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PACIFIC CASSIAR LIMITED

ANNUAL MEETING - John A. Craig, secretary, has called the annual meeting of Pacific Cassiar Limited for 23 Mar 82 at 11 a.m. in Georgia Hotel, Vancouver. This year there is but 1 vacancy on the Board of Directors to be filled and the period of his service is to be 5 years. Management's nominee is Stanley Vavra who is presently serving and who owns 53,200 shares directly. The company's president Steve Vavra controls almost 25% of the 2,931,800 class A shares outstanding at Oct 31/81.

Shareholders will be asked to approve a special resolution: to redesignate the authorized 10,000,000 Class "B" shares without par value as Class "B" non-voting shares without par value; to restrict the transfer of the 10,000,000 Class "A" voting shares where a take-over bid in excess of market price is made for them unless a comparable offer is made for the "B" shares; and to entitle "B" shareholders to receive all material sent by the company "A" shareholders and to attend and speak at any meeting of the members of the company, but not to vote at any such meeting.

President Steve Vavra reports that continued success on two of the company's prime resource properties highlighted the company's 1981 fiscal year ended Oct 31/81. In the Innisfail area of Alberta, Pacific Cassiar participated in a Pekisko gas discovery which has greatly enhanced the company's gas reserves in this area. In the Stewart area of B.C., work on the company's Prosperity-Porter Idaho silver properties revealed major mineralized extensions to previously known reserve potential, see review of progress there in GCNL 37(82). At Innisfail, Alberta, the third successful well on a Pekisko gas play initiated in 1978 was completed. Pacific Cassiar hold 6.25% interest. This well has a stabilized deliverability of 50,812 M³/D, 1,800,000 cubic feet per day at 6895 Kpa (1,000 psig) prior to fracture treatment. A gas purchase is being pursued; however, at least one additional well will be drilled before gas plant design is initiated. The company's net gas reserves are estimated at 100,000 10³ (3,500,000 cu.ft. in this area). The company acquired an additional 320-acre lease on the west flank of the Innisfail D-3 oil pool and now hold interests in 480 acres in total. One well is planned on these lands during 1982 provided that a suitable farmout can be negotiated. Oil production will qualify for the "new oil" price.

Due to uncertainty created by energy negotiations between the federal and provincial governments, Pacific Cassiar concentrated on lease acquisition in Alberta rather than drilling. Interests are now held in about 11,000 gross acres oil/gas leases which are located near proven production. Most of the petroleum properties will qualify for "new oil" prices while the gas properties, for the most part, will qualify for gas purchase contracts.

During 1981, Pacific Cypress organized a private limited partnership which spent \$405,000 largely on the company's mineral resource properties. In exchange, the partnership was issued 162,000 Class B shares. Oil/gas lease acquisitions were funded from investment gains made over the last two years.

Mr. Vavra says Pacific Cypress currently have about \$450,000 available in drilling partnership funds to participate in drilling prospects. During 1982, ten wells are planned in which the company will have various interests. The company also have about \$250,000 for lease and property acquisitions. By year end 1982, cash flow from oil and gas operations should increase substantially as a number of wells will be placed on production.

An application has been submitted to Toronto Stock Exchange for listing of Class A shares and approval is anticipated about 1 Apr 82. The company also plan at a later date to list their Class B shares on both the Vancouver and the Toronto Exchanges.

Much detail is presented in the annual report of the company's oil/gas activities in Alberta at Keho, Red Lodge, Richdale, Innisfail and Camrose and their mining properties in B.C., being the Prosperity-Porter Idaho silver property and the Glacier Creek gold-silver property near the Chu Chu copper property 80 km north of Kamloops, the Nook copper property some 50 km east of Prince George, the Downie Creek sulphide property 70 km north of Revelstoke, and 11 km SE of the high grade Goldstream massive sulphide copper deposit that Noranda Mines Limited are preparing for production and the Vulcan joint venture in which Pacific Cassiar participate as to 25% interest-this is a "grass-roots" exploration program in SW B.C.

Besides Steve Vavra, P.Eng, John A. Craig, B.Sc., M.Sc., P.Geol., and Stanley Vavra, directors are William B. Hick, M.D., J. Michael Kenyon, P.Geol., and George Pilkington.

103P/13W (103P 089)

82M/9W

82F/16W
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93H

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103P 055