

WESTERN CANADIAN MINING CORPORATION (MCD-V)  
CONSOLIDATED BRINCO LIMITED (CBW-T)  
DORSET ENERGY CORPORATION  
SULPHURETS GOLD CORP. (SLE-V)

104B191

**MAJOR DISCUSSIONS UNDERWAY FOR 1989 KERR EXPLORATION  
CONSULTANT FINDS KERR COULD BE MINED PROFITABLY**

Sulphurets Gold owns 100% of the Kerr property. Western Canadian Mining Corp. owns about 74% of the 12,233,568 issued shares of Sulphurets Gold. Western Canada Mining has announced plans to acquire 32% of Consolidated Brinco Limited. Consolidated Brinco owns about 40.5% of Western Canada Mining Corp. Dorset Energy Corporation, wholly owned by Consolidated Brinco owns about 2,000,000 shares of Western Canadian Mining.

R.S. Hewton, vice president/general manager has reported Sulphurets Gold Corp. is continuing the evaluation of the 100% owned Kerr copper-gold deposit 65 km north of Stewart in the Iskut-Unuk rivers area. Twelve drill holes outlined 66,000,000 tons of 0.86% copper and 0.01 oz. gold/ton, open to the south, north and down dip to the west. (SEE GCNL No.191, Oct.4/88 for assays, a map and much detail). As geophysical surveys, alteration and bounding structure continue to the north, it is anticipated that additional diamond drilling will result in a substantial increase in the size of the deposit. A realistic target is between 100 and 200 million tons grading close to 1% copper with 0.01 oz. gold/t.

A mining engineer was commissioned to obtain an independent preliminary economic appraisal. This appraisal showed that by using a mining rate of some 16,000 tons per day, the value of Kerr-grade rock would be about twice the operating cost. These figures include transportation and smelter charges. The Kerr deposit trends through a ridge giving relatively low strip ratios and allowing horizontal or downhill haulage. The study shows the Kerr deposit could be mined profitably.

Metallurgical testing of core samples gave recoveries of 85% to 90% for copper and 55% to 60% for gold, which is common for porphyry type copper-gold deposits.

Exploration activity in the area is intense and the B.C. Government has undertaken a road corridor study to determine the most feasible access. Road access costs may be shared amongst a number of companies.

A comprehensive exploration program is planned for 1989 and will include metallurgical testing, preliminary environmental studies, access route studies, economic appraisals and diamond drilling to define the deposit and delineate reserves. Sulphurets Gold Corporation has been approached by several major mining companies to discuss financing for 1989 and future exploration programs and is evaluating these and other proposals.

**SGI SUPER GRASS INC. (SGM-ALBERTA)**

**INTEREST IN B.C. STEEL** - Dr. Laurence M. Sylvester, president, reported that SGI Super Grass Inc. has acquired a 70% interest in Northside Steel Fabricators Ltd. of Kelowna, B.C. by issuing 800,000 shares and an unspecified amount of cash. Northside Steel employs 130 personnel and has operated profitably since 1968 producing truck components waste containers and compactors, structural steel

each share of Gold Texas. A further 310,410 shares of Gold Texas have been received and accepted for payment. This stock, in addition shares already owned by Crown Resources, brings its holdings to 52.4% of the issued shares of Gold Texas.

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AMAZON PETROLEUM CORP. (AMZ-V)  
CARPENTER LAKE RESOURCES LTD. (CTA-V)

PROPERTY RETURNED - Amazon Petroleum Corp. and Carpenter Lake Resources Ltd. reported that Chevron Minerals Ltd. has made the final payment of \$66,000 and terminated the option on the Wayside mine property half a mile from Goldbridge, B.C. Chevron spent about \$700,000 on the property over two years.

Amazon and Carpenter are now in a position to farm out their massive sulphide deposit which has drill indicated reserves of 313,000 tons of 2% copper, 2.5% zinc plus 0.05 to 0.15 oz. gold/ton. The massive sulphide area was last drilled in 1985.

The Wayside gold mine has nine working levels. No work has been done recently except adit sampling on the upper five levels; the lower four levels need dewatering. Wayside Mine reported production of 5,400 oz. gold and 842 oz. silver.

TYLOX RESOURCE CORPORATION (TYX-V)

**FOUR OR FIVE DEVELOPMENT WELLS TO BE DRILLED BY  
JUNE 1989 TO FOLLOW UP ON SASKATCHEWAN DISCOVERY.**

Two major oil pools have been discovered, about 5 miles apart, by Tylox Resource Corporation and partners. They are just south of Midale in southeast Saskatchewan.

The wells are located in the Goodwater area, and each well flowed oil at rates in excess of 250 barrels of oil per day during completion testing. Tylox has interests in 2,560 acres of land with a continuing option on over 10,000 acres of adjacent lands.

The Goodwater wells have similar characteristics to the Colgate field located approximately 5 miles to the west. The Colgate field started output in 1983 and has produced over 1,600,000 barrels of oil to date from 6 wells and is still capable of producing over 1300 BOPD.

In addition, the Elswick field located about 6 miles to the east has produced over 1,000,000 barrels of oil and currently has 20 wells producing about 540 BOPD. The Saskatchewan government has assigned recoverable reserves of 10,400,000 barrels to the Elswick field.

Petroleum geologists familiar with the area have indicated that the discoveries on Tylox lands could each prove up between 3 to 10 million barrels of recoverable oil from the Midale Vuggy formation. Proven oil reserves were also discovered in the Marly formations.

The 2 new discovery wells will be placed on production during the first week of April 1989. Development drilling of an additional 12-18 wells will start as soon as possible with completion scheduled before 30Jun89 to take advantage of the two year royalty free period.

Tylox has a 37.5% interest before payout, net 18.75% after payout. Other working interests are held by INTERNATIONAL FOCUS RESOURCES LTD. (IFS-V) 37.5% and TRUAX RESOURCES CORP. (TUX-ALBERTA) 25%. Hunt Oil Company will back into a 50% interest after payout.

GREAT PACIFIC RESOURCES, INC. (GEP-V)

**WATER INFILTRATING** - William D. Battrum, president, Great