

A Service for the Investor

ADVERTISEMENT

Securities Reports

4

See Reader Response Coupon — Page 20

Arizako Mines

Shares Outstanding: 6,052,280

1984 Price Range

Listed: VSE (AZK)

High	Low	Recent
\$1.20	\$0.53	\$1.12

Summary: Arizako is a Vancouver-based resource development company with 14 groups of properties in the Ymir, B.C. Gold Camp. There are 21 former producing mines on the property, of which the *Yankee Girl* and *Dundee* have close to 872,000 tons of inferred reserves of .350 oz gold/ton, and 4.0 oz silver/ton. There is a good chance that the properties will be in production by the end of the year. To prepare for this, the company has rehabilitated all the underground workings, and leased a mill with a capacity of 1200 tons per day.

The Ymir Gold Camp, B.C.: Arizako acquired a 75% interest in the *Yankee Girl* and *Dundee* mining properties from Burlington Gold Mines in the fall of 1983. The properties are located at Ymir, 10 km north of Salmo, B.C. Initially Arizako has agreed to pay Burlington 250,000 shares of Arizako and that Burlington's 25% profit share will have a minimum of \$250,000 per year starting in 1985. Secondly, Arizako agreed to pay Burlington 50% of any profit realized from the operation of the dumps on the property. This 50% profit share shall have a minimum of \$5,000 per month starting in June, 1984.

Arizako has an agreement with the principals of Golden Zone Resources, a private B.C. company, to acquire all of Golden Zone's assets for 950,000 shares of Arizako. The principals of Golden Zone, Ralph Sostad and Bob Davie, will join the board of Arizako. Golden Zone Resources holds the Lost Cabin mine, the Jennie Bell, the Gold Cup mine, the Old Timer mine, the Dumas mine, the Daybreak mine, and — at Hall Creek adjoining the Ymir camp — the Bear mine, the Bear No. 1, and the Gold King. These were mined by shallow working and there is considered to be good depth potential for extensions.

Arizako is in negotiation with two other groups which, if successful, will complete the acquisition of most of the known producers. Arizako intends to return these properties to production as well as taking its own property, the Centre Star mine, through exploration and development. The Centre Star produced from three levels and the stopes were up to 25 feet wide. Diamond drilling indicates this structure continues to depth. Between 1900 and 1939, the *Yankee Girl-Dundee* vein system produced 410,000 tons of ore containing 103,000 ounces of gold, 535,000 ounces of silver, 12 million pounds of lead, 11 million pounds of zinc, and 2.5 million pounds of cadmium from several levels. In 1962, Ralph Sostad drove a 4,600-foot main haulage way under the mountain to locate the *Yankee Girl* vein at depth. He succeeded in not only finding the *Yankee Girl* vein but also a new blind vein system called the *Bonus* vein. After finding this vein

underground, it was located in the upper workings. This system was never mined. Previous engineers have given these vein systems a possible volume of 782,000 tons. Preliminary testing at that time indicates that grades should stand up to that which was mined by the former operation.

During the productive life of the *Yankee Girl* and *Dundee Mines*, little consideration was given to the recovery of the lead and zinc content of the ores, both of which metals, according to smelter records, were present in significant amounts.

In his report of December 10, 1973, George L. Mill, P.Eng., wrote . . . "the *Wildhorse* crosscut intersects the *Yankee Girl* vein system and, from its east wall, a drift has already been driven eastward along the *Yankee Girl* vein to within approximately 350 feet of the down-dip projection of the hanging wall of the *Lakeview* fault zone. This crosscut, collared at elevation 2840 feet, intersected the *Yankee Girl* vein 4500 feet from the portal. In close proximity to the point of intersection a raise, driven by Cayzor Athabaska Mines Limited, in 1962 follows the vein to break through to the 1625 level. (Elevation 3305 feet). It was noted that the first 160 feet of the raise showed narrow vein widths and low values. Beyond that point both widths and values increase substantially. On the other hand, the *Bonus* vein, intersected at 4,092 feet from the portal of the crosscut was not encountered in the *Yankee Girl* workings and remains undeveloped. It was five feet wide at its point of intersection and assayed 0.29 oz ton gold, 0.45 oz ton silver, 2.65% zinc, and 1.20% lead."

Mill further wrote in his report that on the basis of current precious metal and base metal prices, as well as on its tonnage potential, the property warrants exploration with emphasis on the *Lakeview* fault zone. While the lateral and downward extension of the *Yankee Girl* and *Dundee* vein systems will undoubtedly prove up additional ore, it is felt that the possible reactivation of the area lies along the strike of this zone. Because of its indicated low precious metal content on explored horizons and the lack of interest in its base metal content, undoubtedly due, in both cases, to metal prices prevalent at the time, the zone was given little consideration by former operators despite the recommendations of several independent engineers.

The walls of the ore veins are firm and the ore breaks clean to the walls. The backs of the stopes stand up well and timbering can be kept to a minimum. No expenditures will be necessary for camp buildings to accommodate the men. Adequate housing is available in nearby Ymir. Ymir is serviced with both road and rail transportation. A good, all-weather highway connects it with the Cominco refinery at Trail and hydro-electric power may be obtained from the West Kootenay Power and Light Co.

Capitalization:	Authorized	Outstanding
	15,000,000	6,052,280

Statutory Information: Head Office — #812 - 475 Howe Street, Vancouver, B.C., (604) 669-0515, Paul Frigstad.

Registered Office — 5th floor - 609 Granville Street, Vancouver, B.C.

Registrar and Transfer Agent — National Trust Co. Ltd., 510 Burrard Street, Vancouver, B.C.

All material in Securities Reports is copyrighted by B.C. Business Magazine and may not be reproduced without written approval. For advertising placement information call Tom Audet at (604) 689-2021. Data is from sources the magazine believes to be reliable but the accuracy cannot be guaranteed. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of securities.

82FS W 068