

W.A. No.

NAME War Eagle

SUBJECT

82FSW097^{WAR} Eagle

PROPERTY FILE

003091

03

GCNL. Feb 3/69 under
continental Mc Kinney

Res delineated to date by
drilling cannot be calculated
accurately. Indicated are available
for open pit operation in 5 separate
bodies is 810,450 tons of
MoS₂ of a 0.39% grade.

NET INCOME	2,809,171	2,252,003
Earned per share	* \$1.01	\$0.81
Dividends per share	* .00	.13
Shares outstanding	* 2,773,200	2,766,000
Current assets	\$19,112,619	\$10,232,351
Current liabilities	12,571,095	5,703,109
WORKING CAPITAL	6,541,524	4,529,242
Deferred income taxes	390,000	308,000
Retained earnings	8,601,484	6,346,743
Shares issued	924,400	922,000
* Giving effect to share split Sept. 27/67		

25% and the first semi-annual dividend of the new fiscal year, paid Dec. 15, 1967, was 12¢ p/s vs 10¢ paid each half year in the year under review (all on the new share basis).

In reviewing the outlook, Peter Pakosh, chairman, and R.E. Robinson, president, for the directors, point out that recent conditions have caused loss of sales in Western Canada and left most manufacturers of farm equipment with larger than normal unsold inventory in dealers' hands. Versatile has a larger inventory than normal in dealers' hands but

their view is that it is not unmanageable and is relatively lower than that of the industry as a whole. They foresee these conditions as temporary and visualize a considerable increase in sales should there be an improvement in crop prospects next year.

The large inventories necessitated some cut backs in output of combines and some other lines of equipment. However, with the continuing success of the new 4-wheel drive tractor, the planned production of this machine in 1968 will more than offset any cut back in production of other lines. Investment in the year in plant and equipment of \$623,000 has put the company in a position to build 150 tractors a month. Orders for these have started to arrive from dealers at an encouraging level, they state.

Latest new products included a new cultivator and a newly designed swather, both of which will be produced in limited quantities in 1968. Work will continue on development of a larger capacity combine which could be adapted for harvesting corn, and on a discer.

Policy calls for expanding Versatile's market area and for improving its dealership organization.

FALAISE LAKE MINES LTD.

82FSW097 War Eagle.

FURTHER DRILL RESULTS FROM ROSSLAND PROPERTY - Diamond drilling has been underway for several months on the Rossland property of Falaise Lake Mines Ltd. The drilling has been testing a number of structures. One of the recent holes has obtained a good intersection on the War Eagle structure at about 50 feet below the surface. Over 22.5 feet the core averaged 0.142 oz. gold per ton, 0.905 oz. silver per ton and 0.839% copper, for a gross value per ton of \$16.22.

On the LeRoi structure, there have been drilled four holes, each of which cut the structure at about 200 feet below surface and along a total length of 300 feet. Over an average width, these four intersections graded: 0.343 oz. gold per ton, 1.14 oz. silver per ton, 1.85% copper for a gross metal value of \$34.89 per ton taking gold at \$35.00 per ounce, silver at \$2.23 per ounce and copper at 55¢ per pound. The hole intersections were as follows:

Length	Gold	Silver	Copper
10 feet	0.21 oz.	not taken	0.82%
10	1.04	1.10 oz.	4.40
12	0.71	2.40	1.70
31	0.016	0.67	0.625- (taken over 11 feet)

The fifth hole in this series on the LeRoi structure is now drilling 100 feet east of the 31 foot intersection and if it is successful, the indicated length will then be 400 feet. A second diamond drilling machine is now testing the LeRoi structure in an effort to cut the structure at about 300 feet below the surface and 100 feet below the first four intersections. (See GCNL No. 242, page Three, Dec. 14, 1967)

FOR THE RECORD

Gem Explorations Ltd. meeting to be held Dec. 27, 1967, did not obtain a quorum and has been adjourned till Jan. 3, 1968.

Polaris Mines Limited has reported that West Coast Securities Ltd., acting on behalf of clients, has failed to exercise the Dec. 24, 1967, option covering 200,000 shares at 25¢ per share and the balance of the agreement is cancelled.

Acklands Limited has reported purchase of The George Taylor Hardware Limited, a wholesale distributor of industrial supplies and hardware, serving industries in northern Ontario and northwest Quebec. Gross annual sales are in the range of \$13,000,000 to \$15,000,000 and the company is profitable. Purchase price was not disclosed.

for open cut operations and also outline additional veins worth evaluating by underground development.

The chances of making a producing mine are good, but much work is required to determine the size of operation warranted.

In reviewing results for the year, the report shows values from a number of veins and zones some of which are summarized as follows: No.1 vein is 20 feet wide with values from 0.20% to 1.64% MoS₂ and from 0.50 oz. to 2100 oz. silver per ton and extends for a length of 10,000 feet. No.2 vein is 50 feet wide and averaged 0.442% MoS₂ with 1.30 oz. silver, over a length of some 4,000 feet. Other values from the No.1 vein at other locations as much as 1,000 feet lower in elevation were from 0.67% to 1.875% MoS₂ and silver from 0.30 to 1.15 oz. per ton. Samples also carried 4.4% copper, 6.10% lead. A number of other assay results from sampling various areas were given in the report which indicate the widespread area over which values have been obtained.

FALAISE LAKE MINES LTD.

THIRD GOOD GRADE HOLE - Over a 12 foot width on the Rossland property, a grade of 0.7167 ounces gold per ton; 2.40 oz. silver per ton and 1.70% copper has been cut by Falaise Lake Mines Ltd. in the third of a series of holes which are over a length of 200 feet. The other two holes averaged 1.04 oz. gold, 1.10 oz. silver and 4.40% copper over 10 feet and 0.21 oz. gold, no assay taken for silver in this intersection and 0.82% copper. The fourth hole in the series is now drilling a further 100 feet along the vein which if it intersects the vein will give an indicated length of 300 feet. The next phase of the drilling will be to test the vein at greater depth.

Under an agreement dated July 14, 1967, Falaise Lake acquired an option from Cominco Ltd. giving Falaise Lake the right to earn a 49% interest in 72 claims situated near the town of Rossland, B.C. In order to earn this interest, Falaise Lake Mines must spend \$100,000 on the exploration of the property by July 14, 1968, and must expend a further sum of \$600,000 in exploration and development which is to include the cost of an adit which the company will be required to drive a distance of 4,000 feet and to carry out rehabilitation of underground workings on the property. Falaise Lake Mines to earn its interest is to arrange to have some portion of the property brought to production at a minimum rate of 100 tons per day.

To provide the funds for the first phase of the programme, being \$100,000, H.H. Hems-worth & Co. Ltd. as to 87½% and Northwood Mining Limited as to 12½%, have underwritten 300,000 shares of Falaise Lake Mines Ltd. at 30¢ per share.

FOR THE RECORD

Continental Securities Corp. Ltd. has reported that Coast Silver Mines Ltd. has underwritten 150,000 shares at 30¢ payable forthwith, and has acquired for \$500 cash and 250,000 shares payable over the next three years, 42 claims in the Liard Mining area B.C., from R.C. Coutts.

ALWIN MINING COMPANY LTD.

PRESIDENT REPORTS HIGHLAND VALLEY - Harold E. Jacques, president of Alwin Mining Company
PROGRESS - START OF BEAVERLODGE DRILL Ltd., in a November 20, 1967, letter to shareholders states that twenty one holes have been drilled on the company's 25 claims, the O.K.-EZZ group, in the Highland Valley, B.C. He also states that diamond drilling has started on one of a number of targets in the Beaverlodge, Saskatchewan property.

Current drilling on the Highland Valley property is under contract to Cameron McCutcheon Drilling Ltd. which is presently in the midst of a \$50,000 contract. Work is being carried out from a fully winterized camp making use of two heavy duty wireline machines.

Company geologist, J. Foster Irwin, P. Eng., reviewed the results to Oct. 14, 1967, and recommended an additional 15,000 feet of drilling plus 2,000 feet of underground work at an estimated cost of \$230,000. On the basis of the results to Oct. 14, 1967, the geologist states, "From work to date, the indicated tonnage for the highgrade sections only, is 1,750 tons per vertical foot to a depth of 260 feet over an open strike length of 1,000 feet. A possible factor of 9,000 tons per vertical foot exists, for the same strike length and depth, grading 1.5% copper.

"Two highgrade occurrences persist, within a zone width ranging from 70 feet to 120 feet. These highgrade occurrences grade from 2.5% to 10% in copper across true widths of 7 to 30 feet. Interspaced, both sides and between the highgrade intersections, are narrow intersections of massive chalcopyrite and wide sections of finely disseminated bornite. On occasion, the copper content of the zone under investigation may be averaged at 1.8% copper over a true width in excess of 100 feet. Molybdenum has been observed in the drill core but is not being assessed for economic significance at this stage."

By making use of the engineers figures, the president's report states that a reserve estimate of 455,000 tons of 4% copper can be calculated by taking the 1,750 tons per vertical foot to a depth of 260 feet. At 30¢ per pound copper, this tonnage has a gross value of \$10,920,000 and at 65¢ per pound copper the gross value is \$23,650,000.

By taking the larger zone, including the highgrade, and using 9,000 tons per vertical foot to 260 feet, a tonnage of 2,340,000 grading 1.5% copper is indicated with a gross value of \$21,060,000 at 30¢ copper and \$45,630,000 at 65¢ copper.

The president points out that the calculation is based on only eight of the 21 holes drilled to date and over a strike length of 1,000 feet which has been indicated to be a total of 3,000 feet by the induced polarization survey.

The current drilling is at 100 foot intervals with two holes at each station. The holes are designed to give a horizontal coverage of 250 feet to 350 feet and to a depth of 260 feet.

Alwin Mining Company Ltd. has let a second diamond drilling contract. The second contract was let to Boyles Bros. for approximately 3,500 feet on its Beaverlodge, Saskatchewan uranium properties. The drilling is based on the recently completed scintillometer and geological program which located several radioactive anomalies located along a marked topographic depression trending northeasterly from Betty Lake. The machines have been moved in and drilling is now underway.

Shares of Alwin were listed on the Vancouver Stock Exchange Nov. 20, 1967, See GCNL No. 225, page one, November 21, 1967, for details of financing.

FALAISE LAKE MINES LTD.

FIRST DRILL RESULTS - Drilling to explore for the extension of good grade mineralization on the former producing properties held by Falaise Lake Mines Ltd. at Rossland, B.C., has produced its first assay results. M.E. Davis, president, has reported:

Hole No. 1 intersected 10 feet assaying 1.04 oz. gold, 1.10 oz. silver, 4.40% copper

Hole No. 2 cut a 30 foot section of lower grade mineralization plus,

Hole No. 2 cut- also- a 10 foot section grading 0.21 oz. gold per ton, 0.82% copper.

The secondary target of the current program is the establishment of a substantial tonnage of lower grade mineralization which could be mined on a large tonnage basis.

Two diamond drilling machines are working two shifts and geophysical survey crews are presently testing the property with the geophysical work expected to be completed by the end of November.

The properties held by Falaise Lake Mines Ltd. have produced some 6,000,000 tons of direct shipping ore with a grade of 0.45 oz. gold, 0.60 oz. silver, 1.0% copper. Reserves established by the earlier operations and still in the mine available to a new operation are reported as approximately 100,000 tons. A total of eleven holes have been drilled to date with the assays received from only the first two. Additional assay results are expected shortly, the president stated.