

82F/14E

FILE No. (082FNW086)

NAME..... UTICA

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PROPERTY FILE UTICA
002262

GCNL #116 18 JUNE 81 DAVID MINERALS LTD.

ACQUISITION AND THREE PHASE PROGRAM REVIEWED - Orval E. Gillespie, president of David Minerals Ltd., has reported the acquisition for 125,000 treasury shares of the Merida-Chernoff 56 claim property immediately southwest of the company's concentrator plant at Ainsworth, B.C., on the west side of Kootenay Lake.

There are two well-defined silver-lead-zinc vein systems on this property: the Highlander vein zone and the Spokane vein. The Highlander produced approximately 442,000 tons of ore which averaged 2.3 ounces of silver, 5.5% lead and 1.3% zinc per ton. It is believed that there maybe sections of the Highlander vein above and below the old stopes that could contain some ore, and there remain about 1,400 metres of the vein which have not yet been explored. The Spokane vein, located about 125 metres due west of the Highlander vein, also produced some higher grade silver ore averaging about 14 ounces of silver per ton and should be investigated carefully.

The program recommended includes percussion and diamond drilling on geochemical anomalies and on the former producing Spokane and Highlander mines, the rehabilitation of the Spokane and Highlander workings and the completion of underground surveying, mapping, sampling and drilling therein at a cost of \$1,000,000. Exploration is also recommended for the wholly-owned Utica Mine near Kaslo, B.C.

The Ainsworth Mill, purchased by David Minerals in 1978, recently began treating about 100 tons per day of silver-lead-zinc ore averaging about 6 ounces of recoverable silver per ton from the dumps at the Utica Mine. As of 8Jun81, there were 295 short tons of concentrates being held at the mill for shipment, containing approx. 19,500 troy ounces of silver, 25,000 pounds of lead and 95,000 pounds of zinc.

David Minerals has purchased the HB mill of 1200 tons per day capacity at Salmo, B.C., from Cominco Ltd., including 15 mineral claims. Kilborn Engineering (B.C.) Ltd. has estimated that the capital cost of replacing the existing structure would be approx. \$14.4 million (Canadian). Kilborn estimates that the concentrator can be converted to treat gold-molybdenum ore from the Rossland area properties for \$400,000.

The Rossland property, located about 1 mile west of the town has been explored by 160 vertical diamond drill holes with earlier ore reserve calculations showing 1,070,000 tons of 0.28% molybdenite, 0.034 oz/ton gold & 237,000 tons of 0.27% molybdenite. Values of silver, bismuth & cobalt have also been noted in the Rossland molybdenum-gold ore. Bulk samples suggest recoveries of plus 85% for molybdenum & gold by conventional flotation & cyanidation treatment. These reserves are to be subjected to complete re-assessment.

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GCNL #40 27Feb81

DAVID MINERALS LTD.

82F/6W

EUROPEAN GROUP COMMITS TO \$15,000,000 U.S. LOAN - David Minerals Ltd. have received a written commitment from a European financial group to provide a \$15,000,000 U.S. long term loan. O.E. Gillespie, president, says these funds will be used on the Willow Creek coal project in NE B.C. and on former silver-lead-zinc producers at Salmo and Ainsworth in SE B.C. and to retire existing bank loans. Management expect the funds to be available within 30 days.

82F114E UTICA (082FNW086)

GCNL #28

9-2-78

TURISMO INDUSTRIES LTD.

82F

82FNW086

THREE PROPERTIES REVIEWED - Robert Hughes, president, announces that Turismo Industries Ltd. have leased a former silver producing property in the Slokan mining division, SE B.C., from Martin & Lilly Ltd. The property, known as the Utica Mine, is but five road miles from Turismo's Jim and Dan claims in the Kaslo mining camp.

T.R. Tough & Associates Ltd., consulting engineers, have recommended a \$50,000 re-evaluation program at the Utica Mine, where past records show approximately 31,800 tons, measured and indicated underground, plus 30,000 tons of material in the No. 4 level dump, averaging 7 1/2 ounces of silver per ton with some values in lead and zinc.

Concerning Turismo's Jim and Dan claims, Mr. Hughes reports that the percussion drill used was unable to maintain circulation due to extensive faulting in the mineralized zones. This prevented any sample recoveries. Turismo's consultants are currently deciding whether rotary drill equipment or a large diameter diamond drill would be the more suitable.

Elsewhere, says Mr. Hughes, negotiations are underway with mining interests seeking to acquire an interest in CBS 5250, Turismo's uranium prospect covering 3,540 acres, 25 miles NE of La Ronge, Saskatchewan.

N MINER
5 MARCH 81

David Minerals plans to spend \$2 million

Would you please pass on some late information on David Minerals?

T.F.P.E., Torrington, Conn.

David Minerals is in the process of raising new funds through an offering of 150,000 shares at a minimum price of \$12.50 per share which, when fully subscribed, will net the treasury at least \$1,734,375.

With \$405,427 already in the treasury, David plans to spend over \$2 million this year on exploration and development work.

On its silver-lead-zinc-gold Scranton property located in the Slocan mining division, B.C., David will undertake a recommended \$61,700 exploration program. In 1979 a total of \$533,828 was spent on this property.

The Scranton property also has a mill which recently underwent substantial improvement. A total of \$184,000 has been earmarked for interior and exterior construction,

mill equipment and assay lab screening plant, and a general working capital of \$50,000 for the mill.

Since mid-September, the mill has been operating on two shifts per day at a rate averaging approximately 80 tons per day.

Mill feed has been provided almost exclusively from the Utica mine which is located in the Kaslo area of B.C. A small amount of ore is also obtained from the Scranton and Keen Creek properties.

David Minerals expects the Utica property to continue to be the primary source of mill feed until new sources are obtained either by negotiations or by discovery. The company intends to carry out a recommended exploration program on this property.

On its Novelty and Rossland properties in the Rossland area of B.C. David intends to spend \$250,000 on exploration including check drilling. Tonnage at the property is estimated at one million tons of 0.282% MoS₂ and 0.05 oz. of gold per ton.

On the Merida property in the Ainsworth area of B.C. the company has spent a total of \$428,000. A sum of \$25,000 has been allocated to correlate data resulting from exploration carried out so far.

Scranton

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Utica

082F NW 086

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AUGUST 1, 1979

GCNL #148 LOREDI RESOURCES LTD. 01-08-79 GENERAL ENERGY CORP. 82F114E 03251
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DUMP AT OLD UTICA - Pursuant to an agreement dated 14 Jun 79, between Martin and Lilly Ltd.,
MINE TO BE REWORKED owners of the Utica Mine, and General Energy Corp. and Loredi Resources
Ltd., subject to regulatory approvals, the companies will commence
shipping ore from number 4 level dump, to the Slocan Ottawa mill, 37 road miles away. When
processed, an initial 500 ton bulk sample will be sent to the Cominco Smelter at Trail, B.C.

Wm.G.Stevenson, P.Eng., has been retained to confirm grade of ore on the 30,000 ton
number 4 level dump, estimated by four previous geologists to average 7 ounces to 8 ounces
silver to the ton. He will also sample the number 7 level dump, estimated to contain 10,000
tons of possible ore grade material.

Engineering studies suggest a gross profit to be derived from this operation of \$2.1
million, based on silver at \$9.00 Cdn. per ounce; 30% Loredi Resources Ltd., 30% General
Energy Corp., and 40% Martin and Lilly Ltd.

Loredi Resources Ltd. management have received approval to divert \$15,000 from the pro-
gram on the Gold and Dust claims at Port Hardy, B.C., to the new project. If warranted,
the Gold and Dust program will be resumed after the pending financing.

Financing negotiations for both Loredi and General Energy are underway.

The Utica Mine is not to be confused with the former Utica Mines Ltd., now known as
Dankoe Mines at Osoyoos, B.C.

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GCNL #211 31-10-80 DAVID MINERALS LTD.

THREE PROPERTIES - David Minerals Ltd. has acquired the following properties subject to
UNDER ACQUISITION approval by the regulatory authorities:

1. David Minerals has agreed to purchase 15 claims and one lease, all
situated at Rossland, B.C. The agreements provide that David Minerals shall pay a total of
92,000 common shares from the treasury plus \$48,500 as the purchase price in full. There
are reports based on diamond drilling programs which indicate reserves of 1,000,000 tons of
0.282% MoS2 and 0.05 oz. gold/T. A program is being planned.

2. David has agreed to purchase 17 crown granted mineral claims covering the Utica Mine
with a mine ore dump which has been estimated to contain 40,000 tons at 7.2 ounces silver
per ton all situated west of Kaslo, B.C. David Minerals is presently milling ore from the
dump and the average has been over 7 ounces silver per ton on mill heads of minus 3 inch
screened material. There are additional values in lead, zinc, gold and cadmium. There are
also underground reserves within the old workings of the Utica mine situated on the claims.
The purchase price is 65,000 common shares of David and the assumption of indebtedness under
a mortgage in the approximate sum of \$285,000 to be paid in shares of David Minerals; the
number of shares to be determined by share value as of the date of retiring the indebtedness.

3. David Minerals has taken an option at a cost of \$20,000 on the Payne mine ore dump
situated west of Kaslo, B.C., estimated to contain not less than 200,000 tons of ore from
which a very superficial sampling indicates a grade of 3.75 ounces silver per ton. David
Minerals is proceeding to sample not less than 70 tons from the dump and should the sampling
so indicate David shall exercise the option to purchase the dump for \$500,000 to be paid in
shares of David; the number of shares to be determined by share value as of the date of
exercising the option.

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