

History of Claim Holdings...

Rossland Mining Company Limited owns mining properties in the South Belt of the old and important Rossland Mining Camp, from which the Company derives its name. In past operations the mines of Rossland yielded over one hundred million dollars worth of gold, silver and copper when calculated at today's metal prices.

The present company's claims are underlain by geological structures and mineralized zones similar to those found in the old producing mines, except that values in lead, zinc, and silver are found to be higher in the ore bodies recently developed and copper values lower there. In previous productive operations in the area most attention was paid to the gold-copper ore bodies in the "North Belt", and the lead and zinc-bearing bodies of the "South Belt" were not considered to be of great importance mainly because of the relatively low price of lead and zinc at that time. Development work carried out in the last four years has indicated the size and value of the "South Belt" ore bodies and their excellent values in gold, silver, lead and zinc. Occurring in similar favorable geological structures, and found to be of similar size and strength to previously mined ore bodies, the recently opened ore zones of Rossland Mining Company Limited give good promise of becoming important producers of precious and base metals.

HAGAR INVESTMENTS LTD., Central Bldg. Victoria, B. C. Phone: G. 0531

Ore Reserves...

The preliminary exploration to date cannot be considered to have developed what is normally designated 'positive ore'. It is usually not advisable to calculate ore-reserves on a property in which the development work is so limited that the habit of the ore bodies is not known. However, there is a reasonable assurance of approximately 16,000 tons of probable and possible ore which has been indicated by tunneling and diamond drilling around the Mayflower workings of the property, with another 20,000 tons indicated for the 500 ft. immediately west down to 100 ft.

In the Blue Bird section the new shaft and cross cuts can be said to have developed 5,000 tons of probable ore above the level, assuming an average width of 8 ft. and a length of 50 ft. Further development may well increase this figure to 15,000 tons. Another 3,000 tons of probable ore can be assumed below the level for 50 ft. with the possibility of increasing this figure to 20,000 tons with a new level 100 ft. below.

Thus, this one limited section could yield 35,000 tons of ore above such a new level and, since there are other sections in this area with favourable diamond drilling and geophysical results, still more tonnage should be found.

It would, therefore, not be unreasonable to expect 50,000 tons being made available by a new level from this section alone.

The grade and potential profit is difficult to assess with accuracy with the limited information available but a net profit of \$18.00 per ton appears possible for the Blue Bird ore and \$7.00 for the Mayflower. It should follow that a potential profit of over one million dollars would be indicated by the development work planned.

Proposed Exploration and Development Programs ...

The proceeds from this financing, amounting to \$200,000 will be used in the following manner:-

1. To continue the present work in Blue Bird adit by extending the drift along the ore-body, both West and East.

2. Drive a new adit 100 ft. below the Blue Bird tunnel level.

3. Sink the shaft to a new level 120 ft. below the new second Blue Bird adit which will be equivalent to 80 ft. below the Mayflower adit. Develop the 2,000 ft. of mineralized zone in both zones.

It is expected that the two adits will prove enough ore to justify a mill and indicate the scale on which ore can be mined. A mill could then be financed on favourable terms. Shaft sinking and development of a new level can proceed at the same time as the mill is being erected.

Management...

Mine management will be in capable hands, under the supervision of Consulting Geologist Dr. A. C. Skerl and the Board of Directors which includes a mining engineer and a geological engineer.

The information herein contained has been obtained by us from what we consider to be reliable sources.