

Hot holes from New Mexico

by Vivian Danielson

VANCOUVER — The share price of **Vera Cruz Minerals (VSE)** took a big jump after the company announced some impressive assay results from a reverse circulation drill program on its Vera Cruz project in south-central New Mexico.

This year's drilling returned 190 ft. of 0.28 oz. gold, 210 ft. of 0.12 oz. gold, and 150 ft. of 0.12 oz. gold, plus values in silver and copper. And it also backs up encouraging results encountered in a previous drill program.

The 190-ft. and 210-ft. intersections were from a newly discovered zone of massive to semi-massive sulphides, while the 150-ft. intersection was from the initial exploration target, a known mineralized breccia pipe.

The company's share price closed at \$2.81 in active trading on the Vancouver Stock Exchange May 7, compared to a share price of about \$1.35 a week earlier.

"It is evident at this time to management that this phase of exploration has discovered an extremely significant zone of mineralization," said Ernest Peters, president of Vera Cruz. The company's remaining directors are geologist John Poloni, metallurgist James Cole, and Cheri Peters.

"We now have two types of mineralization, the breccia which is fairly high grade but probably smaller in scope, although we still don't know its size at this stage," Peters added. "But the excitement comes from the sulphide holes which are in another zone deeper and below the breccia."

Peters said the discovery of the sulphide system came as a surprise and represents a "blind" find made while stepout drilling to test for extensions of the known mineralized breccia. He predicts the discovery will trigger a wave of exploration interest in New Mexico.

Interest in the state's gold potential has been slow in coming because of the New Cinch scandal in the early 1980s when it was found that spectacular gold assays from the Orogrande property were false.

The Vera Cruz property is located in the same district as the Orogrande property. Yes

At presstime, Murray Pezim's **Galico Resources (VSE)** announced it had negotiated an agreement-in-principle with Vera Cruz for an option to ac-

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quire a 50% interest, subject to a due diligence review and other provisions. Under terms of the deal, Galico would have to spend \$3 million on the property and issue 300,000 of its shares to Vera Cruz to earn the interest in stages over the next three years. Vera Cruz will operate the project during the earn-in phase, and the second-phase program is expected to involve a diamond drill program.

As part of the due diligence process, Prime Explorations is sending two of its top geologists to the property this week to look at all the drilling and assaying data, get a better idea of true widths and to confirm the geology and mineralization.

Prime Equities President Chet Idzizek says all assays were performed by reputable labs using a technique called total gold analysis, the same technique used for assays at the Eskay Creek project in northwestern British Columbia.

The Vera Cruz property, accessible by road, is in Lincoln Cty., and includes the former gold producing Vera Cruz gold mine (1907-9). The claims lie on the south flank of the Vera Cruz mountains at an elevation of 6,300-7,800 ft.

"The relief coming down the side of the hill makes for the easiest minable thing I've seen for a long time," Peters said. "And it has no environmental problems."

Vera Cruz owns 100% of the property where the current phase of drilling was carried out to test for extensions of the breccia mineralization encountered in previ-

ous drilling.

In late 1989 several holes drilled by the company returned encouraging values, the best result being 175 ft. grading 0.34 oz. gold and 0.10 oz. silver per ton from 200-375 ft. This intersection included a 40-ft. interval of 1.44 oz. gold and 0.075 oz. silver from 260-300 ft.

Another high-grade result from previous drilling was 40 ft. grading 2.49 oz. gold and 0.10 oz. silver from 260-300 ft. But the drilling also returned lower grade gold values such as 50 ft. of 0.003 oz. gold and 0.26 oz. silver, but with 1.13% copper.

The 1991 program consisted of eight holes for a total of 3,750 ft. Assays from six holes were received and are listed below. Results from the remaining two holes are expected shortly.

The gold-bearing intercepts from holes 14 and 15 are reported to be in a zone of massive to semi-massive sulphides, locally up to 35-40%, which included pyrite, chalcocite, chalcopyrite, sphalerite and galena. So far, Peters said, no deleterious elements have been noted in the sulphide suite that might affect metallurgical recoveries.

The sulphide zone is at least 295 ft. thick, and is still open horizontally and vertically as both holes were still in the sulphide system at 580 ft. which was the maximum capability of the drill used.

Complete results from 1991 drilling are as follows. (hole 10 is considered part of the breccia system while holes 11 and 12 drilled west of the mineralized breccia returned low values):

Hole	ft. Interval	ft. Width	gold oz./ton	silver oz./ton	copper %
91-10 incl.	80-230	150	0.12	0.13	
	80-145	65	0.28	0.23	
	115-145	30	0.60	0.28	
	115-130	15	1.18	0.32	
91-13 incl.	370-385	15	0.14	0.50	0.17
	380-385	5	0.31	0.32	0.29
91-14 incl.	355-565	210	0.12	0.19	0.34
	365-430	65	0.29	0.33	0.61
	365-395	30	0.55	0.57	1.02
	355-405	50	0.34	0.41	1.00
	335-525	190	0.28	0.18	0.15
91-15 incl.	400-525	125	0.40	0.17	0.11
	400-435	35	1.20	0.13	0.02
	400-460	60	0.74	0.10	0.05

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