

October 3, 1978

Mr. R. A. Nelson
Mining Counsellor FBDB
P.O. Box 29
Riondel, B.C.
VOB 2B0

Dear Ray:

Re: Lucky Thought Property

I had a brief discussion with Syd Berisoff on September 24th. We were up on his Lucky Thought property and, whatever we do, Berisoff is going to go ahead with an adit.

The problem here is several adits have been put into that hillside, all are now caved, and all we know is that total production was approximately 9000 T. of 20 oz. Ag/T. In any event, we will give the matter of funding Berisoff some careful thought.

We certainly enjoyed our visit with Edith and yourself and look forward to seeing you again in the near future.

With kindest personal regards, I remain

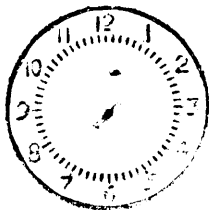
Sincerely,

W. R. Bacon
Co-ordinator

WRB:bmh

P.S. Ray, if you have disgested Bill Sharp's report on the Hewitt-Van Roi Lode I would appreciate having it back.

AUG 29 '78 AM



DEPT. OF MINES
AND PETROLEUM RESOURCES

September 7, 1978

Mr. R. A. Nelson
Mining Counsellor FBDB
P.O. Box 29
Riondel, British Columbia
VOB 2B0

Dear Ray:

Somehow or other your letters concerning Mr. Berisoff and his mining property just arrived on my desk yesterday. I would like to comment on the points in your letter to the Minister as follows:-

1. The Deputy Minister, Dr. J. T. Fyles, is going to have the District Geologist, Mr. George Addie, make an examination of the Berisoff property and I expect he will be able to make recommendations and keep in touch with whatever work is finally decided upon.
2. I understand a grant for \$500.00 has been approved for Berisoff with regard to the Hewitt-Van Roj mining road. This may not seem very much but I was over that road a few weeks ago and do not remember that it needed very much in the way of repairs.
3. By all means when you have sufficient information at hand, submit a proposal that I can consider under the AMD. As you know, our funding is strictly for salaries and wages.
4. I must leave this matter to the experts as it involves an understanding of the Mineral Resource Tax Act and the Federal rules under the Income Tax Act.

Ray, the above is in some haste because of the late arrival of your letters to me and the Minister. I hope this will get the ball rolling and I would appreciate your keeping me informed.

With Kindest Personal Regards,

W. R. Bacon
Co-ordinator
Accelerated Mineral Development Program

P.O. Box 29
Riondel, B.C.
VOB 2B0
August 21, 1978

Mr. W. R. Bacon,
Co-Ordinator,
Accelerated Mineral Development Program,
Ministry of Mines and Petroleum Resources,
Room 409, Douglas Building,
617 Government Street,
Victoria, B.C.
V8V 1X4

Dear Bill:

Thanks for your little note when you returned the brochures on Accelerated Mineral Development to me. Of course I remember you and Agnes from the old Tulsequah days and our old friend Wilf Williams who could pound a piano like no one else -- sorry to hear he's gone.

I am writing as a mining counsellor for the Federal Business Development Bank (FBDB) assigned to help Sydney Berisoff in the operation of a small silver-lead mine near Silverton, B.C. I think he may qualify under the "Accelerated Mine Development" section for wage-salary funding for items like geological mapping, diamond drilling, extension of known ore boundaries, etc.

Would you please advise what steps I need to take to help him? You will note other courses of action I am proposing in the attached letter to the Minister, James R. Chabot, concerning Berisoff.

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Berisoff has planned nothing in the way of exploration or surface improvements so anything he might do would be incremental in my opinion.

Thanks for anything you can do.

Sincerely,

A handwritten signature in cursive script that reads "Ray Nelson".

Ray Nelson, P.Eng.
Mining Counsellor, FBDB

cc Sydney Berisoff
P.O. Box 64
Silverton, B.C.
VOG 2B0

P.O. Box 29
Riondel, B.C.
VOB 2B0
August 21, 1978

The Honorable James R. Chabot,
Minister,
Ministry of Mines and Petroleum Resources,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

Dear Mr. Chabot:

I was appointed, as a mining counsellor of the Federal Business Development Bank, to help Mr. Sydney Berisoff, P.O. Box 64, Silverton, B.C., the miner-operator of a small silver-lead mine near Silverton. I have done what I can as a retired mining engineer (Senior Mining Engineer formerly with Cominco) to help Berisoff, as you will see from the attached letter to the FBDB concerning this assignment.

There are several possible avenues of further help mainly available through your Ministry of Mines and Petroleum Resources. I am hoping you will review the following:

(1) Berisoff does need some geological expertise and has no funds for consultants. I am hoping that the District Geologist for the Ministry of Mines in Nelson, B.C. can be made available for a brief geological reconnaissance of this surface working when pressure of work in the Nelson office eases.

(2) Berisoff applied on the requisite form for assistance in repairing the Hewitt-Van Roi mining road in May and the Road Engineer,

continued -

Pete Olson, responded by saying a review of grants would be made in June. What was the outcome of this review?

(3) The Accelerated Mineral Development program of \$5 million announced in May, has a section "Accelerated Mine Development" which might provide salary-wage funding for geological mapping, diamond drilling, extension of known ore boundaries, or surface improvements. I propose to follow this up with Bill Bacon, Program Co-Ordinator, because I think it was intended for just such small time operators as Berisoff is.

(4) Your letter of June 1, 1978 to Berisoff concerning his liability for Resource taxes, in the third paragraph notes "a profit of \$33,697.40 was made during the 1977 fiscal year"..... and further "since the profit in the 1977 fiscal year exceeds \$25,000, tax will be assessable on the total profit generated from the operation during the fiscal year." I would point out that "profit" is not definable as such until the wages of people who worked to produce it have been paid (their wages are not profit but expense of doing business.) The wages of Berisoff and the two miners who helped him amount to about \$25,000 and leave about \$8,700 as net profit. Your second paragraph comment that "aggregate income of less than \$25,000 is not subject to Resource tax" would seem to me to refer to "net income", again because wages are an expense, identical to milling costs, or smelter costs, or freight costs.

In any event I would hope that you will review these points with the same sympathetic understanding that you would extend to a constituent of your own riding. Berisoff's problems are typical of the small prospector-operator and are probably a constant and continuing concern of your office.

Thanks for your review of these matters.

Yours very truly,



R.A. Nelson, P.Eng.

Mining Counsellor FBDB

cc R.J. Duthie, Deputy Co-Ordinator FBDB

Sydney Berisoff, Syber Mine Operator, Silverton, B.C.

RAN/bp