

GCNL #211 31-10-80

DAVID MINERALS LTD.

003115

THREE PROPERTIES - David Minerals Ltd. has acquired the following properties subject to UNDER ACQUISITION approval by the regulatory authorities:

1. David Minerals has agreed to purchase 15 claims and one lease, all situated at Rossland, B.C. The agreements provide that David Minerals shall pay a total of 92,000 common shares from the treasury plus \$48,500 as the purchase price in full. There are reports based on diamond drilling programs which indicate reserves of 1,000,000 tons of 0.282% MoS2 and 0.05 oz. gold/T. A program is being planned.

2. David has agreed to purchase 17 crown granted mineral claims covering the Utica Mine with a mine ore dump which has been estimated to contain 40,000 tons at 7.2 ounces silver per ton all situated west of Kaslo, B.C. David Minerals is presently milling ore from the dump and the average has been over 7 ounces silver per ton on mill heads of minus 3 inch screened material. There are additional values in lead, zinc, gold and cadmium. There are also underground reserves within the old workings of the Utica mine situated on the claims. The purchase price is 65,000 common shares of David and the assumption of indebtedness under a mortgage in the approximate sum of \$285,000 to be paid in shares of David Minerals; the number of shares to be determined by share value as of the date of retiring the indebtedness.

3. David Minerals has taken an option at a cost of \$20,000 on the Payne mine ore dump situated west of Kaslo, B.C., estimated to contain not less than 200,000 tons of ore from which a very superficial sampling indicates a grade of 3.75 ounces silver per ton. David Minerals is proceeding to sample not less than 70 tons from the dump and should the sampling so indicate David shall exercise the option to purchase the dump for \$500,000 to be paid in shares of David; the number of shares to be determined by share value as of the date of exercising the option.

\$2/4E

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082KSW006,
007

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⇒ Novelty

: 082F SW 107,
109

GCNL #225

25 NOV 81

DAVID MINERALS LTD.

82F/4W 82FSW10'7

Hole No.	Interval Metre	Length Metre	Oz. Gold/T	Molybdenum %	Cobalt %
81-1	26.0-38.5	12.5m	0.196	0.151%	0.178%
81-2	29.0-34.0	5.0m	0.518	0.785	0.110
81-3	1.5-16.8	15.3	0.057	0.200	0.057
81-5	7.45-13.3	5.85	0.11	0.196	0.11
	15.25-23.0	7.75	0.039	0.226	0.014
81-6	20.65-26.5	5.85	0.014	0.515	0.008
	38.0-42.5	4.5	0.106	0.171	0.039

Orval E. Gillespie, president has reported that in 1980, David Minerals Ltd. purchased a Rossland, B.C., area property which included the Novelty, Golden Queen and St. Elmo claims. A programme of diamond drilling was designed to confirm, and prepare for mining, areas of molybdenum and gold mineral-

ization which had been outlined by previous owners using numerous vertical diamond drill holes.

In October, 1981, twenty two NQ diamond drill holes totalling 1128 metres (3701 feet) were drilled on the above three claims. Assays have been received for samples from seven of nine holes drilled on the Novelty claim, but no assays have been received as yet for the eight holes on the Golden Queen claim or the five holes on the St. Elmo claim. Further drilling is expected to start soon.

MINER 17 DEC 81

David reports Novelty assays

VANCOUVER — David Minerals reported encouraging assays from five drill holes on its Novelty claim, gold-molybdenum prospect in the Rossland area of B.C. Particularly good values were returned from hole 81-2 averaging 0.52 oz. gold, 0.78% molybdenum and 0.11% copper with a narrow intersection returning 1.83 oz. gold, 3.12 molybdenum and 0.28% copper from 30-31 m. In hole 81-1, a 12.5 m intersection returned 0.196 oz. gold, 0.15% molybdenum and 0.19% copper. In hole 81-5, an intersection from 7.45-13.3 m returned 0.11 oz. gold, 0.19% molybdenum and 0.11% copper. Results are pending from drill holes on the Golden Queen and St. Elmo claims.

82F/4W

Separately, Goldbelt Mines has signed an agreement with David Minerals to ship ore from its gold mine near Salmo, B.C., for custom milling. The David mill, located six miles west of Goldbelt's property will process 500 tons of Goldbelt's ore per day.

82F/3E
82F5W056

The company has begun trucking some of the 7,000 tons of ore averaging 0.25 oz. gold per ton to the mill site. Milling is scheduled for early January with David committed to handling Goldbelt's ore in 10,000-ton lots. The gold concentrate is then to be shipped to Asarco in East Helena, Mont.

Don Carmichael, president, says Goldbelt also intends to let a mining contract immediately to work the property's reserves. Set in the historic Sheep Creek district, the Goldbelt property has 40,000 proven tons in excess of 0.5 oz. gold per ton.

In a separate agreement with David, Goldbelt has secured 20 acres adjoining the David mill tailings pond that would be a suitable site should Goldbelt decide to build its own mill capable of processing 200 tons a day.

82F5W
107, 109?

92H/11W (003)
 Carolin Mines has announced that its jointly owned Ladner Creek gold mine near Hope, B.C., will be in production by the time of its annual meeting on Nov. 27. President Orval Gillespie, speaking to a group of analysts in New York, said that expected gold production is 200 oz per day from the milling of 1,500 tons of ore. It will mark the first period of earnings in the history of the company, he said.

The mine is jointly owned by Carolin (50%) and the Aquarius group, which is owned by Ocelot Industries (45%), Great Basins Petroleum (35.1%), Windjammer Power & Gas (9.9%) and Aquarius Resources (10%).

Work has begun on the 3,000 ft. extension of the main haulage tunnel to develop additional reserves in a similarly mineralized zone.

Carolin owns title and options to numerous other properties in the

area. Recent exploration work on the wholly-owned Ladner Creek North property has indicated the possibility of large reserves in the area, Mr. Gillespie said.

Mr. Gillespie also heads David Minerals which acquired a complete milling operation and ancillary equipment near Salmo, B.C., valued at over \$15.1 million. The HB mill's production capacity is 1,200 short tons of lead-zinc ore per day.

A checking and renovation program has begun to prepare a flotation circuit to custom mill gold-bearing sulphide ores produced by David and other mining operations in the area. A second circuit will be altered to treat molybdenite-gold ore from the company's Rosland property where estimated reserves are 1,078,300 short tons grading 0.282% molybdenite and 0.034 troy oz. gold per short ton and having economic grades of bismuth and cobalt in certain areas of mineralization.

Construction of a cyanide circuit has also been initiated to treat gold-bearing concentrates produced in both circuits. Treatment in the first circuit is scheduled for the first quarter of 1982.

Novelty
 82FSW/107,
 109
 82F/4W

R.
 Mining

Diamond drilling is in progress at Regional Resources' Midway lead, zinc and silver property straddling the B.C. (681 claims) and the Yukon (240 claims) border near Watson Lake, Y.T.

A total of 1,800 ft. in four holes had been drilled by Sept. 30 with an additional two to four holes planned

in a program expected to cost over \$1 million this year. Drilling to date has produced several massive sulphide intersections in three zones, with the main zone varying in thickness up to 30 ft. Assay results are pending.

Amex of Canada has extended its option on the property through payment of \$100,000 on Sept. 30, 1981.

Totem Industries say they're back on schedule in the mining program at Sandon, B.C., following a cave-in at the main adit earlier. A shipment of ore trucked to Cominco's smelter at Trail, B.C., averaged 36.9 oz silver per ton, 40.7% lead and 9.6% zinc per ton.

The company has also commenced negotiations to acquire oil and gas leases in Morgan County, Colorado, for 100% working interest or 85% net revenue interest with no cash outlays until drilling commences at the company's option.

92N/8

Invex Resources (30%), Imperial Metals (20%), Risby Tungsten (20%), Rockwell Mining (15%) and other interests (15%) have completed three diamond drill holes on their Alexis claims on the west side of Chilco Lake, B.C.

All three holes were mineralized, particularly the third, throughout its length of 350 ft. Assays, not yet available, are expected to return copper, silver, antimony, mercury and gold. No further drilling is immediately planned.

Invex, Imperial and Risby plan to amalgamate on the basis of one share of the new company for each share of Invex and 1/2 share of the new company for each share of Imperial and Risby.

92G/11

Maggie Mines reported a working capital of approximately \$670,000 which it says is more than adequate to meet this year's drill program. Drilling on the Janette zinc-lead anomaly is under way as part of the second phase of drilling on its property in the Indian River, Vancouver Mining Division near Squamish, B.C. On Sept. 3, 1981, Sanddollar Investments exercised their option on 300,000 Maggie treasury shares.

Nuspar encouraged by B.C. drilling

104E/10E, 11E
 Nuspar Resources received assay results from holes 49 and 50 at the copper-molybdenum prospect at Eaglehead Lake, B.C., in which it has a 40% interest and Esso Minerals Canada a 60% interest.

In the 49th hole, encouraging values were obtained over a continuous length of 96.9 m; 0.39% copper; 0.003% molybdenum; 1.81 oz per ton silver and 0.029 oz gold per ton.

Mineralization in the 50th hole was encountered in four shorter intersections which totalling 49.1 m. The longest of these was 18 m and assayed 0.71% copper; 0.0002% molybdenum; 5.13 oz silver and 0.23 oz gold. A 10.6 intersection yielded the best copper-moly values: 0.99% and 0.013% respectively.

Nuspar is also acquiring a 40% interest in the Choa joint venture, a large block of claims about 25 miles south of the Eaglehead property. The Choa claims are being explored for gold deposits similar to those being developed along the same trend by DuPont of Canada at Chapelle and by Serem-Agnico Eagle.

92F/2E

Jan Resources says ground follow-up of anomalies located by an airborne survey of the Mt. McQuillan gold and silver property on Vancouver Island, B.C., has located a previously unknown vein where grab samples assayed 0.75 oz, 0.348 oz and 0.184 oz gold per ton. The vein outcrops just west of the western boundary of the property. Good access is provided by existing logging roads.

At the Camp McKinney property, B.C., geological mapping and a geochemical survey were completed in the summer and an additional claim block was acquired. From old dump material, gold assays returned up to 0.15 oz per ton.