

Securities Reports

Goldrich Resources

Shares Outstanding: 2,140,324 1982-83 Price Range
Listed: Vancouver (GRD) High Low Recent
\$1.20 \$0.49 \$1.10

Summary: Goldrich owns 2,425 hectares in the well-known Sheep Creek gold camp in southeastern British Columbia. The Sheep Creek camp was one of the richest gold mining areas in B.C., with production averaging around 0.5 ounces gold per ton in past operations. The Goldrich property includes the former producing **Bayonne Mine** which is fully-equipped with bunkhouses, ore bins, a ball mill, underground rail plus related equipment and machinery to operate the mine. Consideration is being given to construction of a mill once ore reserves have been increased from the current 25,000 tons to around 100,000 tons. Grade of ore averages 0.71 ounces gold and two ounces silver per ton.

A recent financing provided \$228,000 for mine development. The management of Goodrich has many years' experience in operating resource companies and in the mining exploration business.

Management: *Ralph Sostad* — chairman of Goldrich, Sostad has been involved in mining, prospecting and exploration for over 40 years. He has held the Goldrich-Bayonne Mine for over 20 years. He has been associated with several public resource companies over the years and is currently a director of Yukon Oil & Gas Development Ltd.

Paul Frigstad — president of Goldrich, Frigstad is also president of Lawrence Mining Corporation and several other resource companies. For 10 years, he was president of Bathurst Norsemines, which discovered a major base/precious-metals prospect in Bathurst Inlet. The property is being developed by Cominco.

Larry Sostad — a director of Goldrich, Sostad is a self-employed mining prospector who has spent his entire working life in the mining business.

Laurie Sadler — a director of Goldrich, Sadler is a chartered accountant and holds an MBA.

The Bayonne Mine — During its operating life, which began in 1901, the Bayonne Mine produced about 44,000 ounces of gold and almost 100,000 ounces of silver from 85,000 tons of ore.

Development: The Bayonne Mine has been opened by nine levels, to a depth of about 280 metres. The strike length of the *Main Vein* has been traced for some 900 metres and is still open. A secondary vein, the '*A Vein*', splits off from the *Main Vein* about halfway along its length. The '*A Vein*' has been traced for over 490 metres and is also still open. The ore reserves are scattered through the mine workings, with 40% of the known reserves located below the Eighth Level. The ore is open to depth and the grade appears to improve — one 20-metre section on the Eighth Level averages 1.08 ounces gold and 0.68 ounces silver per ton, with minor values in lead and zinc.

Exploration to develop additional reserves will be con-

centrated at depth. Drifting eastward from the shaft on the Ninth Level has located two ore blocks — one block averages 0.47 ounces gold over 22 metres and the second runs 0.59 ounces over 15 metres. Diamond drilling from the Eighth Level has picked up values indicating the eastward extension of the vein on the Ninth Level and lower down. Plans call for the development of the Ninth Level and two deeper, Tenth and Eleventh, levels to be driven.

In his February, 1983, report, the company's geological consultant, R.W. Phendler, P.Eng., says the continuity of the mineralized zones in the Bayonne Mine is impressive and all evidence indicates the veins will extend to depth. **Production Plans:** Immediate plans are to open up three new levels for development with the objective being to increase the current ore reserves from 25,000 tons to 200,000 tons. This would make a 100-ton-per-day mill feasible. The mine is already fully-equipped with a ball mill, ore cars, bunkhouses, a powerhouse and related equipment and material and needs only a concentrator to resume production. A reserve of 200,000 tons would give the mine a minimum six-year life. The recent 'units' financing has provided the funds needed to commence this program.

In addition to the Bayonne Mine, the Goldrich property contains a parallel vein — the *Echo Vein*, located about 300 metres south. It is similar in appearance and nature to the *Main Vein* at the Bayonne Mine. Plans call for the development of the *Echo Vein* with the expectation that it will provide mill feed in future years. Goldrich also has several other explorations on its large property, including many former Crown Grants on which mineral occurrences have been located in previous exploration.

Capitalization:	Authorized:	*Outstanding:
Common Stock NPV	4,955,750 shs.	2,140,324 shs.

*Giving effect to the issue of 400,000 units in January, 1983. The units consisted of one share and two *Series B* warrants. In addition, underwriters Canarim Investment and Walwyn Stodgell Cochran Murray were issued a total of 200,000 *Series C* warrants.

Warrants: As part of the January, 1983, units offering, the company issued a total of 800,000 *Series B* and 200,000 *Series C* warrants. The *Series B* warrants entitle the holder to purchase one share of Goldrich for each two warrants held at a price of 66 cents at any time until the close of business on June 15, 1983. The *Series C* warrants, which were issued to the underwriters, are also exercisable at 66 cents per share through June 15, 1983, and each *Series C* warrant entitles the holder to buy one share of Goldrich. The *Series B* warrants trade on the Vancouver Stock Exchange until expiry; the *Series C* warrants are non-transferable and do not trade.

Statutory Information: *Head Office* — Suite 611 - 475 Howe St., Vancouver, B.C. V6C 2B3 (604) 669-0515.

Transfer Agents: National Trust Co. Ltd, 510 Burrard St., Vancouver, B.C.

Legal: Forrest, Gray, Munro & Lewis.

Auditors: J.M. Ross, C.A., Vancouver, B.C.

Geological Consultant: R.W. Phendler, P.Eng.

Officers & Directors: Ralph A. Sostad, chairman; G. Paul Frigstad, president; Robert H. Davie, vice-president; Larry R.W. Sostad, Laurie Sadler.

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Securities Reports

Springlake Resources

Shares Outstanding: 3,090,003 **1983 Price Range**
Listed: Alberta Stock **High Low Recent**
 Exchange (SEZ) \$0.75 \$0.50 \$0.60

Summary: Springlake Resources Limited is the new name of Great Lake Silver Holdings Limited, which was changed subsequent to the successful takeover of Springpoint Resources Ltd. The company intends to merge operations in the near future, subject to shareholder approval, by taking over Springpoint on the basis of one Springlake share for each two of Springpoint.

Springlake holds a number of mineral properties including a gold prospect in the well-known Sheep Creek mining camp; a silver-tin-tungsten prospect in the Kootenay Lake area. It also owns several Invermere silver-copper claims showing high values. All the mining properties are in B.C. The company also has a number of oil and gas properties which produce a cash flow of about \$10,000 per month.

Current Activities: *Sheep Creek Gold Property* — Springlake holds an undivided 50% interest in two gold prospects, the *Independence* and the *Gold Jack Group* in the recently reactivated Sheep Creek gold camp. This camp produced over 736,000 ounces of gold and 365,000 ounces of silver in previous production. Past production averaged better than 0.5 ounces gold per ton.

The *Independence* and *Gold Jack* properties adjoin the *Goldbelt* mine, which has been shipping ore to the David Minerals mill nearby. The *Gold Jack* has been developed underground by previous operators, with three adits and a shaft used to explore the property. Springlake plans to undertake an aggressive development program on its properties and has slated some \$500,000 for this work with the expectation that an ore body will be developed.

Pretty Girl-Delos Property — These claims are located about 20 kilometres west of Invermere, B.C., and cover a silver-copper prospect from which exceptionally high-grade values have been obtained by sampling. Grades of 55.5 ounces of silver and 26.68% copper per ton have been recovered. Evidence also suggests a hydrothermal origin of metals at depth, giving the potential for high-grade deposits, or a porphyry copper deposit.

Jackass-Barefoot Silver Group — This 36-claim property is located near Riondel at Crawford Bay on Kootenay Lake. During 1981, an exploration program consisting of sampling and drilling was undertaken. The drilling gave good silver values in the six holes drilled—running up to 5.95 ounces silver per ton. Significant values in tin running from 0.21 to 0.28% over widths of 3.6 metres were encountered, plus tungsten and lead values.

Oil and Gas Holdings: Both Great Lakes Silver and Springpoint held interests in oil and gas properties prior to their merger. The holdings include producing wells as well as prospective oil and gas acreage. A summary of the oil and gas holdings follows:

Hemlock Gas Field, Ontario: Springlake has a 65% undivided interest in this producing gas field, located in Norfolk County, Ontario. Gas is sold under contract to NRG Limited of London, Ontario. The company receives 85% of the Toronto Gate Price of \$2.345 per thousand cubic feet (mcf). Company revenue from the *Hemlock* field now averages about \$3,000 per month from the four wells on the property. Another three wells are planned.

Alberta Oil and Gas Holdings: The company holds 50% interest in a total of 14.2 square kilometres in Farrow South, Mossleigh, Shouldice and the Three Hills Creek areas of Alberta. These holdings have been evaluated by R.H. Johnson, P.Eng., for the company as follows:

Area	Reserves		Discounted Cash Flow		
	Gross (10 m ³)	Net W.I. (10 m ³)	at 12% (\$000)	at 15% (\$000)	at 18% (\$000)
Proven - Oil					
Shouldice	6000	3000	226	184	150
Probable - Gas					
Farrow	6.7	3.4	71	63	57
Mossleigh	348	80	2,778	2,192	1,768
Three Hills Creek	13.8	1.7	10	2	—
Total	6,368.5	3,085.1	2,859	2,257	1,815

In the United States, the company owns interests in approximately 226 hectares in Kingfisher County, Oklahoma, 129 hectares in Duchesne County, Utah, and in approximately 4,323 lease hectares in Seneca, Chataugua and Cattaraugus Counties of New York and Erie County of Pennsylvania. Great Lakes also has a 2,173-hectare lease option in Seneca County, New York. These interests have been evaluated by Norwest Engineering as follows:

	Net Reserves		Present Worth of Future Cash Flow (U.S. \$000)		
	Oil (bbls.)	Gas (MMCF)	Undiscounted	Discounted at 10%	Discounted at 15%
Proved	15,294		1,092	430	330
Probable	1,264	47,780	664,900	98,900	53,100
Total	16,557	47,780	666,000	99,400	53,500

Note: Current cash flow from the company's oil and gas properties averages about \$10,000 per month.

Capitalization: **Authorized:** **Outstanding:**
 Common Stock NPV 10,000,000 shs. 3,090,003 shs.

Statutory Information: *Head Office* — 200 - 1260 Hornby St., Vancouver, B.C. V6Z 1W2 (604) 683-4455.

Transfer Agents: National Trust Company Ltd., Calgary and Toronto.

Officers and Directors: Roger Latta, chairman; Daniel Gallagher, president and director; Robin Pearson, vice-president and director; Robert Howard, director; Steve Hagar, director.

U.S. Subsidiary: Springlake Resources Inc.

Auditors: Touche Ross & Co.

Legal: Walsh Young and Co.

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