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Feb/Mar 85 Prospect & Developer
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Diamond Mineralization Found In B.C.

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N MINER TO NOV 86

Diamonds might be forever, but a junior's best friend?

The mesmerizing flash of diamonds and their almost magical effect on women have been known for many years. But what can they do to junior mining companies?

Consider then, the drilling of a 3,000-ft large bore diamond drill hole from the top of a glacier. That's what Dia Met Minerals is doing on its large property 50 miles north of Golden, B.C.

Consultant Edward Schiller says that the hole is past the 200-ft mark, well on its way down the middle of a large kimberlite pipe on Dia Met's Jack property. Kimberlite, an ultramafic rock formed deep within the earth's crust, gets its name from Kimberly, the famed diamond mining centre in South Africa where such rocks are found.

Based on geological mapping and heavy mineral analysis of stream sediments in the area, the company has identified a 10-sq km pipe. Bulk sampling of the brecciated, disrupted surface portion of the Jack pipe yielded not only indicator minerals such as pyrope garnet, ilmenite and chromite, but a micro diamond as well.

Although not ore grade, the micro diamond was of excellent quality, according to a technical report. Ore grades in diamond deposits average more than 0.25 carats per ton, or one part diamond per 20 million parts of waste.

The drilling is designed to test deep portions of the pipe, in order to learn more about its geology, the company says.

GCNL 41 DIA MET MINERALS LTD. (DMM-V) 27 FEB 87
STUDY OF B.C. DIAMOND - Management of Dia Met Minerals
PROSPECT IS ENCOURAGING Ltd. report that recent

82N088 petrographic studies indicate that the Jack pipe, located north of Golden, B.C., is similar in composition to the diamondiferous Prairie Creek Pipe, where gem stones to 40.8 carats have been recovered. The Jack and Prairie pipes are situated in a similar geologic environment at the edge of Canadian Shield cratonic complex and are believed to be a hybrid between a kimberlite and lamproite. The highest grade diamond in the world in terms of carats per ton of host material is in a lamproite in Australia and most of the highly profitable diamond mines in South Africa are found in kimberlites.

Initial inspection of drill core has identified diamond indicator minerals including pyrope having the distinctive mauve color typical of highly productive diamondiferous pipes.

Management say this new petrographic information is highly encouraging when related to the following facts. The Jack pipe is the tenth largest of the 50 major diamond bearing pipes in the world. In general, the larger the area of the pipe the more productive it is. Geologic conditions favorable to diamond crystallization exist northeast of Golden because the earth's crust is indicated by seismic data to be 55 km thick as opposed to an average 35 km thick. This inordinate thickness creates the high pressure necessary for the formation of diamonds. Processing of a 29.5 kg sample from the Jack pipe yielded a single macro-diamond that weighed 0.0004 gm or 0.002 carats or, equal to a one point stone. For comparison, the diamond content of the average kimberlite now being mined in South Africa is 0.25 carats per tonne or 0.0015 oz./ton which is equal to 1 carat of diamond per 20 tons of kimberlitic ore processed. From a statistical standpoint, to have discovered a diamond in a test sample of this small size is either extremely fortuitous or indicative of a potentially diamond-rich pipe.

A new logging road now brings road access from Golden within 3 km of the property. The phone at Dia Met's head office in Kelowna, B.C. is (604)860-2228.

31 Dec 86 DIA MET MINERALS LTD. (DIA-V)

DIAMOND DEAL DETAILED - James E. Ecott, a director of
82N088 Dia Met Minerals Ltd., reports that the agreement between Dia Met, Chevron Minerals Ltd. and Island Star Resources Ltd. (all of Vancouver) which enabled Dia Met to complete its fall drilling program on the Jack property north of Golden, B.C., will also allow an additional expenditure of \$750,000. Provided those funds are spent by 1 Apr 88, Chevron will earn 25% working interest and Island Star will earn 5% working interest in the claims. Dia Met will retain 2% working interest in the claims plus 5% gross overriding royalty or, if Dia Met selects, 5% of all future diamonds produced.

The \$750,000 would be used to complete cost fusion analysis for diamond, microdiamond and diamond indicators on "H" core obtained this past Fall and to continue diamond drilling the Jack Diamond pipe in the summer of 1987. The agreement is subject to regulatory approval.

common shares of the company. At the present time, an aggregate of \$4,646,000 in principal remains outstanding from the debenture issue.

As that news release disclosed, an amendment to the trust deed has been proposed which will have the effect of reducing the conversion rate from \$1.90 per share to \$1.00 per share. The proposed reduction in the conversion rate will apply for a temporary period of 30 days within which the debenture holders may convert at the reduced conversion rate. It is anticipated that if a number of the debenture holders take advantage of this offer, the company's debt/equity ratio and cash flows will be substantially improved and an increased amount of unallocated working capital will become available to the company for corporate purposes.

Management of the company announces that the required shareholder and debenture holder approvals were secured at meetings held on September 24, 1986 and November 5, 1986, respectively. The company has also received the preliminary approval of the VSE, the final approval is contingent upon the filing of the requisite documentation with the exchange.

The company also announces, on behalf of its wholly-owned subsidiary, Enviro-Health Systems, Inc. the appointment of several new directors and officers who have impressive credentials.

The company welcomes Mr. Pat Harragan to the board of directors of the subsidiary, effective September 4, 1986. Mr. Harragan, the president of Life Medical Systems, Inc. of Dallas, Texas, comes to the company with a long history of experience in the biomedical field.

The company also welcomes Mr. Ed. H. Moerbe as president and Mr. Gregory S. Butler as director of marketing for the subsidiary.

Mr. Bertram D. Siegal has resigned as an officer and director of the subsidiary.

The subsidiary also advises that it is continuing to experience increasing sales growth for its toxic chemical testing services.

Devran Petroleum Ltd **DVP**
Shares issued: 5,478,428 Nov 25 close: \$1.40
Wed 26 Nov 86 Private Placement

Mr. James Wade reports:

The company has completed a private placement of five units at a price of \$110,000 per unit. Each unit is comprised of 55,000 shares in the capital of the company and 55,000 non-transferable share purchase warrants. Each warrant entitles the holder to purchase one additional share for \$2.10 if exercised in the first year after purchase and \$2.35 if exercised in the second year.

The subscribers will receive certain flow-through benefits related to Canadian exploration expenses incurred by the company in 1986.

The company has notified the province of Ontario that it will exercise its option to purchase certain conventional oil and natural gas properties in Ontario from Onexco Oil & Gas Ltd. The closing date for this transaction has

been extended from November 3, 1986 to December 2, 1986.

* **Dia Met Minerals Ltd** **DMM**
Shares issued: 2,417,181 Nov 26 close: \$0.56
Fri 28 Nov 86 News Release

Mr. James Eccott reports:

JACK PROJECT 82N088

Dia Met announces the successful completion of phase I of its diamond exploration program on the Jack kimberlitic pipe, north of Golden, B.C.

Two HQ size holes were drilled to define the geometry of the upper part of the diamond bearing kimberlitic intrusion. Holes, number one and two, intersected 641 feet and 338 feet respectively of the kimberlitic crater fill breccia similar to the nearby outcropping breccia that contained a one point gem quality rough diamond, and of a potentially productive underlying primary breccia.

The cores have been dispatched with the C.F. Minerals' heavy mineral laboratory in Kelowna where a systematic sampling and analysis of the core will immediately take place. The core will be tested for small and micro sized diamonds and the indicator minerals that are unique to diamondiferous kimberlitic pipes.

It is anticipated that phase II of the B.C. diamond exploration program, planned for 1987, will involve detailed mapping of adjacent kimberlites and drilling of prioritized targets. The results of the 1986 drill program will assist in the ongoing investigation of Dia Met's other diamondiferous kimberlitic pipe(s).

JOINT VENTURE

The company is currently negotiating a joint venture agreement whereby, a private company and a major resource company would earn an interest in the claims by funding the diamond exploration programs of Dia Met. Details will be announced when these negotiations are completed.

PLATINUM PROJECT 82N089?

The company's platinum project on Olivine Mountain in the Tulameen River area of B.C. is now underway. Preliminary grid line surveying and rock sampling have been completed on schedule, and results have developed various drill targets. Dia Met will be conducting a drilling program in January when access roads are completed.

The Tulameen River area is considered one of B.C.'s most prospective and promising locations for future platinum production.

Dia Met large land positions of 45 claims is ideally situated to take advantage of the known geological formations that host native platinum and platinum bearing chromite. Selected samples from the dunite formation include a chip sample over 60 feet, assaying 0.081 oz/ton platinum and 0.006 oz/ton palladium. These grades are considered excellent and the company's exploration team is looking forward to the proposed drilling program.

Diversified Technology Inc **DIT**
Shares issued: 6,656,749 Nov 24 close: \$1.25
Tue 25 Nov 86 News Release

Mr. Glyen Lemmon reports:

The company announces that it will be issuing up to 62,444 shares in lieu of outstanding debt in the amount of \$53,580.61 U.S. (\$74,932.48 Cdn.). The amount of shares are calculated based upon the average market price of the company's shares over the preceding two week period, being \$1.20 per share.

Diversified Technology Inc **DIT**
Shares issued: 6,656,749 Nov 24 close: \$1.25
Tue 25 Nov 86 Resume Trading

Effective at 8:30 a.m. local time, November 24, 1986, trading in the shares of the company will resume, an announcement having been made.

Diversified Technology Inc **DIT**
Shares issued: 6,656,749 Nov 27 close: \$0.97
Fri 28 Nov 86 Options Applied For

Directors and employees have applied for options on 125,000 shares at \$1.15 expiring in two years.

Dolly Varden Minerals Inc **DYV**
Shares issued: 3,510,414 Nov 21 close: \$1.54
Tue 25 Nov 86 Halt Trading

Effective at the opening, November 24, 1986, trading in the shares of the company is halted at the request of the company, pending an announcement.

Members are prohibited from trading in the shares of the company during the period of the halt or until further notice.

Dolly Varden Minerals Inc **DYV**
Shares issued: 3,510,414 Nov 21 close: \$1.54
Tue 25 Nov 86 News Release

Mr. D.G.C. Menzel reports:

The company has entered into a letter of intent whereunder, subject to regulatory approval, it will participate under two farmout agreements to the extent of 12% in the drilling of 3 wells on 13,440 acres of on-shore land north of Prudhoe Bay oil field in Alaska.

The mandatory first 11,000 foot commitment well and associated costs are estimated at \$6,000,000 Cdn. No interest will be earned unless two wells are drilled and the interests earned will be subject to overriding royalties and other rights in favour of the farmers and assignors. It is expected that drilling will commence in January of 1987. The second well must be commenced in early 1988 and the third in 1989.

Dolly Varden has agreed in principle to place privately 650,000 shares at \$1.25 per share to provide \$812,500. The purchasers will receive share purchase warrants, expiring January 31,

PROPERTY FILE

GCNL #26
6 FEB 1985

DIA MET MINERALS LTD. (DMM-V)

32N/

DRILLING RECOMMENDED TO TEST DIAMOND POTENTIAL - Dia Met Minerals Ltd. owns a 100% interest in the Jack and Mark separate groups of claims in the Golden, B.C. area on which

mineralization has been found.

On the Jack claims group in 1982 a gem quality bluish white diamond crystal measuring about 0.43 mm as many diamond indicator minerals (pyropes, ilmenites and chromites of favorable kimberlitic compositions) were recovered by diamond specialists of Falconbridge Metallurgical Laboratories from 270 kg of kimberlitic rock, collected from out-croppings. An additional 35 kg sample analyzed by C.F. Mineral Research Laboratory at Kelowna, was found to contain more than 60 diamond indicator minerals.

Dr. K.E. Northcote, P.Eng., indicated that the minimum size of the Jack kimberlitic pipe is about 54 acres, ranking it approximately the tenth largest known in the world. He indicates that there is a possibility that commercial amounts of diamonds could be present and recommended a first stage large diameter coring program costing \$515,000.

The Mark claims group contains at least five pipe-like outcroppings of kimberlitic crater infill. Specialists of Falconbridge Metallurgical Laboratories recovered a single white microdiamond chip measuring about 0.3 mm as well as diamond indicator minerals from about 160 kg of kimberlitic rock tested from the claims. The pipe is evident over an area of about 19 acres. Some limited sampling was done and this material will be analyzed. Dave MacMenzie has advanced \$100,000 to be spent on exploration. He will receive 153,846 shares at 65¢ per share in advance when the funds have been spent.

N MINER
14 FEB 1985

Kimberlite pipe found by Dia Met in B.C.

JACK
M.P.
32N/

VANCOUVER - A rock type which is a primary source of diamonds elsewhere in the world has been found in the Golden area of B.C. The property, which hosts at least two kimberlite pipes, is held by Dia Met Minerals, a Kelowna-based junior.

A gem quality diamond crystal was found on one claim along with diamond indicator minerals including: pyropes, ilmenites and chromites.

The diamond crystal measured about 0.43 mm and the larger kimberlite pipe covers an area of approximately 54 acres. Falconbridge Metallurgical Laboratories took a 600 lb. sample of kimberlite

in 1982 and a total of 60 diamond indicators have been identified so far.

Some of the ilmenites were definitely kimberlitic type, the studies have shown.

A second kimberlite pipe has been noted on a nearby property and results there include the discovery of a microdiamond chip and also marker minerals similar to the other property.

The company has secured a \$100,000 private placement to explore this and other properties it holds. A large diameter coring program costing \$515,000 has been recommended for the diamond property.

INT. PROC. & DEV. FEB/MAR 1985
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