

GCNL #242 17-12-79 TINTINA SILVER MINES LIMITED 082F/4W 082FSW110

PRIVATE FUNDING FOR MINE - Tintina Silver Mines Limited directors have elected to participate for Tintina's full allowable 30% interest in its Red Mountain molybdenum property in SE B.C. with Amoco Canada Petroleum Ltd. participating for the other 70%. C.H. Franklin, president, reports that it is believed that further treasury funding may be required. Subject to necessary approvals, the first of such funding has been arranged by private placement of 250,000 shares at \$2 per share in an exempt transaction with a Canadian mutual fund.

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DAVID MINERALS LTD.

KOREAN FIRM HAS BOUGHT - David Minerals Ltd. has announced that its wholly owned subsidiary, David Coal Corporation has concluded an agreement whereby THE WILLOW CREEK COAL MINE Ssangyong Corporation of Seoul, Korea, will purchase 15% of the shares of David Coal Corporation. The agreement is subject to any necessary Korean or Canadian governmental approvals.

David Coal Corporation will own and operate the Willow Creek coal mine located approximately 50 kilometres west of Chetwynd, B.C., and will be responsible for shipping 400,000 tonnes per year of thermal coal to Ssangyong Corporation commencing in October 1983 under a final coal sales contract which has been executed. Under the coal sales contract, Ssangyong has an option to purchase an additional 200,000 tonnes per year commencing in 1986.

Orval Gillespie, president and chief executive officer of David Coal Corporation, said, "The conclusion of the share purchase agreement and the coal sales contract is a significant step forward towards putting the Willow Creek coal mine into production." Mine reserves are calculated at 72,500,000 tonnes.

OTHER PROJECTS REVIEWED - David Minerals has purchased three ore milling facilities in southern B.C. The mill near Salmo, formerly Cominco's HD Mill, has been modified to treat gold-molybdenum-cobalt ores from the Red Mountain property near Rossland. Anticipated grade of open pit ore from the Novelty claim is 0.126 oz./ton gold, 0.26% molybdenite and 0.10% cobalt which has a gross value of \$73.56 and operating costs of \$33.50 per short ton. Further reserves will be developed in other known mineralized zones on the property. In addition, there are two tailings ponds on the property from the previous molybdenum operation. The Salmo mill will custom mill other ores. The gold-molybdenum circuits were completed in December 1982 at a cost of \$1,132,000 bringing the total replacement cost of the facilities to \$15,613,000. The surrounding real estate was estimated in 1981 to have a value of \$1,262,800.

The mill at Ainsworth has been operating on custom ores and on company ore from the Utica Mine. Approximately 135,000 oz. of silver were produced in concentrate form from the Utica ore. A portion of this was accumulated since mid year 1981 because of the low price of silver, but, with the present higher price of silver, the stockpile is being liquidated. In 1981, it was estimated that the mill had a replacement value of \$6,000,000 and the adjacent real estate had a value of \$675,000. Underground investigation of the Utica Mine will be continued in 1983.

The metallurgical facilities at Ped Mountain are dormant at present. The mill was owned previously by Red Mountain Mines Ltd. and was used to mill molybdenite ore from 1965 to 1972. The mill is being maintained so that it can be moved when needed, to another company mine. In 1981, it was estimated that replacement value was \$3,560,000 and the property value of the surrounding ground was \$97,000.

David Minerals also holds the Millie Mack silver, lead, zinc property near Burton, P.C. and a large low-grade copper prospect in north central Washington state, U.S.A.