82F/14W

FILE No. (082FNW050)

NAME SILVANA MINES, SILMONAC, MINNIEHAHA

SUBJECT CLIPPINGS

82FNW050 SILVANA MINES

PROPERTY FILE

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NMINER
14 APR 1986

White mine's performance a highlight for Dickenson

Operations at the Arthur W. White mine at Balmertown in the Red Lake area of northwestern Ontario continues to be a highlight for **Dickenson Mines** says President Peter Munro in the company's 1985 annual report.

Total production at the mine, in which Dickenson has a 65% interest, was 215,000 tons of ore grading 0.3 oz gold per ton to produce 62,700 oz of gold, an increase of 1,900 oz from 1984 and the fourth straight year that gold production has improved.

"Although tonnage for the full year showed only a modest increase, fourth quarter tonnage of 63,000 tons was the highest quarterly tonnage in the history of the operation," says Mr Munro.

Ore reserves and proven ore reserve grade also increased without including a new ore zone being outlined at depth. Reserves now stand at 2,915,000 tons of proven and probable ore grading an average 0.312 oz.

Drilling done from the 30th level has outlined several parallel zones over a strike length of 1,000 ft. Drilling also appears to indicate a wide high grade structure. Mine staff says a future mining grade approaching 0.40 oz may be achievable. Work on delineating the new zone is continuing in 1986.

At the company's other operations Dickenson produced 470,000 oz of silver at its 100%-owned Silvana division in southeastern British Columbia providing an operating profit of $948,000. The Havelock Lime division in New Brunswick, 60% owned by Dickenson, also performed well during 1985 although sales were slightly below record levels attained in 1984.

82F/14W
(082FNW050)

Dickenson plans to increase its interest in Havelock to 100% at the beginning of 1987.

During 1985 the company raised $28.12 million through an issue of 8.5% convertible subordinated debentures and raised $1.16 million by issuing 145,287 Class A shares with warrants. Working capital increased during the year by a total of $30.44 million to $37.18 million and a 10¢ dividend was issued amounting to $1,205,000.

Net revenue for the company increased to $29,705,000 in 1985 compared to $25,354,000 in 1984 but net income declined to $1,720,000 or 16¢ per share in 1985 compared to $3,109,000 or 28¢ per share in 1984.

Kam Kotia Mines, which is 46.3% held by Dickenson, reported a loss before extraordinary items in 1985 of $338,000 or 5¢ per share compared to a loss before extraordinary items in 1984 of $15,000. After extraordinary items Kam Kotia's net loss in 1985 was $434,000 or 6¢ per share compared to a loss of $144,000 or 2¢ per share in 1984.

Kam Kotia is a holding company with its main asset being a 33.3% voting interest and 16.8% equity interest in Dickenson. Management intends to purchase revenue producing assets in the precious metal or industrial minerals fields.

THE NORTHERN MINER MAGAZINE FEB 1986

DICKENSON

Dickenson Mines continued exploration efforts in 1985 primarily for precious metals. Some $1.5 million was spent on exploration in 1985 and the same level has been budgeted for 1986.

The 58-claim group belonging to the Dickenson-Sullivan joint venture and containing the A.W. White mine in northwestern Ontario was covered by line cutting, geological mapping, ground magnetometer and max-min EM surveys. A complete compilation of existing surface data was made including some 127 surface holes, many of which were original discovery holes.

In 1985 a surface diamond drill program was undertaken to examine three areas found from compilation work. Thirteen holes were drilled for a total of 4,007 ft. Two of the areas require further work.

A surface diamond drilling and stripping program are planned for 1986. The compilation work started on surface will be extended downward into the mine and adjacent areas.

82F/NW (082FNW 050)

In the Slocan district of south central British Columbia surface exploration work continued on the Silvana property. Work consisted of geological mapping, geochemical sampling and diamond drilling. Nine BQ holes were drilled for 2,743 ft.

A number of geochemical anomalies found to date will require further investigation by drilling and/or trenching.

The 1986 program will be primarily undergound drifting and diamond drilling in selected areas of the mine.

On July 31, Dickenson Mines (50%) and New Cinch Uranium (50%) optioned three claim groups totalling 114 claims in Harker, Holloway and Marriott twps, near the Quebec/Ontario border south of Lake Abitibi.

H.E. Neal and Associates are in charge of the field work. The majority of the 1985 work was conducted on the claim groups in Holloway and Marriot twps. and consisted of line cutting, geological mapping, geochemical sampling, magnetometer and VCF-EM surveys.

At the time of writing, a diamond drill program was just under way on the Holloway property. The program was delayed owing to a shortage of available drills.

During 1985, Dickenson Mines (32%) participated in a joint venture with Precambrian Exploration (32%), Reserve Oil and Minerals Corp. (20%), Asarco Incorporated (8%) and Silver State Mining Corp. (8%). The joint venture is exploring for precious metals in Nevada under the management of Precambrian Exploration.

During the year a number of target areas were examined with one project progressing to the trenching and drilling stage. Results are awaited from a reconnaissance program over a 750 sq. mi. area.

The program will continue throughout 1986.

Goldquest Exploration is a company held 43.1%, 21.3% and 4.8% by Dickenson Mines, Sullivan Mining Group and Cominco Limited respectively.

Field work commenced in February with a winter drilling program at the Rowan property and was terminated with freezing weather in early November.

A number of areas were examined in closer detail with geological mapping and a number of water areas were covered by geophysics over the ice.

A total of 32,600 ft. was drilled in 83 holes examining a number of target areas in the Rowan, Inore, Albino, Kilbarry and Southeast grid areas.

At Rowan, 45 holes totalling some 11,801 ft. were drilled to define reserves on the main veins. Six holes were drilled to examine other targets. A total of 49,562 tons of 0.79 oz. gold per ton (uncut) and 0.42 oz. gold per ton (cut) were outlined at the Rowan property.

In late spring of 1986 plans are to dewater the Abino decline driven in 1983 to the granodiorite zone.

N MINER
16 MAY 1985

Dickenson earnings hurt by weak gold

Net earning for **Dickenson Mines** slipped to $108,000 or 1¢ per share for the first quarter of 1985 ended Mar.31. This compares with net earnings of $612,000 or 6¢ per share realized during the corresponding period in 1983.

The major factor behind the weaker earnings is the price of gold which was sold at an average of $C395 per oz. for the period compared with $481 during the first quarter in 1983. First quarter gold production at the company's 65%-owned White mine in Red Lake, Ont., was 13,800 oz. from 46,000 tons of ore grading 0.34 oz. gold per ton. The company's portion of gold output was 8,972 oz.

Working capital at the end of the period was $7 million. Dickenson views the outlook for the balance of the year with cautious optimism, the company notes in its interim report to shareholders. This optimism is based on expected higher gold prices and the impact of resumed operations at the Silvana silver-zinc-lead operation in B.C. and higher gold production from the Red Lake operation.

N MINER
30 SEPT 1985

82F/14W
(082F/NW050)

Dickenson Mines' Silvana division in British Columbia was closed for most of 1984 but is now in production and running close to break even.

N MINER 3 MAY 1985

Pending Dickenson acquisition

Kam-Kotia will participate in industrial mineral deals

Long-term plans for **Kam-Kotia Mines** will include making it an operating company, shareholders of Kam-Kotia and **Dickenson Mines** learned at the companies' joint annual meeting.

Prompted by a question from a shareholder as to whether Dickenson had any plans to merge with its 40.4%-owned affiliate, Dickenson President P. L. Munro said "we have no plans to merge Dickenson with Kam-Kotia, but do plan to make Kam-Kotia an operating company."

After Dickenson's successful foray into the industrial minerals field via its Havelock lime operation in New Brunswick, Mr. Munro added that "it's our intention to have Kam-Kotia participate in the industrial mineral field."

After the annual meeting, Mr. Munro explained to The Northern Miner that Dickenson is continuing to examine potential industrial mineral acquisitions. In 1984, the company bid on two projects but failed to win either. Any future acquisition will include the participation of Kam-Kotia, Mr. Munro said.

An important component of Dickenson's long-term strategy will be to acquire another industrial mineral asset with annual revenues in the $30-million range. Such an acquisition would enable the company to meet its objective of annual industrial mineral sales of $50 million.

In 1984, the 60%-owned Havelock operation generated revenues of $5 million — equal to almost 20% of the company's total revenues of $25.4 million. Feasibility and market research studies are also under way, Mr. Munro said, which will examine the economics of adding a new kiln at the site. The over-all objective is to increase annual industrial minerals revenues from Havelock to $20 million by 1990.

At the company's principal asset, the 65%-owned White mine near Red Lake, Ont., Dickenson's strategy remains to increase the milling rate to 1,500 tons per day from the current 1,000 tons per day.

However, Mr. Munro was quick to caution that such an increase in milling capacity will depend on a major increase in reserves from the current 3.2 million tons to 5 million tons. "We will increase exploration and development at the White mine which will enable us to make an expansion decision by 1987."

Operations, which resumed at the Silvana silver mine near Sandon, B.C. after a 9-month shutdown, are expected to be profitable during the year. Silvana became viable after the discovery in early 1984 of a new mineralized zone which added two years of reserves to the operation.

Although the mine operated for less than four months in 1984, net revenues exceeded operating costs for the entire year by $42,000. Reserves stand at 55,000 tons at a conservative grade of 15.4 oz. silver per ton, 5.5% lead and 6.2% zinc.

A highlight for Dickenson shareholders was the payment of a dividend; the first in seven years. During the year, the company realized net income of $2.7 million or 25¢ per share.

Exploration of Red Lake area properties held by Dickenson's 48%-owned affiliate **Goldquest Exploration** yielded encouraging results on the Rowan property. "Although it will be a mine one day (Rowan), it will not be of major significance to either Dickenson or Kam-Kotia unless there is a dramatic increase in gold prices," Mr. Munro said. Kam-Kotia has a 16.8% interest in Goldquest.

Kam-Kotia, which has a strong working capital base of $914,000 as at Mar. 31, reported an unaudited first quarter loss of $136,000 or 2¢ per share.

82F/14W (082FNW050)

NMINER
7 MARCH 1985

Exploration that put Silvana back to work a Dickenson highlight

An underground exploration program that led to resumption of production at the Silvana silver-lead-zinc mine in south-central British Columbia was one of the highlights of 1984, says **Dickenson Mines** Exploration Vice-President Robert Van Tassell.

A similar program this year as well as exploration at the Arthur W. White gold mine near Red Lake, Ont., and participation in exploration ventures elsewhere in the Red Lake area and in the U.S., will take up most of Dickenson's exploration energies in 1985.

Following a suspension of operations late in 1983 at the 100-ton-per-day Silvana mine, Dickenson retained a small crew at the mine to conduct an underground exploration program of drifting and diamond drilling.

From mid-December, 1983, to early March, 1984, a 500-foot drift was driven on the 4270-level. Some 30 AQ drill holes totalling 4,757 feet were completed between Mar. 1 and Apr. 27. Most of the holes, which ranged in length from 74 to 252 feet, intersected good ore-grade values over minable widths.

Development, consisting of ore pass, raises and subdrifting, confirmed the results indicated by diamond drilling and a decision was made to resume production immediately following the Labour Day weekend. Operations resumed on a reduced 5-day week with 39 personnel.

Production from September to December, 1984, amounted to 8,137 tons at 21.4 oz. per ton silver, 10.7% lead, and 6.2% zinc.

Ore reserves as of Dec. 31, 1984, were 54,255 tons grading 15.39 oz. per ton silver, 5.51% lead and 6.19% zinc.

The program on the optioned Hecla property just north of Silverton Creek was terminated Feb. 28 with the completion of 4,758 ft. of diamond drilling in 23 AQ holes.

Low order results were obtained from the drilling with the highest returning 53.8 oz. per ton silver, 28.2% lead, and 16.8% zinc across 0.65 ft. The option agreement with the vendors was terminated.

Surface exploration coverage of the mine property continued in 1984 under the guidance of a permanent staff exploration geologist assisted by two summer personnel.

Work consisted primarily of grid control with geological and geochemical surveys. Results to date have been encouraging and a similar program will continue in 1985 with follow-up of a few targets by trenching and diamond drilling.

An exploration geologist at the A. W. White mine property is undertaking a compilation of all surface data on the joint venture property. The 1985 program will consist of line cutting, geological mapping, geophysics and surface diamond drilling.

In early December 1984, Dickenson entered into an exploration joint venture agreement with **PreCambrian Exploration, Reserve Oil and Minerals** and **Asarco Inc.** The joint venture, known as the Dickenson Nevada (1984) Venture, will explore for disseminated gold deposits in the state of Nevada.

THE NORTHERN MINER April 12, 1984

N MINER
12 APR 1984

Dickenson reports high silver-zinc find

Dame Fortune continues to smile on **Dickenson Mines**, it seems.

This time it is on the company's Silvana Division in British Columbia, where recent underground exploratory drilling has picked up some brand new ore running high in both silver and zinc.

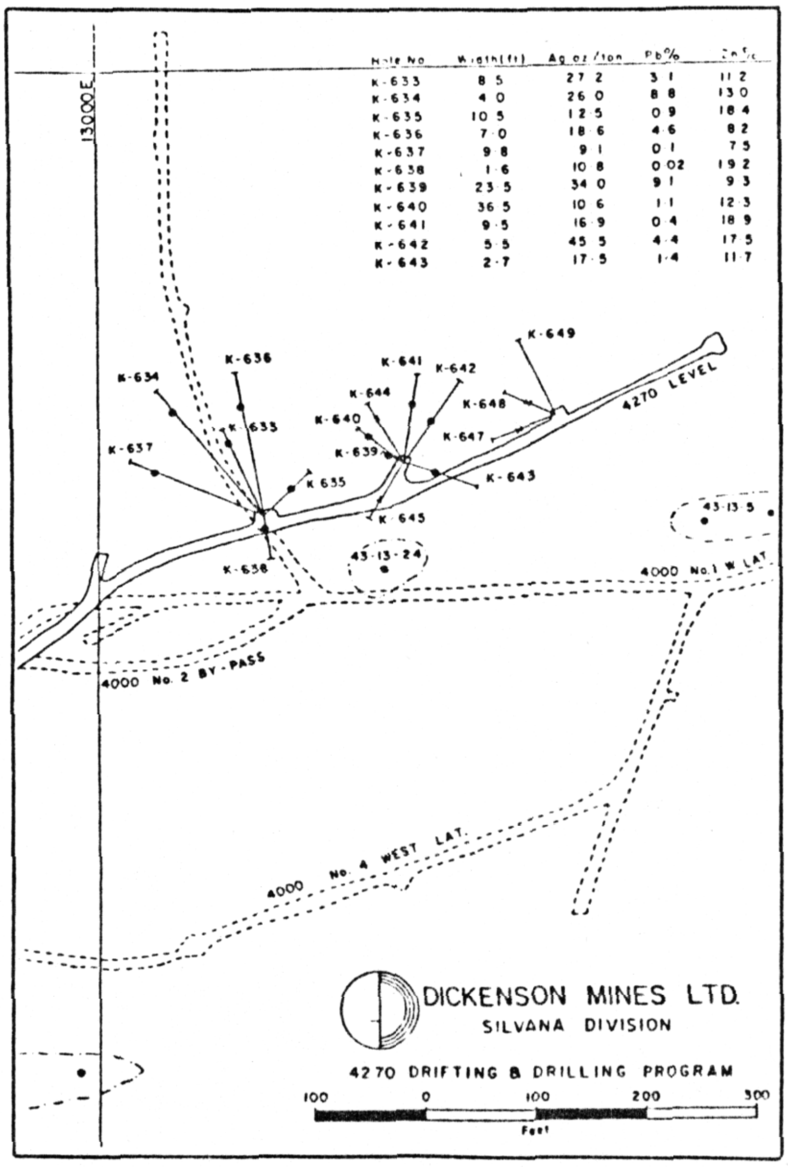
"We see this as a significant new development that will lead to an early resumption of production," P. L. Munro, president and chief executive officer tells The Northern Miner.

Even at the present price of silver, this should add quite a bit to Dickenson's revenues which are expected to appear in the fourth quarter, he says, pointing out that grade should run two and a half times better than when production was suspended in December.

The new ore is in an area never before explored, several hundred feet from the nearest workings. Ten holes have been completed to date, with drilling to continue until the end of the month following which a heading will be pushed into the new occurrence.

Ore grade intersections have now been encountered over 300 ft. of strike and 200 ft. of dip length with the zone still open up dip and along strike. Results of this continuing program are as follows:

Hole	Length in feet	Silver oz/ton	Lead %	Zinc %
33	8.5	27.2	3.1	11.2
34	4.0	26.0	8.8	13.0
35	10.5	12.5	0.9	18.4
36	7.0	18.6	4.6	8.2
37	9.8	9.1	0.1	7.5
38	1.6	10.8	Trace	19.2
39	23.5	34.0	9.1	9.3
40	36.5	10.6	1.1	12.3
41	9.5	16.9	0.4	18.9
42	5.5	45.5	4.4	17.5
43	2.7	17.5	1.4	11.7



Silmonac
Minnehaha
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(082F NW050)

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A Southam Business Publication
Vol 102, No 10 October 1981

CANADIAN MINING JOURNAL

82F/14W

CMJ Capital Spending Report

BRITISH COLUMBIA $2.996 billion

Company	Purpose of expenditure	$000s to be spent 1981	1982	1983	Beyond 1983
Afton Operating Corporation 92I/10E 092INE023	Mobile equipment for open pit copper mine	3,500	3,500		
	Systems improvements at mill	750	750		
	Systems improvements at smelter	750	750		
	Total: $5 million				
BC Coal Ltd	The $278 million Greenhills coal mine is expected to begin production in mid-1983 at a rate of 1.8 million tonnes/year.	63,000	100,000	60,000	
	Expenditures at Sparwood include $17.6 million for pit equipment, $13 million for land acquisition and residential construction and $1.6 million for a new lab.	53,000	46,000	28,000	10,000
	Construction at the Harmer mine includes a new dry and office and maintenance shop extension.	9,458	7,635		
	Cost of increasing the throughput of Westshore terminals and upkeep.	43,000	74,000	38,000	
	Total: $472.093 million				
BC Hydro	The price tag of the Hat Creek coal mine and generating plant due to come on stream in 1988 has risen to $5 billion, with roughly 45 per cent of the cost being for the mine.	32,000	32,000	32,000	129,000
	Total: $2.25 billion				
Bethlehem Copper Corporation 92I/7W 092ISE001	Spending at this open pit copper mine has nearly doubled this year over last.				
	Replace mining equipment	4,554	2,117	1,468	
	Construct tailings dam	7,316	2,376		
	Total: $17.831 million				
Brenda Mines Ltd 92H/16E 092HNE047	A new mining shovel and mill equipment were added at this copper-moly producer.				
	New mining shovel	2,000			
	Classifying and flotation equipment	4,250			
	Normal equipment replacement	3,500	4,000		
	Total: $13.75 million				

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Company	Purpose of expenditure	$000s to be spent 1981	1982	1983	Beyond 1983
BP Canada	Plans are being made for the Sukunka coal mine development near Chetwynd, BC.			400,000	
	Total: $400 million				
Carolin Mines Ltd 92H/11W 092HNW003	The Ladner Creek gold mine development was completed this year.	10,000			
	Total: $10 million				
Cominco Ltd 82F/9E 082FNE052	The modernization and associated metallurgical projects at the Trail smelter will receive the bulk of spending — $355 million.				
	Trail modernization	85,000	105,000	160,000	
	Sullivan mine and mill	7,000	10,000	40,000	
	Minor projects	12,000	12,000	12,000	
	Total: $443 million				
Crows Nest Resources Ltd	The Line Creek coal mine at Sparwood is nearing production set for next year.	70,000	50,000		
	Total: $120 million				
Dankoe Mines Ltd 82E/4E 082ESW002	Spending is modest at the silver mine near Keremeos, BC	250	250	250	
	Total: $750,000				
Denison Mines Ltd	With the promise of a rail line to northeastern BC, development of the Quintette coal deposit is planned by 1985.		100,000	100,000	500,000
	Total: $700 million				
Dickenson Mines Limited ~~KAM-KOTIA~~ 82F/14W 082F 14W	The silver-lead-zinc mine near New Denver, BC is receiving several improvements.				
	Conversion to central diesel plant for mine and mill plus upgrading and increasing hydro plant	100	300		
	Replacing mill equipment and upgrading capacity 60 per cent to 200 tpd SILMONAC		150		
	Total: $550,000				
Dimac Resource Corporation 82M/13E 082M 136	This small tungsten mine was recently placed in production near Clearwater, BC	2,500			
	Total: $2.5 million GOTCHA MAY SILENCE LAKE				
DuPont Canada Inc 14E 094E 026	The Baker gold mine at Chappelle, BC, is in production.	6,000			
	Total: $6 million CHAPPELLE				
Equity Silver Mines Ltd 93L/1W 093L 001	This newly-opened silver mine is planning expenditures of about $7 million for mining and $3 million for milling.				
	Replace pit equipment SAM GOOSLY	477	695	4,673	855

Company	Purpose of expenditure	$000s to be spent 1981	1982	1983	Beyond 1983
Equity Silver (continued)	Regional exploration		100		111
	Replace mill equipment	155	~~6~~		6
	Buy on-stream analyzer	200			
	Additions to flotation	200			
	Mill expansion				2,500
	Replace plant equipment	121	300	70	280
	Move carpenter shop	55			
	Replace misc. equipment	41	177	39	363
	New warehouse storage	50			
	Buy computer facilities		75	75	
	Replace telephone system	20			
	Total: $11.64 million				
Esso Minerals Canada	Having just bought the Byron Creek colliery in southeastern BC, Esso plans to expand it.	35,000	35,000		
	Total: $70 million				
Fording Coal Ltd	The $115 million coal mine expansion at Elkford is well under way.	38,000	26,000	20,000	
	Total: $84 million				
Lornex Mining Corp Ltd 92I/7W 092ISE008	The $160 million expansion of the copper mine at Logan Lake, BC, is complete. Project included upping the milling rate to 80,000 tpd and purchasing additional pit equipment.	78,300			
	Total: $78.3 million HIGHLAND VALLEY				
Noranda Mines Ltd 82M/9W 082M 141	The Goldstream copper-zinc mine near Revelstoke is scheduled to be in production late in 1982 at a rate of 1350 tpd. Total cost of the project is estimated at $62 million.	27,600	16,300		
	Studies have started on modifications to the ore handling and processing systems at the Granisle mine.	300	300		
	Total: $44.5 million				
Norco Resources	A hydraulic and longwall coal mine is planned at Bowron River, near Prince George, BC. Output will be sold to Taiwan Power Co.	40,000	41,000		
	Total: $81 million				
Placer Development Limited 93K/3E 093K 006	The bulk of spending at the Endako moly mine will be for upgrading the mill.				
	Replace mobile equipment	50	1,291	1,511	
	Upgrade and replace process equipment	536	1,815	1,040	
	Complete flotation expansion	185			
	Complete roaster expansion	1,697			
	Total: $8.125 million				
Ruth Vermont Mine Limited 82K/15W 082KNE009	This silver-lead-zinc producer was reopened this summer in southeastern BC.	4,000			
	Total: $4 million				

Company	Purpose of expenditure	$000s to be spent 1981	1982	1983	Beyond 1983
Scottie Gold Mines 104B/11E 104B 074	The company's gold-silver mine was recently placed in production. **Total: $7.5 million**	7,500			
Teck Corp	Construction is slated to begin on the Bullmoose coking coal mine in northeast BC in the spring of 1982. It is designed to supply 1.7 million tons of coal annually, beginning in late-1983. **Total: $220 million**		110,000	110,000	
Westmin Resources 92F/12E 092F 071, 072	The shaft is being sunk for development of the Creek zone copper-lead-zinc deposit near the Myra and Lynx mines at Buttle Lake, BC. Production is expected by 1983 and ore will be milled at the existing concentrator. **Total: $15 million**	5,000	5,000	5,000	

THE NORTHERN MINER
May 28, 1981

an oz.

Silvana

At the Silvana operation in New Denver, B.C., 8,000 tons of ore grading 10.65 oz. silver per ton were milled in the first quarter, Webb Cummings, manager of the Silvana division, reported to the meeting. For 1981 he predicted that the mine will treat 32,000 tons of ore averaging 10 oz. silver per ton, 3% lead and 3% zinc. He said he expected that 1981 will be a reasonable year if silver prices rise as predicted.

With a view to reducing costs retracking of the main haulage way and improving ore handling facilities are continuing. A feasibility study on a central power plant to cost an estimated $500,000 has been completed, but no decision has yet been made on its construction. The plant would replace the diesel power system with a view to reducing power costs.

82K/3W
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GCNL #65 ... KEN 5-4-78

SILVANA MINES INC. file 82F NW 50 82F/14W

THREE MONTHS ENDED DECEMBER 31,	1977
Metal Recovery, Gross	$660,000
Transport, Treatment Costs	213,000
Total Revenue	$447,000
Exploration Expense	177,000
Mining Costs	64,000
Milling Costs	61,000
Mine Management Costs	79,000
Depreciation, Depletion	19,000
Income From Mining Oper'n.	$47,000
Administration,General Expenses	35,000
Interest Income	3,000
NET INCOME	$15,000
Working Capital	$226,000

MINE DEVELOPMENT PROGRAM STARTED

The annual meeting of Silvana Mines Inc.(formerly Silmonac Mines Limited)will be held on 24Apr78 at 10 a.m. in Georgia Hotel, Vancouver. Nominees for election as directors are now serving: G.W.Walkey, president; H.Vance White; James Geddes and William Hogg. Mr.White owns 1,501 shares and the others own 1 share each. Major shareholders are Kam-Kotia Mines Limited and their subsidiary, Carnegie Mining Corporation who, together, own 1,772,357 shares, being 80.88% of the 2,641,250 shares issued as at 31Mar78.

Following purchase of the mill from Carnegie Mining Corporation at New Denver,B.C., Silvana took over complete control of the mine and mill operation effective 1Aug77. Financial statements accompanying the directors' annual report do not present results for the 12 months ended 31Dec77 as such. Mr. Walkey reports 1977 production totalled 17,499 tons with an average grade of 19.34 ounces silver per ton, 7.41% lead and 6.13% zinc. Of this tonnage 11,782 tons, grading 18.45 ounces silver per ton, 6.93% lead and 6.22% zinc, was produced under Kam-Kotia's management from January to July 31 and 5,717 tons grading 21.18 ounces of silver per ton, 8.41% lead and 5.85% zinc was produced by Silvana from August 1 to December 31. Total payable production of metals was 323,875 ounces of silver, 2,459,296 pounds of lead, 1,968,734 pounds of zinc and 12,290 pounds of cadmium.

A plan has been developed to greatly increase mine production capacity; to allow exploration and development to proceed at a much faster rate; and to provide production at the mill's capacity, about 40,000 to 45,000 tons per year. The estimated cost is at least $1,100,000. To finance the program, a line of bank credit to $750,000 was arranged, and 450,000 shares and 375,000 share purchase warrants were sold to underwriters to net the company $845,156. The warrants are exercisable through 9Feb79 and if all were exercised would provide a further $750,000. The issue was completed in February, 1978. (As at 31Mar78, 2,641,250 shares were outstanding).

Mr. Walkey says the program involves rehabilitating the 4,000 ft. level and setting up a mining plant at the portal. Work started in late 1977. The plant has been set up. Rehabilitation of the level is underway. He expects the program to be completed by yearend 1978 or early 1979.

Silvana Mines doing much better

N. Miner ... 1979 p. 28 82F/14W

High silver prices and the promise of new and deeper ore are brightening the picture for Silvana Mines at New Denver, B.C. A subsidiary of Kam-Kotia Mines, whose shares are now listed on both the Vancouver and Toronto Stock Exchange, its cash flow for January is expected to run "well in excess of $100,000," an official tells The Northern Miner. February, too, is expected to be comparable.

Of the 375,000 outstanding warrants that expired Feb. 9, 364,000 or 97% were exercised at $2 per share, netting the treasury $728,000.

Also, it is learned, the company will receive a further grant of $100,000 for the period December to March from the B.C. government under its Accelerated Government Development Program. Silvana, in fact, has been one of the largest benefactors in that province in that government's program designed to speed up mine development.

The company is meeting with success in the costly gamble it has taken to locate and develop ore from a long new deep adit it is advancing.

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082F14W 03633

SILVANA MINES INC.

FUNDS RAISED TO FURTHER DEVELOP THE SILMONAC SILVER-LEAD-ZINC MINE - Silvana Mines Inc. shares were shifted 9Feb78 from Vancouver Curb Exchange to the Resource and Development Board of Vancouver Stock Exchange.

By 17Nov.77 agreement effective 9Feb78, A.E. Osler, Wills, Bickle Ltd., and Continental Carlisle Douglas Ltd. have agreed to buy a total of 112,500 units at $7.25 per unit plus 262,500 share purchase warrants at 11 1/2¢ per warrant. Each unit will consist of 4 common shares and 1 warrant. Each warrant will be exerciseable to buy 1 common share at $2 through 8Feb79. Osler will offer 87,500 units at $8 per unit and 262,500 warrants at 15¢ per warrant by way of prospectus in Ontario and Continental will offer 25,000 units at $8 on Vancouver Stock Exchange. The offering will continue through 8Feb79 or until all units at $8 are sold.

Formerly named Silmonac Mines Limited before a 4-old for 1-new share consolidation last fall, Silvana raised its interest in the proceeds from production from the Silmonac mine at New Denver, B.C., from 49% to 100% by such issues of shares (detailed in GCNL 175(77) as gave Kam-Kotia Mines Limited clear control of Silvana. As at 6Feb78, Kam-Kotia owned 1,172,357 Silvana shares, being 53.5% of those issued. Carnegie Mining Corporation Limited owned 600,000 being 27.38% of those issued. Kam-Kotia holds 68% of Carnegie's shares and, thus, controlled a total of 80.88% of Silvana's issued shares before the current underwriting.

Silvana's directors are Graham W. Walkey, president; H. Vance White, v.pres.; Jas. Geddes, sec. and Herbert R. Heard - all of Toronto area; David M. Mercier of Burnaby, B.C.; and Wm. Hogg, mine manager at New Denver, B.C.

Silvana states that the Silmonac Mine has been in operation since September 1970 - by Kam-Kotia under a lease operating agreement until 1Aug77 and since then by Silvana. At present, says management, the mine has 48,855 tons of commercial grade ore, being average grade of mine production to date, i.e. 16.43 ounces silver per ton, 5.8% lead, 5.9% zinc plus values in cadmium.

Silvana intend to use the net proceeds from the underwriting of some $830,156 to conduct the work on the Silmonac Mine recommended last May by Wm. M. Sharp, P.Eng., as amended on 18Oct77. The Stage 1 work is chiefly to achieve efficiencies in the use of the 4,000-foot level, to develop it as the main haulage level, to drive 1,000 feet of 7 by 8-foot cross-cut from the west end of that level and to drive three 5 by 7-foot raises each 420 feet long to the 4,400-foot elevation. That Stage 1 work Mr. Sharp estimates would cost $849,500. His Stage II work would comprise driving 2,500 feet of 8 by 10-foot headings for exploration and development at a cost of $250,000. His Stage III work would be a continuation of exploration and development using cash flow from production. Concerning production costs, Mr. Sharp says that, at a rate of 3,500 tons per month, costs are projected at $182,332 of which $62,000 is budgeted for exploration and development.

In 11 months ended 30Sep77, Silvana's revenue from metal recovery, after transport and treatment costs, was $318,597 and from royalty income $205,160, a total of $523,757. After mine expenses and $14,865 in depreciation and depletion, income from mining operations was $279,921. After other expenses, mainly administrative and interest income, Silvana's net income was $259,703 for those 11 months to 30Sep77. Working capital stood at $264,210 at that date.

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MINNIE-HA-HA
N. Miner March 4th 1976
82F/14 NW L50 /12

group in the Birch Lake area east of Red Lake.

Closely associated Kam-Kotia Mines will be spending something like $500,000 on a new underground exploration program at its Silmonac mine project at New Denver, B.C. Also Kam-Kotia and Nickel Rim will carry out further exploration on a jointly held base metals property in the Agnew Lake area of Ontario.

NTS 82F/14W

SILMONAC MINES LIMITED

FIRST SHARE OF MINING PROFIT EXPECTED BY 1MAY

GCNL #54 (1976) MARCH 18th

- The annual meeting of Silmonac Mines Limited will be held on 9Apr76 at 10 a.m. at 420-475 Howe St., Vancouver. Nominees for election a[illegible] directors are David M.Mercier, president; Graham W.Walkey,v.pres.; Gdn.C.Gutrath, J.Patrick Henry - all now serving - and Rob't. Hughes - who has not served before. Each holds 1 share. Major shareholders are Moneta Porcupine Mines, Limited owning 1,321,561 shares, being 44.57% of the 2,965,000 shares outstanding on 10Mar76 and Kam-Kotia Mines Limited owning 648,081 shares.

Mr. Mercier reports that the Silmonac mine in the Slocan district, SE B.C., had another successful year. It is operated by Kam-Kotia Mines Limited as a joint venture with Silmonac Mines Limited in accordance with the 3Sep68 lease and joint venture agreement providing Kam-Kotia with 51% interest in net profits and Silmonac with 49%.

In the year ended 31Dec75, the mine produced 12,000 tons of ore containing lead, zinc, and silver. The production had a gross value of $1,092,250. Cash flow of $202,000 was gener ated after $300,000 was spent on exploration and after providing $55,000 for B.C. Mineral Lan Tax calculated in accordance with recent government legislation.

Mr. Mercier says present stability of the silver price and positive exploration success will justify continued exploration and development work. He expects Silmonac will receive before 1May76 its first cash distribution from its share of cash flow from 1975 operations of the mine.

A note the financial statements says the property has been in production since Oct.1/70. In the fiscal year ended Oct.31/75, no share of the cash flow was received. The company's sha of profit for year ended 31Dec75 is approximately $42,000. A royalty of $33,000 is payable ou of these first proceeds. Settlement for each calendar is to be made by May 1 of the following calendar year.

Silmonac received $6,708 in the year to Oct.31/75 vs $6,756 the year before, being $6,0[illegible] in each year shown as lease rental income and balance as interest income. After administrati[illegible] expenses of $6,936 in 1975 year, up from $5,148, Silmonac had a net loss of $228 vs net reve[illegible] of $1,608. Working capital was reduced by the loss to $7,688 at Oct.31/75 when 2,965,000 sh[illegible] were outstanding.

N.M. July 31/75 p.1.

SILMONAC (MINNIE HA HA) 82F/14W NW-50

Silmonac project making money for Kam-Kotia

With silver now fetching an excellent price, things are looking up for the Silmonac operation of Kam-Kotia mines at Sandon, B.C. It made an $82,000 profit in May. June will be about half this figure.

Kam-Kotia is now the sole operator of the mine, having purchased the rights and interests of Burkham Mines in a previous joint venture operating agreement. It is thus entitled to 51% of the net profits, with Silmonac Mines holding a 49% interest.

While still a small mine, at this stage, it is one that simply won't give up. Under the aegis of Kam-Kotia, it has been in continuous production for the past five years. It had very little in the way of proven ore reserves at that time — a situation that still exists. But it has made money each year.

"The potential looks better right now than it has for several years," G. W. Walkey, Kam-Kotia's vice-president and general manager told The Northern Miner. "But we haven't hit the jackpot yet," he adds.

Mining is done through a 3,000-ft. adit entry at an elevation of 4,600 ft., with the ore trucked to the nearby mill of Carnegie Mining Corp. The mill rate is averaging about 1,500 tons monthly, which is about as much as the mine can supply. It grades 17 oz. silver, 5% lead and 5.5% zinc per ton.

Standard methods of ore development simply don't work at this mine, Mr. Walkey points out. Diamond drilling just indicates where ore might be developed. The most potential area now lies below the adit level, so that the operators could be faced with a sizable expenditure to open this untapped new section of the lode for mining.

While no distribution of profits has yet been made, all preproduction expenditures have been paid back. Also, of course, the mine has been paying its way over the years and has built up a surplus account of some $375,000.

When distribution is made it will go 51% to Kam-Kotia and 49% to Silmonac Mines. Silmonac, in turn, is owned 39.7% by Moneta Porcupine Mines, 22.2% by Kam-Kotia and 10.3% by Burden Investors Services.

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GCNL #138 18-07-79 SILVANA MINES INC. 82F/NW 82FNW050

GOOD PROGRESS AT SLOCAN SILVER MINE - Silvana Mines Inc. (formerly Silmonac Mines Limited) has reported that, in the three months ended 31Mar79, revenue was $801,837, expenses $459,932, and net income $197,306 or 6.6¢ per share.

G.W.Walkey said very significant results have been obtained from development and exploration of the mine near New Denver, B.C. The transfer and service raises were connected to the 4,300 decline late in May, from the 4,000 level, and, very shortly ore and waste from the 4,625 workings will be transferred to the 4,000 level and hauled to surface on this level. This will allow mine production to increase, as rapidly as it is possible to develop additional stoping blocks. The 4,300 east decline was located in the footwall of the ore structures to allow this heading to be used as an exploration and production base and to test the lode up dip from the 4,000 level drilling.

Diamond drilling started late in May and showed the lode about 15 to 20 feet above the drift, where tested. The best intersection to date is a 19.5 foot core section which averaged over the full length 42.4 ounces silver per ton, 11.2% lead and 7.97% zinc. The true thickness of the zone is estimated at 13 feet. At the time of writing two more holes have been completed, have cut good ore sections, based on visual estimating but footages and assays are not available as yet. Drilling will continue on this level.

These drill results extend and confirm the zone referred to in the 1978 year end report, both up dip and along strike to the west.

On the 4,000 level, crosscutting to the south is in progress to provide drill stations to test down dip from the deepest or lowest ore intersections, after which drifting along the strike will be necessary to extend the zone along strike both east and west at the 4,000 level. Diamond drilling on the 4,000 level from the first drill station started in June and will continue as rapidly as possible. As soon as enough information is available, development for mining will start on the 4,000 level, probably in late July or early August.

He said that, while final figures for May are not available, cash flow from operating for the first 5 months of 1979 is estimated at about $500,000, from the milling of about 7,550 tons grading about 15.5 ounces silver, 5.2% lead and 4.95% zinc. Kam-Kotia Mines Ltd. owns 53.5% of Silvana Mines Inc.

GCNL #244 19-12-79 SILVANA MINES INC. 82F/NW 82FNW050

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PROFIT REPORTED. RATE OF PRODUCTION RISING

NINE MONTHS ENDED 30SEPTEMBER	1979	1978
Metal Recovery, Gross Value	$3,818,433	$1,821,467
Transport, Treatment Costs	1,137,299	607,165
Net Revenue	2,681,134	1,214,302
Exploration Expense	435,497	485,378
Mining Expense	535,210	370,425
Milling Expense	301,481	227,129
Mine Management Expense	221,404	134,106
Depreciation, Depletion	90,241	76,316
Mining Income(Loss)	1,097,301	(79,052)
Administration Expense,Etc.	63,202	36,508
Interest Income	51,321	28,679
Income Tax, Deferred	345,195	- -
Net Income(Loss)	$740,225	$(86,881)
-Per Share	23¢	(5¢)

G.W.Walkey, president of Silvana Mines Inc., reports that production in the 3rd quarter averaged 2,200 tons per month and production is being increased as rapidly as possible. Production for the nine months ended 30Sep79 was 15,295 tons grading 15.53 ounces silver, 5.01% lead and 5.02% zinc. Diamond drilling from the 4,300 east decline continued and a further 14 holes were completed extending the ore zone to the east and increasing probable ore reserves. The zone is still open to the east and on dip and diamond drilling will continue as drill bases are available.

On the 4,000 level, drifting was suspended in July while a ventilation and service raise is driven to connect to the 4,300 decline. When the raise is connected diamond drilling and drifting will be resumed. During the 9 month period, the cost of development and exploration deferred was about $526,000, bringing the total deferred since 1Jan78 to $1,126,000. This sum will be amortized and written off against income starting in October, 1979 on a unit of production basis.

In June, 1979, the company sold 120,000 ounces of silver forward, on the basis of 20,000 ounces per month starting in October, 1979. It is currently the company's policy to maintain this position. This policy is under constant review.

82FNW050 -

Silvana

Continued from Page 1

a total of 32,000 tons. This should provide an operating profit, at current metal prices, of about $1,500,000. By 1980, production should be at mill capacity, about 4,000 tons/month, or for the full year, about 43,000 tons which should provide an operating profit of $1,978,000, G. W. Walkey, president and general manager, tells The Northern Miner.

The mine has a high silver leverage, with a $1 increase in price boosting the net value of a ton of ore by $13.68. At the planned 40,000 ton rate, that would spell an additional revenue of $547,200 per year.

Early last year, W. M. Sharp, an independent consulting engineer, was engaged to make a development and feasibility study of the mine. It is his $1.1 million recommended program that is to be carried out immediately. This involves setting up a mining plant at the 4,000-ft. elevation portal and rehabilitating and equipping an existing 7,600 ft. entry as a main production haulage level. (For the past few years all production has had to be hauled up declines from a higher adit). This old existing heading will be extended a further 1,000 ft. and ore and waste passes established, as well as a service raise to connect with the existing decline workings.

This program is designed to provide access to the ore lode along its total strike length and provide production, development and exploration capacity for at least 4,000 tons of ore per month.

Mr. Sharp estimated probable ore reserves at 48,855 tons grading 16.43 oz. silver, 5.8% lead and 5.9% zinc, with possible ore at of 506,000 tons of the same grade. The mine staff give a somewhat higher figure, including a potential for the lode of 1.5 million tons.

Since early last year ore reserves have been maintained and increased slightly, Mr. Walkey says, pointing out that past experience has shown that the tonnage of reserves available varies almost directly with the amount of exploration-development carried out. It is planned to double the amount of exploration-development this year, over and above the major primary development program referred to above.

Rehabilitation of the 4,000-ft. portal is now virtually completed, with all new material and equipment available and to be delivered as required.

It is expected that the extension of this 4,000 level and the driving of the raises, etc. will be completed before year end when it can be put into service as the mine's main haulage level.

GCNL #97 18-05-79

SILVANA MINES INC. 82F/NW

	YEAR TO 31DEC78	3 MOS.TO 31DEC77
Metal Recovery,Gross	$2,793,000	$660,000
Transport.,Treatment Costs	897,000	213,000
Net Revenue	$1,896,000	$447,000
Exploration Expense	608,000	177,000
Mining Expense	545,000	64,000
Milling Expense	304,000	61,000
Mine Management Expense	193,000	79,000
Deprec'n.,Depletion	104,000	19,000
Income Fr.Mining	142,000	47,000
Admin.,General Expenses	52,000	35,000
Interest Income	33,000	3,000
Income Tax, Deferred	29,000	2,000
Net Income	$94,000	$13,000
Per Share, Basic	4¢	1¢
Diluted	3¢	1¢
Working Capital	$315,000	$226,000
Shares Outstanding	2,644,750	2,191,250

In his annual report for the year ended 31Dec78, G.W.Walkey, president of Silvana Mines Inc., states that, in the first quarter of 1979, a total of 4,985 tons grading 15.76 ounces silver, 5.46% lead and 4.73% zinc per ton were milled, providing an income from mining, after depreciation and depletion, of $314,700 as compared with $47,000 from mining 3,649 tons grading 20.17 ounces silver, 7.95% lead and 5.60% zinc per ton in the same quarter of 1978. He adds that production for the second quarter should be close that of the first and then gradually increase during the second half of the year to about the mill capacity of 3,000 tons per month at the end of the year.

In 1978, Silvana milled 17,600 tons grading 14.84 ounces silver, 5.81% lead and 4.34% zinc. Payable production of metals was 243,675 ounces of silver, 1,948,360 pounds of lead, 1,408,500 pounds of zinc and 8,209 pounds of cadmium. Metal prices moved up steadily during the year. The lower value of the Canadian dollar in U.S. funds further increased the prices received by Silvana. Average prices received in 1978, in Canadian funds were, for silver, $6.25 per ounce, lead 37.4¢ per pound and zinc 33.3¢ per pound. Prices have continued to rise substantially this year with silver reaching in excess of $9.00 per ounce in Canadian funds, lead 52¢ and zinc about 43¢ per pound.

Concerning reserves, Mr. Walkey notes that the company has never reported estimates of proven ore, as by definition, the proven ore available has never exceeded a few thousand tons. Even the definition of probable ore makes it difficult to estimate that category for Silvana. It is limited to areas available for mining from the 4,625 workings and will be about 10,000 tons with a grade of 15 ounces silver, 5% lead and 5% zinc. The potential for more tonnage in this area is limited until more development work is carried out.

The diamond drilling completed to the end of April, on the 4,000 level, has indicated a substantial zone of economic mineralization with a potential or inferred tonnage of about 150,000 tons. The diamond drill holes are too widely spaced to allow an estimate of probable grade to be made. Based on experience, the grade should equal average grade of all ore mined to date, about 16 ounces silver, 5.9% lead and 5.7% zinc per ton. The zone is open to the east and both up and down dip. Mr.Walkey says, "We are optimistic that additional exploration and development will increase the tonnage quoted above in the next few months."

Of the 375,000 warrants to buy shares at $2 in February, 1978, 362,400 were exercised before expiry on 9Feb79, substantially increasing working capital. At 30Apr79, liquid assets available, after deducting current liabilities, were $760,000 in cash and about $200,000 in concentrate receivables.

82FNW050

Kam-Kotia sees handsome return

open file only

82FNW050-

Silvana gets $1.5 million for expansion

N. Miner 16-Feb-78

82F/NW

With $1.5 million now available to its treasury, the recently revamped Silvana Mines Inc. is launching a new $1 million underground development program to boost production at its high grade silver-lead-zinc mine at New Denver, B.C.

One of the largest new mine financings to be carried out on the Vancouver Stock Exchange in some time, an offering of 450,000 treasury shares (with warrants) has been fully taken up for $900,000. In addition, the company has arranged a $750,000 bank credit so it is amply financed for the whole program.

Earnings from the operation are currently running around $60,000 monthly and should increase sharply on completion of the new program. In fact, barring unforeseen problems officials are looking for a cash flow of around $200,000 monthly or about 80¢ per share annually when production reaches the planned rate of 40,000 tons of ore annually.

The Silvana operation, of course, is very important to **Kam-Kotia Mines** (the operator) which directly and indirectly holds 1,772,357 or about 80% of the issued stock prior to last week's underwriting. In turn, it is important to **Dickenson Mines** which owns 2,097,608 or 48.9% of Kam-Kotia's shares.

During the past year Silvana milled 17,500 tons of ore grading 19.43 oz. silver, 7.41% lead and 6.13% zinc with an estimated net mine value of $2,047,000 or $116.97 per ton.

Mine revenue in December is estimated at $210,113 from milling 1,429 tons grading 23.32 oz. silver, 9.03% lead and 6.43% zinc. Direct mine expenses for the month were $147,276, of which $69,579, or 47%, was for exploration. Mine operating profit, i.e. before taxes and depreciation, is estimated at $62,837.

In 1979, monthly production should increase over the year and average between 2,500 and 3,000 tons per month for the full year, for

See Page 8

FREEMAN 82F/14W

A score for Kam-Kotia 82F/NW 50

Significant B.C. silver find in drill hole at Silvana

By M. R. BROWN
Editor

Silvana Mines has pulled a good diamond drill hole — and one that management considers to be very significant — at its veteran silver-lead-zinc mine at New Denver, B.C. It could be the payoff of a $1 million gamble this company embarked on a year ago.

"The risk is gone. The lode is there," a happy president, G. W. Walkey, told The Northern Miner this week.

The actual intersection assays 40.47 oz. silver, 19.06% lead and 7.28% zinc across 5.2 ft. from 363.1-368.3 ft. (net smelter return of $320 per ton at current metal prices).

The find could prove very important to **Kam-Kotia Mines**, the operator, which holds a 60% share interest in Silvana Mines Inc., the shares of which were trading on the VSE this week at $2.75.

To briefly recap the mine picture, all mining in recent years has been via declines from a long adit at elevation 4,625 ft. Gambling that this rich flatly dipping lode would extend to depth, Kam-Kotia decided to rehabilitate an old heading at elevation 4,000 ft. and extend it a total of almost 1½ miles into the mountain side to get under the potential ore bearing lode. This drive is still being extended at the rate of about 20 ft. daily from which drill stations are now being cut at regular intervals.

The first three drill holes, all inclined upwards from this drive, failed to pick up anything of significance and management was getting somewhat concerned. It was the 4th hole (above) that 'clicked'. Now, it is believed, these first three holes were not long enough to reach the target and will now be deepened. A fifth hole is currently being drilled 250 ft. west of the intersection in No. 4.

The new level now being developed, while 625 ft. vertically lower than the production level, represents a considerably longer slope length along the lode.

"We always felt the down dip potential was there, but we never had the money to tackle it," says Engineer Walkey. By year end this program will have cost approximately $1 million.

When the Silvana company was revamped just a year ago (the former Silmonac Mines), some $900,000 was raised from a public share offering, at which time 262,500 warrants were issued at 15¢. These warrants, which currently trade at 70¢-75¢ on the VSE, entitle the holder to buy treasury shares at $2. If these are all exercised they will provide a further $750,000 (the first of the warrants were exercised this week).

At that time, too, the company obtained a line of credit from the Royal Bank in the amount of $750,000 but none of this has yet been drawn on nor is it likely that it will be necessary.

As the result of current developments, management sees an early potential for the development of some 250,000 tons of ore representing possibly 10 million oz. silver, with the possibility that this could eventually lead to 50 million oz.

Plans are to establish drill stations at 200-ft. intervals along the next 1,200 ft. of drifting, with five or six holes to be fanned out from each. This program will take another three to four months to complete. It should prove an interesting period.

With development work getting the priority, the mine itself has not had a good year productionwise. But things have picked up recently, with October and November combined showing an operating profit of approximately $225,000.

A member of the Dickenson Group of companies, Silvana, **Dickenson Mines** and Kam-Kotia Mines are each taking a 5% participation in an oil play in the Palo Duro Basin of Texas. Drilling of the first exploratory well there is already under way.

82FNW050