 122(87)p.3).

Nu-Start has made an offer for all of the issued shares of Rialto Silver Resources Inc. Algo, which is a minority shareholder of Rialto, has not received any offer.

Algo and Rialto hold the Adams Lake property pursuant to a joint venture agreement which includes provisions for dilution for non-contribution. It is Algo's position that Rialto does not hold a 50% interest in the property, but instead holds a lesser interest, subject to future work.

Algo does not believe that the shareholders of Rialto can accept an offer for their shares from Nu-Start as their shares remain subject to prior agreements made with Algo. Algo is the purchaser under agreements dated May 29, 1986 (which agreements are still in effect) with each and every shareholder of Rialto to acquire all of the shares of Rialto on the basis of one share of Algo for every two shares of Rialto (a total of 409,000 shares of Algo for 818,000 issued and outstanding shares of Rialto). The Vancouver Stock Exchange did not approve the consideration for the acquisition of Rialto shares when submissions were made in 1986. To settle all uncertainties with its joint venture partner, Rialto, relating to the Adams Lake property, Algo proposes to resubmit the agreements to the Exchange for approval based on a material change of circumstances which makes the consideration offered by Algo for the Rialto shares reasonable.

**HUNTINGTON RESOURCES INC. (HUN-V)**

**DRILL TARGETS DETAILED** - The primary targets in the 2-month, 30-hole drill program founded by Lacan Mining Corporation and now in progress on the Brett claims of Huntington Resources Inc. some 20 miles WSW of Vernon, B.C., are the Discovery Zone which has been extended to some 540 meters and the Gossan zone, about 1 mile east. Pre-drill preparation also extended the Gossan zone to about 500 meters long and 25 meters wide. Both zones remain open to the north and south. A third target, located between the two zones will also be tested. For Huntington/Lacan deal, see GCNL 120(87)p.2.

**MANDUSA RESOURCES LIMITED (MSA-V)**

**NEW DIRECTORS AND GAS WELL REPORTED** - At the recent annual meeting of Mandusa Resources Limited, Loui Mikulic was re-elected as a director and Max Meier, Harry Grunenwald and Denis Russell were newly elected. Mr. Russell has been appointed president. Mandusa's office is now in 507-1030 West Georgia St., Vancouver, B.C. V6E 2Y3; phone 604-681-4812.

Since the meeting, Mandusa has participated as to 20% interest in drilling a 5900-foot well on a 640-acre lease near Berrymore in west central Alberta. The indicated gas well went on production test July 1, flowing at an initial rate of 1,600,000 cubic feet of gas per day from the Nordegg formation.

Continuation of gold exploration on the wholly-owned claims near Hedley, B.C., is planned. Also, various ways are being reviewed to meet obligations to earn 100% interest in a group of well placed claims in the Toodoggone area of northern B.C.

**GREAT WORLD RESOURCES LTD. (GWR-V)**

**FUNDS ARRANGED FOR GOLD-SILVER TEST** - Harold S. Eisler, president of Great World Resources Ltd., reports the signing of a letter of intent whereby Knight Minerals Ltd. would provide \$250,000 to complete Stages 1 and 2 of a 3 part exploration program recommended by Great World's consulting engineer on the Basin gold-silver prospect some 30 km NE of Terrace, B.C., for which Great World would issue tax flow-through shares.

The Basin Silver properties are in a geological environment which greatly favours economic silver and gold deposits. The Basin claims have proven mineralization and the airborne survey indicates possible further mineralized zones, both in hydro-thermal fissure veins, and the potential for a large grade epithermal deposit.