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FILE NO. (082ESE045)

NAME ..... BOUNDARY FALLS

SUBJECT ..... CLIPPINGS

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PROPERTY FILE

N. MINER  
9 APRIL 81

## Robert Mines expects production <sup>GPR</sup> from Greenwood mine in late March

VANCOUVER — The concentrator at Robert Mines' Boundary Falls property near Greenwood, B.C., will probably be in operation by the end of March, says Karl Schindler, president. Following a brief tune-up period the plant will be operated on a 24-hour basis.

To date, approximately 41,000 tons of proven and indicated ore have been blocked out, most of it grading 10 oz. silver, 0.1 oz. gold, 2% lead and 2% zinc per ton. In addi-

tion, nearly 9,000 tons of dump material grading 3.4 oz. silver per ton is available.

Mr. Schindler reports that four staff members are completing work on the concentrator, which initially will operate at 60 tons per day. At maximum capacity it could handle approximately 100 tons daily.

Amro Minerals, a private company, advanced Robert Mines \$240,000 for the mill construction. This, together with its present working capital of \$20,000, will be used to complete the construction program and to develop the underground further. In return for this funding, Amro is entitled to 25% net operating profits, he adds.

Three underground stopes have been developed thus far, complete with chutes for rail-car loading. About 2,500 ft. of drifting, raising and sub-level development has also been finished. Of the three veins known to exist, one has been opened up over a distance of 2,500 ft.

The company intends producing a bulk concentrate similar to that supplied by Dankoe Mines, which will be shipped to the Trail smelter 100 miles away.

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# B.C. shaping up as significant gold producer

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By David Duval

VANCOUVER — Mining may soon replace forestry as B.C.'s largest industry. It's also becoming "little business" in the province since smaller companies are playing ever more important roles in bringing new mines into production.

No longer is it beyond their capabilities to raise \$10-20 million for a mining venture. Although much of this funding is available through Canadian financial institutions and private groups, Europeans are also contributing large amounts for a piece of the action.

While the trend in new mines appears to be towards the development of smaller mining operations (mostly in the precious metals sector) the majors were responsible for nearly all of the large capital expenditures made by the industry during 1980. And these companies will continue to lead spending in the foreseeable future analysts agree.

In the Highland Valley, Teek Corp. spent about \$150 million bringing its Highmont mine into production at 25,000 tons per day, while nearby, Lornex Mining budgeted \$160 million to increase its capacity 68% to 80,000 tons per day beginning in July, 1981. Cominco's huge Valley Copper deposit, situated near Lornex, is expected to be developed at a cost of \$500 million or more in the near future. The company recently acquired an additional 26% equity interest in Bethlehem Copper raising its interest to 65%. Bethlehem has a 5.1% interest in Valley Copper Mines and a 20% interest in the billion ton Lake Zone deposit which straddles both companies' border.

Above the Arctic Circle on Little Cornwallis Island, Cominco is spending \$150 million to develop the Polaris mine. The operation will treat 2,000 tons daily and it will be one of the larger zinc-lead producers in the world.

### Placer busy

Amax of Canada, owned by the huge U.S. molybdenum producer Amax Inc., is reopening its Kitsault molybdenum mine situated on Alice Arm in B.C. at a cost of \$145 million. Expected to come on-stream by July 1981, the operation will have a throughput of 12,000 tons per day.

Owned 70% by Placer Development, Equity Silver Mines \$107 million Sam Goosley project near Houston began production in September. With a mill rate of 5,000 tons per day. Equity is designed to

produce over 5.6 million oz. silver, 14.1 million lb. copper and 10,900 oz. gold annually.

Elsewhere in the province. Placer increased molybdenum output by more than 300,000 lb. per year at its Endako mine. Cost of the project was \$12.5 million. The Gibraltar Mines' East Pit orebody was prepared for mining in a \$40 million program. Canada Wide Mines, the Esso Minerals Canada subsidiary, reopened the Granduc copper mine near Stewart at a cost of \$20 million in October of last year. An improvement in the mining method is expected to enhance the profitability of the mine. A production rate of 4,000 tons daily is scheduled.

Noranda Mines is also getting into the act with plans for a copper-zinc mine in the Goldstream Valley, 80 km north of Revelstoke. At a capital cost of \$62 million, it will produce 75,000 short tons of copper concentrate and 11,600 tons of zinc concentrate annually, starting in the third quarter of 1982.

Meanwhile, mill capacity is being expanded at Noranda's Bell Copper division. An increase to 17,000 tons per day is planned for this year, part of a \$19 million program. At the Boss Mountain division near 100 Mile House mill rate is to be increased from 1,800 to 3,000 tons per day by early 1982. The \$12.5 million program is intended to reap profits from projected price increases for molybdenum in the future.

### New gold mines

The province may soon rank as a significant gold producer with a number of new mines coming on stream. Carolyn Mines and its joint are planning production in early 1981 from the \$20.4 million Ladner Creek gold project near Hope. Mill capacity is designed for 1,500 tons per day. At a smaller price tag, Du Pont of Canada Exploration has allotted \$12 million to bring its high grade Baker gold-silver deposit at Chapelle into production at 100 tons per day early in 1981. Scottie Gold Mines, managed and controlled by Northair Mines, has plans for a 200 ton per day gold-silver operation at Stewart scheduled for production by mid-year.

Late last year, Scottie secured \$15 million in financing to develop the property. Payback period is estimated to be less than a year. Some of the smaller companies are taking

advantage of the low capital cost involved in developing small tonnage but high grade precious metal deposits around the province. Among these companies is United Hearne Resources and its joint venture partner Taurus Resources. In a 60-40 split, they are constructing a 150 ton per day mill at their gold prospect in the Cassiar area of B.C. Cusac Industries has also set up a 30-50 ton portable mill in the same area. Even more significant is Nu Energy Developments' Erickson gold mine joint venture, now being expanded to 200 tons per day at a cost of \$450,000.

Near Stewart, British Silhak Premier Mines is working to a resumption of production based on a 100 ton mill rate for its gold-silver mine, South of Golden, B.C. Ruth Vermont Mines expects to produce 500 tons daily from its precious metals property starting in April.

Dekalb Mining reopened the OK Copper Mine in the Highland Valley at 700-800 tons per day last year. About 200,000 oz. silver and 3,300 oz. gold are expected from the mine annually. Mosquito Creek Gold Mining and Peregrine Petroleum are operating their gold mine near Wells at 100 tons per day and Robert Mines Boundary Falls gold-silver property expects to produce at the same rate.

The Yukon is also reaping the benefits of higher metal prices with United Keno Hill Mines deciding to reactivate the Venus property near Carcross. Nearly \$7 million will have to be spent to bring the former gold-silver prospect into operation at 100 tons per day.

Near Faro Cyprus Anvil Mining has announced a \$240 million eight-year program to develop the Grum and Vangorda deposits east of the Faro mine. Modifications are planned to the mill as part of the program which will see open pit life in the Anvil District extended to 1997.

Klondike fever has hit both large and small companies alike with Copperfields Mining Corp., Canada Tungsten, Queenstake Resources, Forum Resources and Crescent Mines all involved in placer operations around Dawson City and throughout the Yukon. An important \$10 million underground explo-

ration program is being conducted by Hudson Bay Mining and Smelting on its Tom claims near Macmillan Pass. Most analysts believe the lead-zinc-silver prospect will become a producer. In the same area Amax of Canada is contemplating a production decision for its Mactung deposit straddling the Yukon-N.W.T. border near Macmillan Pass.

VSE listed Cadillac Explorations intends to develop a silver-lead-zinc mine in the Nahanni district of the N.W.T. by spending \$35 million for a 1,000 ton per day mining operation. Production is scheduled to begin in late 1981.

### Jaridge Explorations

Jaridge Explorations has agreed to acquire a 50% interest in five mining claims in Lincoln County, Nevada. Payment of \$5,000 has been made as part of the deal. Once matters pertaining to the lease and title of the property are taken care of, a more definitive arrangement will be reached, with Jaridge responsible for 50% of future expenses as well as for any expenses already incurred by Midpines Explorations, Inc., which holds the remaining 50%.

On Aug. 31, Jaridge had working capital of \$102,297, slightly higher than \$100,500 a year earlier.

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# Lively progress for Canadian mining

A steady pattern of growth has characterized the mining industry in recent years and 1980 proved to be no exception.

General economic indicators pointed to a year of slow growth with the US recession having a big impact on Canadian industry. But the mining industry pushed ahead regardless — carrying on with massive expansion programs and announcing new developments across the country.

The trend in the provinces hasn't changed much from previous years, with copper projects leading the way in British Columbia, and uranium and potash continuing strongly in Saskatchewan. Golds were in the forefront in Ontario and Quebec with a lot of old-timers making comebacks.

Total capital requirements of the non-fuel mineral industry from 1980 to 1990 according to the Department of Energy, Mines and Resources will be more than \$42-billion, roughly 6% of total business investment in that period. In current dollars, assuming an average rate of price increase of 6.2% annually over the ten-year period, this \$42-billion mushrooms to \$63.5-billion.

While activity in the minerals sector is providing significant stimulus to the Canadian economy in general, problems with taxes, excessive regulations, rising costs and lack of skilled labour still cloud the future. The softer prices for many metals in the latter half of 1980 may have dampened prospects for some potential new mining projects, but on the whole, the industry is healthy and the outlook is good.

A brief survey covering new Canadian mine developments and major expansion follows. Refer to similar article in *Western Miner* Dec '79 for additional information on many of the on-going projects.

## BRITISH COLUMBIA

Prominent in the expanding mining industry are developments in British Columbia. Here, capital expenditures exceeding \$700-million in the next few years are slated for the Highland Valley region alone.

The \$150-million Highmont project of Teck Corporation will come on-stream late in December 1980 at a rate of 25,000 tons/day and Cominco Limited's 85%-owned Valley Copper Mine is expected to be placed in production at a

cost of \$400- to \$500-million. Cominco's recent purchase of a controlling interest in Bethlehem Copper Mines (raising its equity from 39% to 65%) paves the way for a production decision on the 112,000 tonnes/day project. (Bethlehem has a 5.1% interest in Valley Copper Mines and a 20% interest in the Lake Zone deposit which straddles the Bethlehem-Valley border.)

Nestled between these two, another copper giant Lornex Mining Corporation is spending \$160-million on an expansion program to increase its daily milling rate from 40,000 to 80,000 tons/day by July 1981.

Elsewhere in the province, several new mine projects are making headway. Amax of Canada Limited is spending

\$145-million to reopen its open pit molybdenum mine near Kitsault by July 1981. Throughput will be 12,000 tons/day.

Equity Silver Mines' 107-million Sam Goosley project near Houston came on-stream in September at a rate of 5000 tons/day. Owned 70% by Placer Development, the mine will produce 5,680,000 oz silver, 14,109,000 lb copper and 10,900 oz gold annually.

A new mine announcement in 1980 came from Noranda Mines Limited which intends to develop a copper-zinc mine in the Goldstream Valley, 80km north of Revelstoke. Estimated to cost \$62-million, the mine will begin producing 75,000 short tons of copper concentrate and 11,600 short tons of zinc concentrate annually starting in the third quarter of 1982.

The former Granduc Copper mine was reopened in October by Canada Wide Mines Limited, a subsidiary of Esso Minerals Canada. The company spent \$20-million to rehabilitate the mine, which will treat 4000 tons/day.

Among the golds, Carolin Mines Limited and its joint venture partners the Aquarius Group expect production early 1981 from their \$20.4-million Ladner Creek gold project near Hope. The mill will treat around 1500 tons/day.

Du Pont of Canada Exploration is spending \$12-million to place its high grade Baker gold-silver property at Chapelle into production early 1981, at 100 tons/day. And Scottie Gold Mines, managed and controlled by Northair Mines, secured a \$15-million financing to bring its property near Stewart on-stream by 1981.

The 200 ton-day operation will produce 4500 oz gold and 2800 oz silver per month when in full production.

Spiralling prices for precious metals prompted several junior companies to enter producing ranks with small-scale operations, some using small portable mills to process the ore.

In the Cassiar area, a 150-ton mill is being built by United Hearne Resources (60%) and its partner Taurus Resources (40%), while Cusac Mines has plans for a 30-50 ton/day portable mill on its property in the same area. One producer already in the area, Nu Energy Development is expanding its joint venture Erickson gold mine from 100 to 200 tons/day at a cost of \$450,000.

Mosquito Creek Gold Mining Company and its partner Peregrine Petroleum poured the first brick at their 100 ton/day gold mine near Wells in May 1980.

The Boundary Falls gold-silver property of Robert Mines was scheduled to come on-stream in the fall at the same rate and British Silbak Premier is resuming production at 100 tons/day at its gold-silver property near Stewart. A lead-silver-zinc mine south of Golden is being brought back to life by Ruth Vermont Mines. The company plans a 500 ton/day operation beginning April 1981.

DeKalb Mining Corporation, a wholly-owned subsidiary of DeKalb AgResearch Inc of DeKalb, Illinois reopened the OK copper mine in the Highland Valley in 1980, renaming it the Highland Valley mine. Milling capacity at the trackless underground operation is 700 to 800 tons/day for annual production of 11-million lb copper, 200,000 oz silver and 3300 oz gold.

Several major expansions were carried out during the year. In the Kootenay area, Cominco Limited is moving ahead with its \$420-million, eight-year expansion and modification program at Kimberley and Trail (the program began in 1977). A new zinc pressure leach plant was officially opened in October.

At Newmont Mines Limited's Similkameen Division, a \$23.4-million project was completed. The work included installation of a new primary crusher and conveyor to transport ore from the Copper Mountain orebodies starting July 1981; the same time as the Ingerbelle ore is

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exhausted.

Noranda Mines continued its \$19-million project at the Bell Copper Division near Granisle, seeking to expand mill throughput from 15,000 to 17,000 tons/day by 1981. Despite lower molybdenum prices, a \$12.5-million program was announced at its Boss Mountain molybdenum mine, near 100 Mile House, which will increase mill rate from 1800 to 3000 tons/day by early 1982. 93K 13E

Placer Development completed work to increase molybdenum output by more than 300,000 lb annually at its Endako mine. The \$12.5-million project included 093K 066 expanding the rougher flotation circuit, adding a new roaster and a new plant to produce lubricant-grade molybdenum. A \$40-million program at Placer's Gibraltar mine to prepare the Gibraltar East orebody for Stage Two mining was also completed, facilitating transfer of mining from the Pollyanna pit. 93B 17W  
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ANNUAL MEETING - Robert Mines Ltd. annual meeting will be held on 10 Jan 78 at 10 a.m. in Georgia Hotel, Vancouver. Nominees for election as directors are now serving: Karl Schindler, president, owning 143,250 shares; Hans E. Ramsperger, 149,250; Robert Kohls, secretary, 336,950, and Florian Baumstark, owning 135,000.

In his annual report, Mr. Schindler says management propose to arrange a refinancing early in 1978 to complete plans and develop the company's silver mine at Boundary Falls in Greenwood mining division, B.C. The company has been negotiating to buy a 100-ton per day concentrator which is already at the Boundary Falls mine. Mr. Schindler says it is intended to have this equipment in operation in the coming year.

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FUNDS ARRANGED TO TAKE B.C. - Subject to regulatory approval, Robert Mines Ltd, have signed an agreement with Amro Minerals Corp. whereby Amro will provide sufficient funds to enable Robert to put their silver/gold mine into production near Boundary Falls, Greenwood mining division, B.C. Robert will maintain controlling interest in the mine and continue to manage and operate it.

The agreement provides for Amro to earn 25% of the net profit by supplying up to \$240,000 in two stages and to have the right to buy, within 36 months, an additional 15% interest for \$200,000.

The funds are to be used by Robert's management and their engineers exclusively for further development work and to erect the mill equipment already on site and owned by Robert thus enabling Robert to concentrate the development muck and ore already established.