

# Securities Reports

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## Goldrich Resources

Shares Outstanding: 3,514,324

1984 Price Range

Listed: VSE (GRD)

High	Low	Recent
\$2.50	\$1.20	\$2.00

**Summary:** Within the past couple of years, Goldrich has established itself as the dominant company in the *Sheep Creek-Bayonne* gold camp, assembling 22 square miles of property including many of the major gold producers in the camp. An aggressive exploration and development in the Bayonne Mine, the company's original property, has proven 62,000 tons of ore with a further 140,000 tons in the drill-indicated category. Grade has been established at 0.442 oz/ton.

Recent property acquisitions in the area include the *Spokane, Yukon, Amic-Echo* and *Montana* properties, all of which have either significant vein structures or are former producers. Exploration work has also uncovered a significant new occurrence — the *3800 Vein System*, which averaged 0.4 ounces gold in 22 samples plus values in silver, lead and zinc.

Goldrich is also in the final discussion stages of acquiring the *Sheep Creek* property of Goldbelt Mines. This mine has developed ore reserves of 40,000 tons grading 0.4 ounces with another 50,000 tons of like grade in the probable category. The Goldbelt Mine is fully equipped for production and has shipped ore in the recent past to the David Minerals mill. A recent financing has provided Goldrich with more than \$1 million.

**The Bayonne Mine:** This mine is opened by 10 levels, with the #10 Level driven during the 1984 season. As a result of opening the #10 Level, ore reserves in the proven and possible category have been estimated at between 120,000 and 130,000 tons. The company's consulting engineer, Roy Phendler, reported that, "There is no geological reason that the ore should not persist to depth."

Within the Bayonne Mine, the *Main Vein* has been traced for about 3,000 feet and is still open. A second system, the *A Vein*, extends for over 1,600 feet and is also open. Recent exploration in the Bayonne confirmed the ore persists to depth, with the grade improving. Opening of the #10 Level confirmed this.

Recent exploration has revealed a major new ore source — the *3800 Vein System*. This structure, located 300 feet northwest of the mine, will be tested by drilling from the underground workings of the Bayonne Mine. The *3800 Vein* can be easily reached and mined by slashing from the drifts on the Bayonne.

During the past year, Goldrich acquired several other properties in the general area of its mine including the *Spokane Group* and the *Echo System*. The *Montana* claims and the *Amic-Yukon Group* have major structures and returned excellent gold values. Development work, including drilling, is planned for the newly-acquired claims this summer.

With its recent acquisitions, Goldrich is now the major land owner in the *Sheep Creek* camp and will be a major shipper to the David Minerals mill at Salmo. The company should attain significant producer status without the costs usually associated with bringing a mine to production.

**The Goldbelt Property:** Goldrich agreed to purchase certain mining claims from Goldbelt Mines Incorporated — including the Salmo Mine. The purchase will be consummated by the issue of 300,000 treasury shares of Goldrich to Goldbelt.

The Goldbelt property has recorded production of 82,000 ounces gold from nine veins in previous operations. Goldbelt has spent in excess of \$5-million on exploration of the property and equipping the mine for production within the recent past.

The Goldbelt claims cover the relatively-unexplored eastern extension of most of the veins in the *Sheep Creek* camp. A large portion of the 40,000 tons of proven and possible material is broken ore and can readily be shipped with Goldrich's own ore. The acquisition of the Goldbelt property will generate an immediate cash-flow for Goldrich, with very little cash outlay.

Geological reports on the *3500 Vein*, which contains the known ore on the Goldbelt property, indicate that surrounding veins may hold equally large deposits of gold ore. Exploration will be undertaken to confirm these reports.

**Springlake & Orehill Claims:** Goldrich has reached agreement to acquire these properties, adjoining the Goldbelt claims. These are considered excellent exploration bets and will be examined in the very near future.

**Agreement with Robert Mines:** Goldrich has reached an agreement with Robert Mines whereby Goldrich will use the Robert's mill to process its ore, paying Robert Mines a royalty of \$10 per ton processed by the mill.

With ore reserves of up to 130,000 tons developed in the Bayonne Mine and around 90,000 tons in the Goldbelt property, it is anticipated that about 100 tons per day will be processed initially.

Both the Bayonne and Goldbelt properties are fully equipped mines, capable of shipping ore.

Capitalization	Authorized	Outstanding
Common Stock NPV	15,000,000	3,514,324

**Warrants:** As part of a January units offering, the company issued 1.2 million *Series D* warrants and 300,000

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Agents warrants. The *Series D* warrants entitle the holder to buy one additional share for each two warrants held. The *Agents* warrants were issued to the underwriters and each warrant allows the holder to buy one share. Both series are exercisable at \$1.55 per share and expire at the close of business on July 23, 1984.

**Statutory Information:** *Head Office* — Suite 812 - 475 Howe St., Vancouver, B.C. V6C 2B3 (604) 669-0515, Paul Frigstad.

**Officers & Directors:** Ralph A. Sostad, chairman; G. Paul Frigstad, president; Robert H. Davie, Larry R.W. Sostad, Kurt Swinton.

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

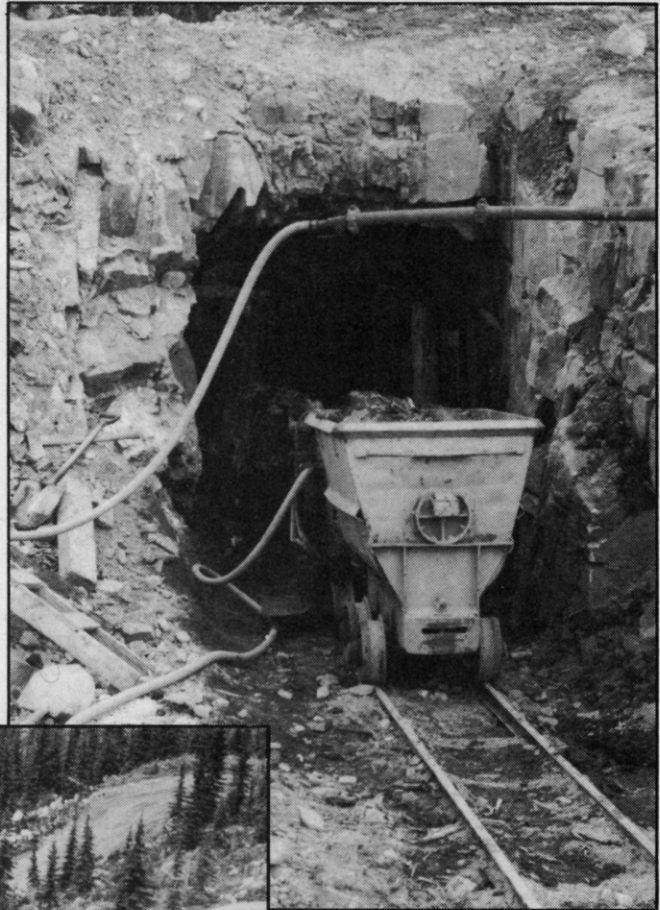
**Legal:** HC&G Holmes, Campbell & Greenslade, Stock Exchange Tower, 5th Floor, 609 Granville Street, Vancouver, B.C.

**Auditors:** J.M. Ross & Company, C.A., Vancouver, B.C.

**Bankers:** Toronto Dominion Bank, 839 West Hastings St., Vancouver, B.C.

- 1 Loading ore at Bayonne Mine.
- 2 Ore car at fourth level — Bayonne.
- 3 Hocking up ore cars.

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82FSE030



# Securities Reports

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## Celebrity Energy

Shares Outstanding: 2,530,535

1984 Price Range

High Low Recent  
\$2.05 \$0.70 \$0.80

Listed: VSE (CEC)

**Summary:** Celebrity holds 100% interest in about 4,000 hectares (10,000 acres) of mining rights, covering the entire extent of the Stump Lake gold-silver mining camp. The camp straddles the secondary Trans-Canada Highway, between Merrit and Kamloops, B.C., about 200 miles east of Vancouver. Merrit and Kamloops are major mining towns, where ample experienced labour is abundant.

The Stump Lake camp has many former small producing mines, including the Stump Lake Gold Mine which was a producer of gold, silver, lead, zinc, copper and tungsten. The geological potential of this large property is favourable for additional gold and silver deposits. The management of Celebrity Energy is taking a 'big mine' exploration approach to this huge structure.

**Management:** Paul Frigstad, president of Celebrity, is also president of Goldrich Resources, Lawrence Mining and Arizako Mines. Until 1978, he was president of Bathurst Norsemines, a subsidiary of Cominco. Frigstad has been involved in the mining industry since the early 1960s and has played a role with many Canadian mining camps since that time.

Larry Sostad, a director, is a mining prospector and also a director of Goldrich Resources and Lawrence Mining. He has been involved in prospecting internationally.

**Property:** The property owned 100% by Celebrity Energy consists of 156 units covering approximately 4.5 miles of length. The Stump Lake Camp forms a coherent geological unit with a system of veins. The property has been held by various owners and this is the first time that the total package has been put together for the development of the full length of the vein system.

The property was previously operated by various companies over a period of years. Production figures for the camp, as reported by the British Columbia Department of Mines, totaled 77,605 tons of ore mined, yielding 8,500 oz. of gold, 250,000 oz. of silver, 41,000 pounds of copper, 2.2 million pounds of lead and 370,000 pounds of zinc.

Earlier work done by an engineering firm and confirmed by our consulting engineer shows the area to be almost exclusively underlain by greenstone of the Nicola group.

The company has sampled the dump from the former production and on five samples the following were the values:

Gold	Silver	Lead	Zinc
oz. per ton	oz. per ton	% per ton	% per ton
3.42	196.38	1.07	9.30
.42	4.37	6.00	3.00
.15	17.79	.65	.35
.31	27.41	3.45	1.60
.24	22.74	1.60	1.40

**Potential:** The potential for the development of a mine with substantial ore reserves is very strong on the Celebrity property at Stump Lake. The significant points: the structure is consistent throughout the length of the property and that numerous samples along this structure have ranged from 4 ounces to 52 ounces of silver, approximately .25 ounces of gold and substantial values of lead and zinc. The tailings pond was sampled and substantial values were found. The mine was closed during the Second World War because of lack of men and materials, not because of lack of ore-grade material. Given the length and potential depth of mineralization — high values occurring on the surface and from underground areas — the potential here is good.

**Development Plans:** The Company is carrying out the program as suggested by its consulting engineer, who called for an expenditure of \$1 million to fully evaluate the structure. His program includes re-opening and re-sampling the underground workings and surface plus underground drilling and drifting with a view to an early resumption of mining.

**Adams Lake Gold Prospect:** The company holds a gold prospect in the Adams Lake area, near Kamloops, B.C. A significant gold find has been made in the area by Rea Gold and Falconbridge Copper. Celebrity plans an exploration program this season.

Capitalization	Authorized	Outstanding
Common Stock NPV	5,000,000	2,530,535

**Statutory Information: Officer & Directors:** Paul Frigstad, president; Larry Sostad, Ralph Andrew Sostad, Robert Hugh Davie, Kurt Swinton.

**Head Office** — Suite 812 - 475 Howe St., Vancouver, B.C. V6C 2B3 (604) 669-0515, Paul Frigstad.

**Transfer Agents:** Central Trust Co. Ltd., (Crown Trust Division) 750 West Pender St., Vancouver, B.C.

**Auditors:** J.C. Bailey, C.A., Vancouver, B.C.

**Legal:** Campbell, Holmes & Greenslade, Vancouver, B.C.

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near Kamloops