

82F/14E

FILE NO. (082FNW112)

NAME SCRANTON

SUBJECT CLIPPINGS

82FNW0112 -03

PROPERTY FILE

002322

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 Rosland properties in the Rosland 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

082FNW 112

82F/14E

Utica

082FNW086

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Prop File

NEW PRODUCTION SCHEDULED THIS AUGUST FOR 89-YEAR-OLD GOLD-SILVER-LEAD-ZINC PRODUCER NEAR AINSWORTH, B.C.

David Minerals Puts Old Scranton Mine Back in Business

82F/14E
03264 ID

by Doug Huber

MAP#
82F NW 112

By the time the historic little Kootenay Mountains town of Ainsworth, B.C. is baking in this year's August heat, Vancouver based David Minerals will have the 89-year-old Scranton gold and silver mine back in production, according to Company Director Roy G. McKay.

At press time David Minerals President Orval Gillespie told International Prospector that the mill is all but ready to roll after an overhaul that included major electrical rewiring and servicing of the crushers, ball mill and flotation cells. It is now capable of processing 180 tons of raw ore every 24 hours.

At the same time finishing touches are being put on a complete assay office and work is proceeding on the company's mine site office and living accommodation.

B.C. Minister of Mines reports show that old Scranton has been an intermittent producer since 1890, with an estimated total output of 17,600 tons grading: 0.16 oz. gold, 6.2 oz. silver, 6.8% lead, 5.5% zinc and 0.08 cadmium per ton.

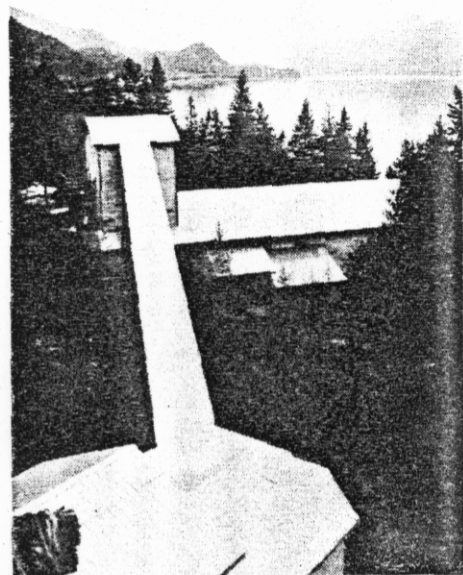
The Scranton Mine is located in Kokanee Glacier park, at elevation 5,600 feet, six miles northeast of Ainsworth, 30 miles

north of Nelson, near the west shore of Kootenay Lake, one of the famous old waterways so vital to B.C.'s early development.

There are a number of mineralized zones on the property with the Sunrise Basin-Grandview of most immediate interest. As recommended by professional Engineer Walter E. Clarke, additional exploration work has been undertaken on two other zones: the West Sunrise and the Southwest Sunrise.

The controlling vein system is a multiple stranded structure which strikes southwesterly and dips steeply to the southeast showing appreciable gold, silver, lead and zinc mineralization. Approximately one half of the strike length remains unexplored and existing workings are near surface leaving great scope for future exploration. The shear system attains widths in excess of 25 feet, but individual mineralized strands range from 1 foot to 4 feet in width and average about 2.5 feet.

In an October 1977 report on the property, engineer and mining consultant Clarke estimated that the grade of mill feeds which might result from continuing development of the property are:

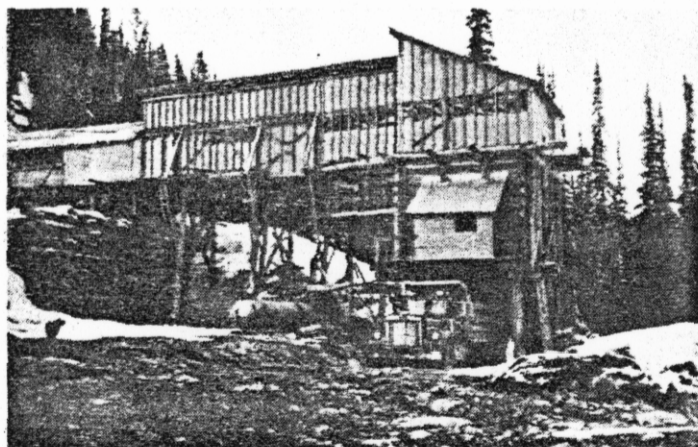


With lovely Kootenay Lake shining in the background, the Scranton Mine's mill, overhauled and ready to go.

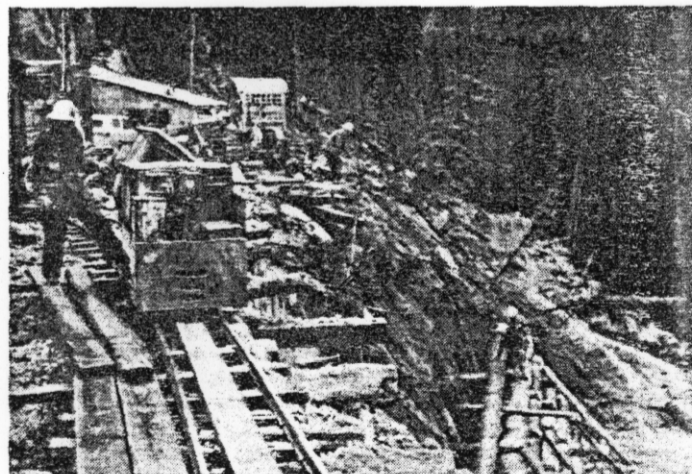
Mine Area	Oz/Ton		%	
	Gold	Silver	Lead	Zinc
West Sunset	0.15	3.5	4.4%	4.0%
Sunrise Basin-Grandview	0.03	6.9	5.5%	1.9%
S.W. Sunrise	0.05	1.9	5.2%	2.9%

The company's immediate objectives have been to detail and mine the ore shoots within the shear system of the Sunrise Basin area. Accordingly drifting has been extended for 663 feet on the 5,900 foot level, just below the mountain's crest. The mine face is now 1,450 feet from the portal. For the last 320 feet the drift has been on the Sunrise Basin-Grandview structure. In addition 155 feet of crosscutting was completed and a raise commenced from the mineralized zone on the 5,700 foot level to intersect the drift on the 5,900 level.

Company President Orval Gillespie told



Loading mill feed from bin at 5700 foot level. Mine cars bring ore from Scranton Mine portal to bin through stilt-supported covered housing.



Dumping Scranton ore at 5900 level while crews timber to support dump bank in Kokanee Glacier Park.

David Minerals

continued from page 14

International Prospector "The acquisition of the Scranton Mine and concentrator plant, together with the substantial mining equipment and the financing of the whole project has involved a series of sometimes complex corporate dealings. The more important contracts have been summarized and simplified below.

"The mine and concentrator plant were acquired for a total consideration of 550,000 treasury shares and a cash payment of \$240,000. To secure the funds to make the cash payment the company sold an 18 months convertible debenture in the amount of \$275,000 which can be converted into 550,000 treasury shares of David Minerals until June 21, 1979. The company paid a finders fee on this debenture of 75,000 shares and \$25,000. Mining equipment was purchased for 150,000 treasury shares and 400,000 shares were sold at 25c each to settle loans and advances of \$100,000.

"In all, the new replacement value of all the machinery and equipment, surface and underground, concentrator, truck, grader, warehouse, bulldozer, parts inventory, tailing disposal facility is estimated at in excess of \$2,500,000.

"For the time being the mill is to be maintained at its present capacity.

"The company is receiving inquiries from other miners in the area who are seeking arrangements for custom milling. Several properties have been examined as potential producers of mill feed and an arrangement for the purchase of the first ore for custom milling is currently being negotiated."

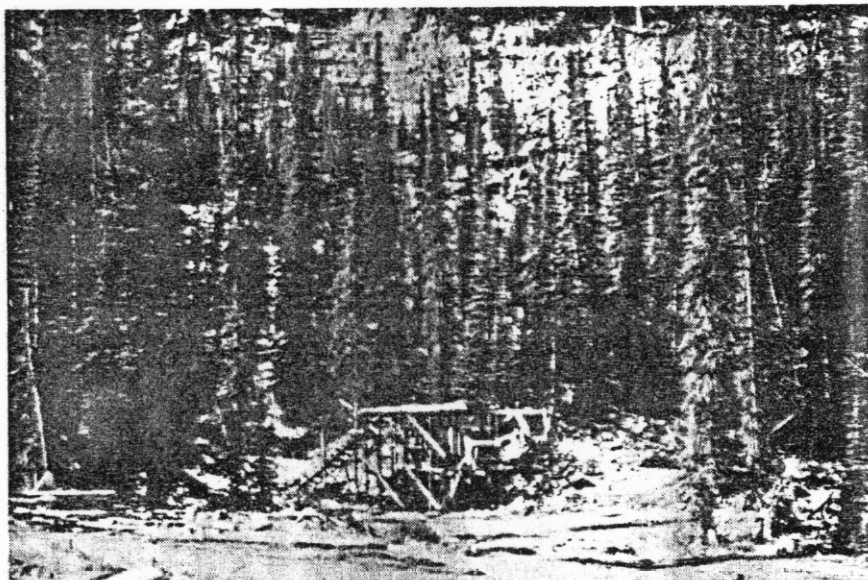
The shares of the company were called for trading on the Vancouver Stock Exchange on April 18, 1978, and a few days later the company offered through its agent, West Coast Securities Ltd. 350,000 shares to the public and received \$251,901 net proceeds, approximately 72c per share. Following all of these transactions there are 2,477,001,001 shares issued of the 5,000,000 shares authorized. It is the funds from the public offering which are being used in the property program.

Additionally the company holds a copper property near Aspen Grove, B.C. and a placer gold prospect near Atlin, B.C.

David Minerals Ltd (NPL) trading symbol is DAV on Vancouver Stock Exchange and DMAS on the Over-the Counter Exchange U.S.A. Capitalization is for 5,000,000 common shares. (3)



New trailer units in sharp contrast with picturesque old machine shop as finishing touches ready David Minerals camp for company's Kokanee Glacier Park Mine.



Remains of Scranton Mine's old ore bin on the 5600 foot level, immediately below David Minerals present operations on the 5700 and 5900 levels.

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GCNL #107 04-06-79

DAVID MINERALS LTD. 82F114E 03264 082FJW112

SAMPLING AND ASSAYING OF - Orval E. Gillespie, president of David Minerals Ltd., has reported
NEW WORKING NOW UNDERWAY that drifting is continuing on the 5900-foot level of the mine
SCRANTON located 15 miles north of Ainsworth, B.C. The drift has been
extended for 663 feet and the face is now 1450 feet from the portal. For the last 320 feet
the drift is on the Sunrise Basin-Grandview structure. In addition 155 feet of cross-cutting
has been completed. About 1200 feet of diamond drilling has been completed on this level.
Sampling and assaying are underway. A raise has been started from the mineralized zone dev-
eloped on the 5700-foot level to intersect the drift on the 5900 foot level. This raise
has now progressed for 40 feet.

A complete servicing program is underway at the mill. This includes major electrical
rewiring as well as servicing the crushers, ball mill and floatation cells. The mill should
be ready for operation in July.

A complete assay office is being installed and should be ready in two weeks. The com-
pany is also installing an office and living accomodation at the mill site.

For the time being the mill is to be maintained at its present capacity of 150 tons per
day. However, this can be easily doubled as soon as the volume of ore available for milling
warrants the expansion, the president said.

The company is receiving inquiries from other miners in the area who are seeking arrange-
ments for custom milling.

DAVID MINERALS LTD.

ENCOURAGING SILVER VALUES OPENED IN UNDERGROUND LINE DRIVE AT THE SCRANTON MINE - Primary objective of the underground line drive, started by David Minerals Ltd. on the Scranton Mine in mid-March 1978, has been intersected and is encouraging.

In reporting these results, O.E. Gillespie, president of David Minerals, stated that the line drive was planned to explore the ore making potential of the downward extension of mineralization located over an 800-foot length on surface and in a series of five surface diamond drill holes in what is called the Sunrise Basin and Grandview areas of the mine. The grade in these holes was estimated at 0.03 oz. gold per ton, 6.9 oz. silver per ton, 5.5% lead, 1.9% zinc over a width of 6.76 feet, for a net smelter return of approximately \$52.00 per ton.

The president explained that what the company did to open this downward extension of the mineralization was, starting in mid-March, to enter the 5,700-foot elevation adit level and drive it ahead to the south from the face at about 1,000 feet from the portal, some 690 feet. When the mineralization was entered in the 5,700 level, the level was some 800 feet below the surface mineralization and some 600 feet below the deepest diamond drill hole intersection. The company's consulting geologist stated that the level has been in quartz with pyrite, fractures and mineralized stringers for some 450 feet and that the latest 200 feet of the level has opened more frequent and interesting mineralization. The important mineralized intersection was made within a few feet of the engineering projection. The drift encountered mineralized shearing between 490 feet and 570 feet from the start of the drive. Grab samples from this area gave encouraging results with the best sample returning 38 oz. silver per ton, plus approximately 0.1 oz. gold per ton.

Now that the major downward extension of the mineralized structures has been established, it is intended to continue drifting along the mineralized structure and drive crosscuts every 100 feet for drill stations. In each station it is intended to drill fans of at least three holes to check the mineralization above and below the level. This drilling will be the next step in establishing a series of ore shoots in the shear zone. The most recent intersection was about two feet of massive sulphides in the drift at approximately 690 feet from the start of the drive. This section assayed 0.22 oz. gold per ton, 3.57 oz. silver per ton, 3.9% lead and 1.3% zinc.

The Scranton Mine is located in Kootenay Glacier park, at elevation 5,600 feet, six miles northeast of Ainsworth, 30 miles north of Nelson, B.C. near the west shore of Kootenay Lake.

The B.C. Minister of Mines reports show the property has been an intermittent producer since 1390 with an estimated total production of 17,600 tons grading 0.16 oz. gold per ton, 6.2 oz. silver per ton, 6.8% lead, 5.5% zinc and 0.08% cadmium.

The controlling vein system is a multiple stranded structure which strikes southwesterly and dips steeply to the southeast and has been traced intermittently for at least 7,000 feet, with seven sectors showing appreciable gold, silver, lead and zinc mineralization. Approximately one half of the strike length remains unexplored and existing workings are near surface leaving great scope for future exploration. The shear system attains widths in excess of 25 feet, but individual mineralized strands range from one foot to 4 feet in width and average about 2.5 feet.

In his October 1977 report on the property Walter E. Clarke, P. Eng., consultant, estimated that the grade of mill feeds which might result from continuing development of the property are:

Mine Area	Gold Oz/t	Silver Oz/t	Lead	Zinc	Net Smelter Return
West Sunset	0.15	3.5	4.4%	4.0%	\$65.20 per ton
Sunrise Basin-Grandview	0.03	6.9	5.5	1.9	52.00
S.W. Sunrise	0.05	1.9	5.2	2.9	37.25

The company also has a concentrator plant with a rated capacity of 180 tons per day associated with the mine and located about 14 miles to the southeast of the mine on the shore of the lake. It has operated at about 50 tons per day from July 1977 to February 1978 and treated more than 4,200 tons at a profit to the lessee of \$128,000.

The immediate objective of the current program is the detailing of ore shoots within the shear system in the Sunrise basin area and the mining of these shoots for processing in the concentrator plant. The timing on the resumption of the mining and milling is dependant upon the degree of success in the drifting and drilling program now underway. The objective is to have full operation underway in the early fall.

The mine and concentrator plant were acquired for a total consideration of 550,000 treasury shares and a cash payment of \$240,000. To secure the funds to make the cash payment, the company sold an 18-month convertible debenture in the amount of \$275,000 which can be converted to 550,000 treasury shares of David Minerals until June 21, 1979. The company paid a finder's fee on this debenture of 75,000 shares and \$25,000. Mining equipment was purchased for 150,000 treasury shares and 400,000 shares were sold at 25¢ each to settle loans and advances of \$100,000.

In all, the new replacement value of all of the machinery and equipment, surface and underground, concentrator, truck, grader, warehouse, bulldozer, parts inventory, tailings disposal facility is estimated at in excess of \$2,500,000.

In early April 1978, shares of the company were listed on the Vancouver Stock Exchange and the company offered through West Coast Securities Ltd. 350,000 shares to the public and received \$251,901 net proceeds, approximately 72¢ per share. Currently there are 2,477,001 shares of David Minerals Ltd. issued.

GCNL #124 28 June-78

DAVID MINERALS LTD.

082F/114E-03264-082FNW/112

ENCOURAGING SILVER VALUES
OPENED IN UNDERGROUND LINE
DRIVE AT THE SCRANTON MINE

- Primary objective of the underground line drive, started by David Minerals Ltd. on the Scranton Mine in mid-March 1978, has been intersected and is encouraging.

David Minerals Ltd. president O.E. Gillespie has reported that a crosscut has been completed from the end of the 700 foot line drive on the 5,700 foot level of the old workings in the Scranton mine, 30 miles north of Nelson, B.C. He says the crosscut intersected a number of encouraging mineralized zones. Diamond drilling from the crosscut is underway. Drill core has been sent for assay. Results will be announced as warranted. The Scranton mine has been an intermittent producer of gold, silver, lead, zinc and cadmium since 1890.

NO.133(JULY 12, 1978) + GEORGE CROSS NEWS LETTER LTD. + THIRTY-FIRST YEAR OF PUBLICATION +

082F/114E

03264 082FNW/112

GCNL #133
12-July-78

GCNL #139

20-July-78

DAVID MINERALS LTD.

82F/114E

DIAMOND DRILL CUTS - Orville Gillespie, president of David Minerals Ltd., reports that, from GOOD INTERSECTION a cross cut on the 5700-foot level, in the Scranton mine, diamond drill hole 78-7 intersected a vein 130 feet south of the drift face. A 3.1-foot section assayed 0.38 oz/gold per ton, 11.20 ozs/silver per ton, 15.70% lead and 20.60% zinc. The property is 30 miles north of Nelson, B.C., and has produced gold, silver, lead and zinc in the past.

Mr. Gillespie says that a channel sample across 1 foot of the vein structure in the crosscut 25 feet west of the south face of the drift assayed 0.15 oz/gold per ton, 2.00 ozs/silver per ton and 2.42% lead. He comments that this may be the same structure as in DDH 78-7.

The secondary offering of 110,000 shares of David Minerals by Reesor Investments Ltd. has been completed. The shares of the company are out of primary distribution, effective 19Jul78.

N MINER 6/15/79

David Minerals revises work for Scranton

82F/114E
3264

David Minerals will be completing the second phase of a revised exploration and development program at its Scranton Mine silver-lead-zinc-gold property near Nelson, B.C., at a cost of \$315,000.

The second phase of 700 ft. of drifting on the 5,900 level and 100 ft. of raising above the 5,700 level, has been revised to include diamond drilling on and above the 5,900 level. In addition, a third phase will continue drifting southwesterly on the 5,900 level for about 800 ft. and will include 2,600 ft. of diamond drilling to explore the downward extension of the southwest sunrise zone. The program was revised after work on the 5,700 level established the presence of the Sunrise basin/Grandview zone, 800 ft. below the surface.

Expenditure on the property in 1978 was \$563,787 and a further \$103,801 was spent from Jan. 1 to Feb. 28, 1979.

A best efforts offering, seeking \$416,250, will be used to finance the program. Working capital deficit at Dec. 31, 1978 was \$39,154.

82F/NW-112

p21