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Securities Reports

Goldrich Resources

Shares Outstanding: 2,140,324 1982-83 Price Range
Listed: Vancouver (GRD) High Low Recent
\$1.20 \$0.49 \$1.10

Summary: Goldrich owns 2,425 hectares in the well-known Sheep Creek gold camp in southeastern British Columbia. The Sheep Creek camp was one of the richest gold mining areas in B.C., with production averaging around 0.5 ounces gold per ton in past operations. The Goldrich property includes the former producing Bayonne Mine which is fully-equipped with bunkhouses, ore bins, a ball mill, underground rail plus related equipment and machinery to operate the mine. Consideration is being given to construction of a mill once ore reserves have been increased from the current 25,000 tons to around 100,000 tons. Grade of ore averages 0.71 ounces gold and two ounces silver per ton.

A recent financing provided \$228,000 for mine development. The management of Goodrich has many years' experience in operating resource companies and in the mining exploration business.

Management: *Ralph Sostad* — chairman of Goldrich, Sostad has been involved in mining, prospecting and exploration for over 40 years. He has held the Goldrich-Bayonne Mine for over 20 years. He has been associated with several public resource companies over the years and is currently a director of Yukon Oil & Gas Development Ltd.

Paul Frigstad — president of Goldrich, Frigstad is also president of Lawrence Mining Corporation and several other resource companies. For 10 years, he was president of Bathurst Norsemine, which discovered a major base/precious-metals prospect in Bathurst Inlet. The property is being developed by Cominco.

Larry Sostad — a director of Goldrich, Sostad is a self-employed mining prospector who has spent his entire working life in the mining business.

Laurie Sadler — a director of Goldrich, Sadler is a chartered accountant and holds an MBA.

The Bayonne Mine — During its operating life, which began in 1901, the Bayonne Mine produced about 44,000 ounces of gold and almost 100,000 ounces of silver from 85,000 tons of ore.

Development: The Bayonne Mine has been opened by nine levels, to a depth of about 280 metres. The strike length of the *Main Vein* has been traced for some 900 metres and is still open. A secondary vein, the '*A Vein*', splits off from the *Main Vein* about halfway along its length. The '*A Vein*' has been traced for over 490 metres and is also still open. The ore reserves are scattered through the mine workings, with 40% of the known reserves located below the Eighth Level. The ore is open to depth and the grade appears to improve — one 20-metre section on the Eighth Level averages 1.08 ounces gold and 0.68 ounces silver per ton, with minor values in lead and zinc.

Exploration to develop additional reserves will be con-

centrated at depth. Drifting eastward from the shaft on the Ninth Level has located two ore blocks — one block averages 0.47 ounces gold over 22 metres and the second runs 0.59 ounces over 15 metres. Diamond drilling from the Eighth Level has picked up values indicating the eastward extension of the vein on the Ninth Level and lower down. Plans call for the development of the Ninth Level and two deeper, Tenth and Eleventh, levels to be driven.

In his February, 1983, report, the company's geological consultant, R.W. Phendler, P.Eng., says the continuity of the mineralized zones in the Bayonne Mine is impressive and all evidence indicates the veins will extend to depth. **Production Plans:** Immediate plans are to open up three new levels for development with the objective being to increase the current ore reserves from 25,000 tons to 200,000 tons. This would make a 100-ton-per-day mill feasible. The mine is already fully-equipped with a ball mill, ore cars, bunkhouses, a powerhouse and related equipment and material and needs only a concentrator to resume production. A reserve of 200,000 tons would give the mine a minimum six-year life. The recent 'units' financing has provided the funds needed to commence this program.

In addition to the Bayonne Mine, the Goldrich property contains a parallel vein — the *Echo Vein*, located about 300 metres south. It is similar in appearance and nature to the *Main Vein* at the Bayonne Mine. Plans call for the development of the *Echo Vein* with the expectation that it will provide mill feed in future years. Goldrich also has several other explorations on its large property, including many former Crown Grants on which mineral occurrences have been located in previous exploration.

Capitalization: Authorized: *Outstanding:
Common Stock NPV 4,955,750 shs. 2,140,324 shs.

*Giving effect to the issue of 400,000 units in January, 1983. The units consisted of one share and two *Series B* warrants. In addition, underwriters Canarim Investment and Walwyn Stodgell Cochran Murray were issued a total of 200,000 *Series C* warrants.

Warrants: As part of the January, 1983, units offering, the company issued a total of 800,000 *Series B* and 200,000 *Series C* warrants. The *Series B* warrants entitle the holder to purchase one share of Goldrich for each two warrants held at a price of 66 cents at any time until the close of business on June 15, 1983. The *Series C* warrants, which were issued to the underwriters, are also exercisable at 66 cents per share through June 15, 1983, and each *Series C* warrant entitles the holder to buy one share of Goldrich. The *Series B* warrants trade on the Vancouver Stock Exchange until expiry; the *Series C* warrants are non-transferable and do not trade.

Statutory Information: Head Office — Suite 611 - 475 Howe St., Vancouver, B.C. V6C 2B3 (604) 669-0515.

Transfer Agents: National Trust Co. Ltd, 510 Burrard St., Vancouver, B.C.

Legal: Forrest, Gray, Munro & Lewis.

Auditors: J.M. Ross, C.A., Vancouver, B.C.

Geological Consultant: R.W. Phendler, P.Eng.

Officers & Directors: Ralph A. Sostad, chairman; G. Paul Frigstad, president; Robert H. Davie, vice-president; Larry R.W. Sostad, Laurie Sadler.

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