

INLAND NATURAL GAS CO. LTD.

SHARP EARNINGS LOSS EXPECTED - Earnings of between 85¢ and 90¢ per share for the current fiscal year were forecast to the annual meeting of Inland Natural Gas by the president J.A. McMahon. This estimate was assuming a normal winter without any severe peak demand days. Earnings were 68¢ in the year to 30 June 70.

In replying to other questions, he said he expected the gas distribution load to increase by over 50% in Inland's service area. Contributing to this increased demand would likely be Cominco's resumption by next April of fertilizer production and its conversion of another plant from electricity to gas, both in the Trail area, pulp mills coming on production at Mackenzie and Quesnel, much general expansion in Kamloops area and Walker's distillery coming on stream in the Okanagan.

Noting that the annual rate at which Inland pays Westcoast Transmission for its gas rises with peak day demand, Mr. McMahon said Inland hopes to have a gas liquefaction plant in service by the 1972/73 winter from which peak demands would be met. The reserve of liquified gas would also be useful in the event of a break in the main supply line. The plant would cost about \$3,000,000. The bulk of capital expenditures budgetted in the current year are related to distribution to new commercial and residential customers. For annual report review, see GCNL 211, 16 Oct 70.

CALONA WINES LIMITED

NINE MONTHS RESULTS - Calona Wines Limited sales, for the first nine months of 1970, were 24% over the same period in 1969. T.A. Capozzi, executive vice president of Calona Wines stated, that with the heaviest volume month coming up, he expected to have a sales increase of \$1,000,000 over 1969.

He attributed the large sales increase to the inroads made into the eastern market, as well as the acceptance of the many new products put out by Calona in all of the markets in which Calona is now selling. The acceptance of the fruit wines, produced mainly from Okanagan fruits other than grapes, has been outstanding in all of the prairie provinces. It is also expected that, as most of the prairie provinces are on a merit system which is - the more you sell the more listings you receive - the increase will continue to be as large in these provinces.

THE WHITE PASS AND YUKON CORPORATION LIMITED

	<u>Nine Months Ended Sep 30</u>		<u>Three Months Ended Sep 30</u>	
	1970	1969	1970	1969
Gross Earnings from Operations	\$21,478,382	\$16,763,525	\$7,345,284	\$5,405,800
Depreciation	1,944,386	1,025,657	677,210	427,517
Net Earnings (before Extraord. Items)	1,048,965	1,234,852	272,549	427,473
Extraordinary Items (net of Inc. Taxes)	35,313	165,265	(1,389)	-

BETHLEHEM COPPER CORPORATION LTD.

PROGRESS ON MAGGIE PROSPECT - Patrick M. Reynolds, president of Bethlehem Copper Corp. Ltd., has reported exploration of the Maggie property 10 miles north of Cache Creek, B.C., has progressed satisfactorily and continues to indicate the presence of a substantial orebody.

Since 24 Aug 70, 9 percussion drill holes and 9 diamond drill holes have been completed. Total percussion drill holes has now reached 57 for a total of 16,940 feet. Total diamond drill holes is now 15 for a total of 14,232 feet. The diamond drill holes were positioned to test the continuity of the mineralized zone and current drilling will provide additional data in critical areas. Average grade will be established upon completion of the program.

Computerization of all current geological data and assay values will be undertaken by the firm of Meyer and Banfield of Tucson, Arizona.

Metallurgical tests have been initiated at the Mine Laboratory and the ore was found to be highly responsive to flotation of a bulk concentrate. The next phase in the program is designed to investigate methods for separate production of copper and molybdenum concentrates.

B.C. TELEPHONE COMPANY

TWO SERIES BONDS OFFERED - A group headed by Pitfield, Mackay, Ross & Company Limited will offer \$30,000,000 of first mortgage bonds of B.C. Telephone in two series. The bonds will consist of \$18,000,000, 9 5/8% series O bonds due 1992 and \$12,000,000 9 1/8% series P bonds also due 1992. The series P bonds, however, will feature a prepayment privilege and the series P bondholders may elect to have a part or all of their series P bonds prepaid on 15 Nov 76. The bonds of each series will be priced at par.

STRAITS TOWING LIMITED

COURT APPROVAL RECEIVED - George B. McKeen, president of Straits Towing Limited, has reported that, on 26 Oct 70, the Supreme Court of B.C. approved the scheme of arrangement with Rivtow Marine Ltd. This is the final stage in the amalgamation. The offer to buy shares at \$6.00 opened 27 Oct 70 and closes 13 Nov 70. (See GCNL No. 204, 6 Oct 70) NO. 221 (OCTOBER 30, 1970) Owned, published and copyrighted by GEORGE CROSS NEWS LETTER LTD.

SPECIAL REPORT NO. 2

ON EXPLORATION OF THE

MAGGIE PROSPECT

AT

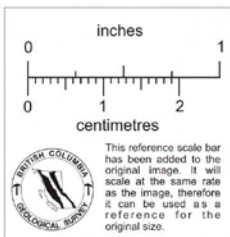
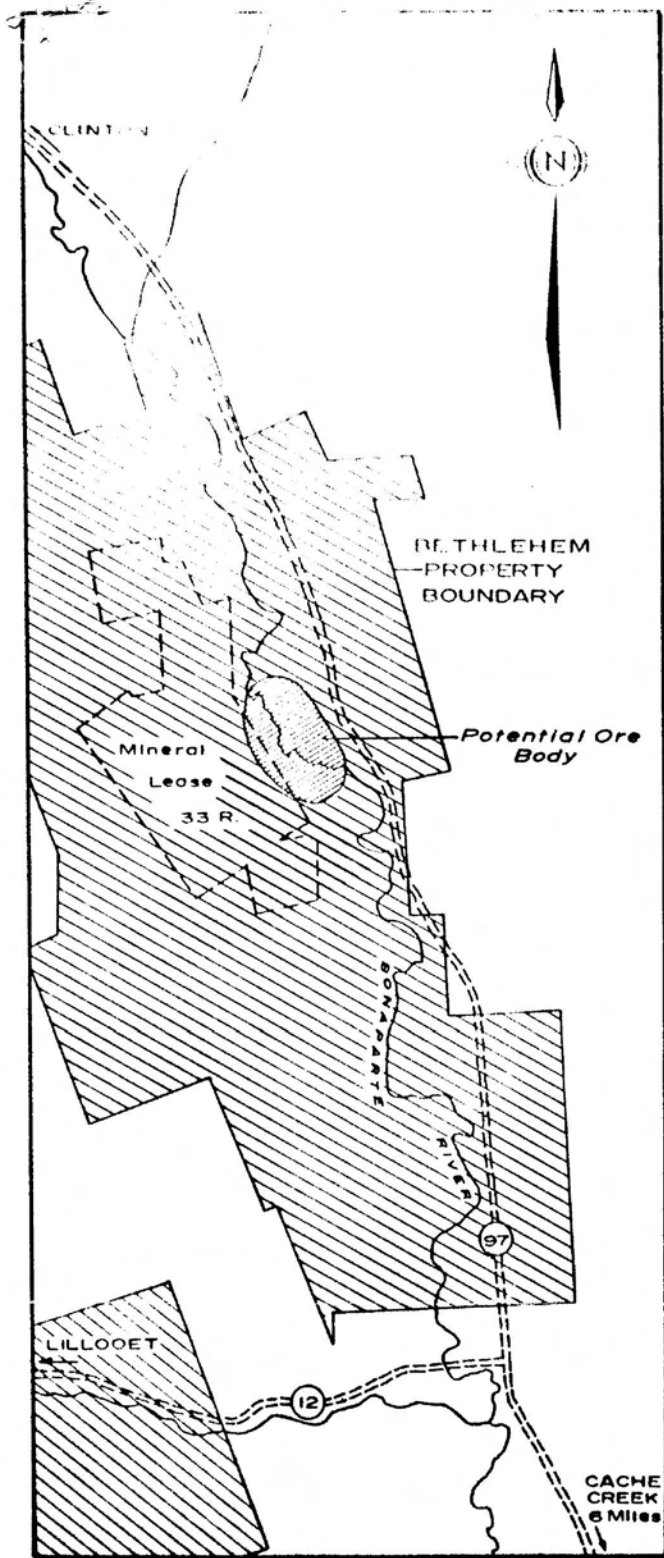
**CACHE CREEK,
BRITISH COLUMBIA**



October 28, 1970

BETHLEHEM COPPER CORPORATION LTD.

Suite 2100 Guinness Tower
1055 West Hastings Street
Vancouver 1, B.C.



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**PROGRESS REPORT
ON THE MINERALIZATION OF
THE MINE PROSPECT**

Exploration of the property has progressed satisfactorily and continues to indicate the presence of a substantial orebody.

Since the report of August 24th, 1970, nine percussion drill holes and nine diamond drill holes have been completed. Total percussion drill holes has now reached 57 for a total of 11,940 feet. Total diamond drill holes is now 24 for a total of 14,232 feet. The diamond drill holes were positioned to test the continuity of the mineralized zone and current drilling will provide additional data in critical areas. Average grade will be established upon completion of the program.

Computerization of all current geological data and assay values will be undertaken by the firm of Meyer and Banfield of Tucson, Arizona.

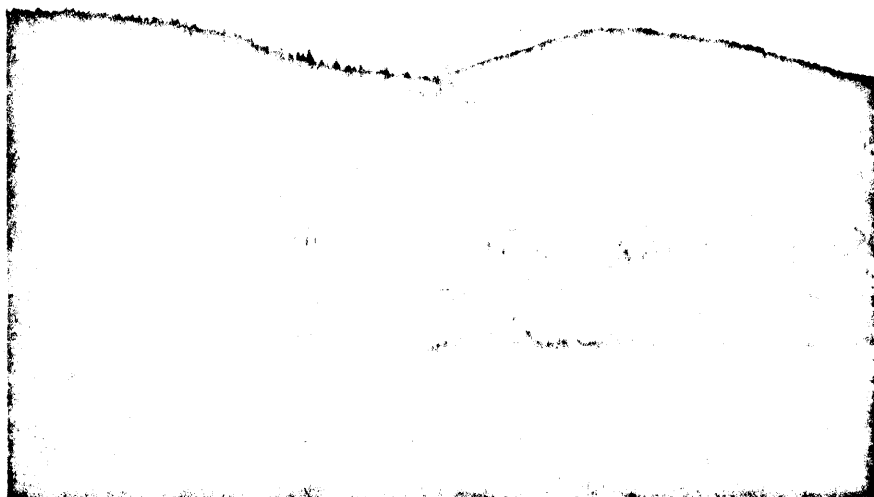
Metallurgical tests have been initiated at our Mine Laboratory and the ore was found to be highly responsive to flotation of a bulk concentrate. The next phase in the program is designed to investigate methods for separate production of copper and molybdenum concentrates.

The map on the reverse side shows a general outline of our claim holdings in relation to the highway, the ore zone and Mineral Lease 33R which covers our original holdings in the area. A photograph showing the topography is included.

October 28, 1970

Patrick M. Reynolds
President

*Photograph looking
northwest across
area of strong
mineralization.*



The Month's Mining

Bethlehem Makes Major Discovery Near Cache Creek

Bethlehem Copper Corporation Ltd.

Although Bethlehem has been drilling continuously for the past five months and previous to that did some percussion drilling in 1968, little information was forthcoming until August 24, 1970, when Patrick M. Reynolds, president, after outlining the earlier history of the Major property, immediately west of the Cariboo Highway, 10 miles north of Cache Creek, B. C., described current exploration as follows:

"In the past five months, under the direction of H. G. Ewan-chuk, P. Eng., vice president of Bethlehem, a series of percussion-drill holes test-vent by seven diamond-drill holes were completed on the valley floor to the east of the pyritic zone on which the previous exploration had been done. This programme outlined a potential orebody approximately 2800 feet in length and 800 feet in width. The inferred tonnage of ore in the zone is estimated to be at least 100 million tons of copper-molybdenum mineralization with a copper equivalent greater than 0.40% Cu. The following work will proceed immediately:

- (1) Continuation of the drilling programme by employing two diamond-drill rigs and one percussion drill;
- (2) Metallurgical tests to determine recoveries of the minerals;
- (3) Golder, Brawner & Associates Ltd. of Vancouver is retained to provide a preliminary geotechnical evaluation of the area.

"Our technical staff is being assisted by J. David Lowell, geological consultant of Tucson, Arizona, who has visited the property on several occasions and will continue to do so."

Cassiar Consolidated Mines Ltd.

Reclamation and resampling of backs and faces of drifts and raises in the Prosperity mine of Cassiar Consolidated Mines Ltd. at Stewart, B. C., give indication of valuable silver deposition developed but not mined when Premier Gold Mining Co. Ltd. suspended operation on the property in 1931. So states W. R. Wheeler, veteran prospector and president of Cassiar Consolidated. The 304 drift in Prosperity ground, which is reached by 1200 feet of crosscut also in the Prosperity but connecting with the 301 adit of the Porter Idaho mine, has been reclaimed for a length of 80 feet. The 40 feet so far reclaimed to the north of the crosscut has not yet been sampled, but the 40 feet to the south has been sampled at equal intervals revealing high-grade mineralization. Sample No. 10, cut across 1.5 ft. of back at the crosscut assayed 0.07 oz. gold and 346.5 oz. silver per ton with 29.90% lead and 7.40% zinc. Seven "back" samples in the 40-ft. length yielded the following assays:

Width (ft.)	Gold (oz.)	Silver (oz.)	Lead (%)	Zinc (%)
1.5	0.006	251.65	7.05	10.70
3.0	0.03	77.95	6.60	4.20
2.0	0.005	3.10	0.35	6.55
3.0	0.005	1.30	0.10	tr.
3.0	0.01	15.10	1.40	1.05
4.0	0.06	144.75	8.20	17.20
4.0	0.72	865.20	19.45	1.80

Mr. Wheeler, who has underwritten 200,000 shares of the company to provide \$40,000 for immediate work, says the immediate task will be to reclaim a further 40 feet of the south drift in order to reach a raise connecting with higher orebodies which were the main source of production in the earlier operation. Old Premier records indicate that 117 feet of drift on the Blind vein (304) assayed 136.0 oz. silver per ton over an average width of 0.9 feet.

Brenda Mines Ltd.

In the three months to June 30, 1970, Brenda Mines Ltd. produced metals to a value of \$8,196,000. After operating cost of \$3,106,000 and provision of \$1,237,000 for interest on long-term debt, \$1,978,000 for depreciation and pre-production expense, and \$100,000 for mining tax, net earnings were \$1,775,000.

Tonnage mined during the quarter was 21,765 per calendar day, despite a 7-day shutdown for modifications to the dust-collection system in the crushing plant. The concentrator has treated up to 26,000 tons on certain days, but a combination of hard ore and lack of fines reduces the capacity of the crushers and mills. Test work is underway to improve the grade of the copper concentrate and the tailing plant is being modified for a second stage of cycloning to produce more coarse sand for building the dams.

Corrosion is a problem in the leaching process, which reduces impurities in the molybdenum concentrate to acceptable levels. Nevertheless, the plant operated on a continuous basis and produced "on grade" molybdenum concentrate.

Silver Standard Mines Limited

A third diamond-drill rig has been ordered for the **Lard Copper Mines Ltd.** property, located 40 miles southwest of Telegraph Creek, northern B.C. It is expected that the third rig will be operating early in September and that the three machines will continue to operate as late in the season as weather conditions permit. The two diamond-drilling machines have been active on the property since early in the season and some 15,000 feet of drilling has been completed in 10 holes (No. 46 - No. 55). Assay results have been received for a portion of these holes, and while the results vary considerably the overall results are sufficiently encouraging to justify this additional work. As to the amount of additional drilling to be carried out this season, the companies' officials stated that it will depend upon when weather forces a shutdown of operations. It is possible that between a further 10,000 and 15,000 feet could be completed in 1970. The majority of the holes drilled this year have been on a fill-in basis to test the ground between the holes drilled in earlier seasons.

The property will require additional drilling next season at which time an underground programme may be considered, depending on the overall results for the 1970 season evaluated in conjunction with the results from earlier work. After the 1969 season, one interpretation of the drill results indicates the deposit contains 240,000,000 tons grading 0.42% copper and 0.036% molybdenite, with important additional values in gold and silver.

Hecla Mining Company

L. J. Randall, chairman of the board of **Hecla Mining Company**, has announced that consolidated net earnings from operations for the second quarter of 1970 are estimated at \$1,247,924 or \$0.21 per share, and \$2,776,568 or \$0.46 per share for the first six months of 1970 on 6,080,803 shares outstanding. This compares with \$2,537,008 or \$0.43 per share in net earnings from operations for the first six months of 1969 on an average of 5,957,373 shares outstanding.

Mr. Randall noted that certificates for the 2% stock dividend declared on April 30, 1970 were mailed to shareholders on August 1, 1970. This stock dividend was declared in lieu of further cash dividends for 1970 in order to conserve funds needed for financing pre-production costs at the company's Lakeshore, Arizona, copper properties. The twin declines being driven to gain underground access to the Lakeshore deposit are proceeding on schedule.

Mr. Randall stated that the company's earnings for the second quarter of 1970 were adversely affected by a decline in silver prices, pointing out that the average price of silver realized for the second quarter of 1970 was \$1.71 per ounce as compared to \$1.88 per ounce for the first quarter of 1970, and the current price is \$1.76-1/2 as of August 5th. Average silver prices for the first six months of 1969 were \$1.79 per ounce and average silver prices for the same period in 1970 were also \$1.79 per ounce.

Brameda Resources Limited

Brameda Resources Limited has begun two adits on the Sukunka coking coal deposit, near Chetwynd, B. C. These will be used to obtain bulk samples for design of a treatment plant, as well as to obtain information on roof conditions. Three diamond drills are in operation on the property.

Paul Weir Company has been retained as consultant to direct the engineering programme and to prepare a feasibility report.

Yukon Revenue Mines Limited

Drilling started on August 1, 1970, on the Big Creek copper property in the Dawson Range area of Yukon. The work is being done by **Kaiser Resources Ltd.** under an agreement whereby it can earn a controlling position in **Yukon Revenue Mines** by spending \$3,454,750 on the development of the property. Of the \$225,000 planned to be spent on the claims this season Kaiser is contributing \$125,000 and Yukon Revenue is providing \$100,000. These funds from Yukon Revenue are a portion of the \$240,000 provided to the company by way of an underwriting of 400,000 shares at 65¢ per share by Pemberton Securities Ltd.

Work on the property is under the management of Kaiser Resources personnel and since work started May 15, 1970, has included extending and improving the road system to and on the 122-claim property. The soil-sampling programme is being carried out with the aid of a ripper-equipped bulldozer and has revealed a very large area containing copper and molybdenum anomalous readings in a favourable geological area as revealed by the geological mapping work which is continuing. The drill testing of the anomalous area will use both diamond and percussion drills.

At least 100 million tons

Another major new orebody for Bethlehem Copper in B.C.

VANCOUVER — Bethlehem Copper Corp., already turning out copper at an annual rate of 50 million lbs., has come up with what appears to be another major copper-molybdenum deposit in British Columbia.

Inferred potential of the new zone is estimated to be at least 100 million tons containing copper and molybdenum to the extent of better than 0.40% copper equivalent.

This tonnage is contained in an area approximately 2,800 ft. in length and 800 ft. in width. The deposit has been tested by a series of percussion drill holes followed by seven diamond drill holes put down on a valley floor to the east of a pyritic zone on which previous exploration was completed. Bethlehem's current program has been carried out over the past five months, under the direction of H. G. Ewanchuk, vice-president.

The new copper-molybdenum deposit is not on Bethlehem's current producing property. It is located

about 10 miles north of Cache Creek, B.C., or roughly 35 miles northwest of the present mine and plant. The site is described as immediately west of Highway 97, in the Bonaparte Valley.

Known as the Maggie property, the claims were originally explored at about the turn of the century. Some 1,100 ft. of drifting was done at the time to explore a shear zone, from which about 50 tons of selected ore was shipped to the Ladysmith smelter, averaging 8% copper and 2.0 ozs. silver per ton.

Major mining companies encountered only weak mineralization in drilling programs conducted in 1952 and 1964. In 1968, Bethlehem drilled five percussion holes in the south-west part of the property, intersecting trace values of silver and copper.

See BETHLEHEM COPPER, Page Seven

Teck consolidation considered

Copperfields new copper discovery enhances the group's potential

Copperfields Mining has come up with a new copper discovery in an undeveloped area of New Brunswick.

The company's management is excited by the find, but is quick to point out that much work has yet to be done to determine potentialities of the discovery.

Currently one drill is being employed and it is quite likely a second machine will be added to the program once the company has worked out the geology of the structure.

The first hole, N. B. Keevil, Jr., vice-president, reported, returned 17 ft. of 1.2% copper and 4.5 ft. of 3.4% copper separated by a 75-ft. barren section. More impressive results were obtained from the second hole drilled about 70 ft. from the first hole. It cut a 15.5-ft. core from 51.5 to 67 ft. grading 1.26% copper and a 75.5-ft. section, 114.5-190 ft., averaging 1.55% copper. The latter intersection included a 19.5-ft. section, 170.5-190 ft., assaying 4.13%.

Mr. Keevil said that it is difficult to determine the attitude of this

Siscoe earnings up buys into Chesbar Castle mine responds

Although silver output was down, Siscoe Mines' 6-month earnings rose to \$1,104,247 or 22.1¢ per share, compared to \$857,550 or 17.1¢ in the same period last year.

Working capital has risen to \$3,170,211.

There is both good and bad news from the company's Gowganda area silver operations, an interim report shows. Underground development at the property leased from Manridge Mines continued during the period but both the tonnage and grade of ore developed to date has been lower than expected. While the operation is currently being maintained, a decision on future operations on this property will be made during the next few months, G. T. Smith, president, states.

But there is better news coming from the Castle operation, which property the company is operating under a 10% royalty lease basis from

See SISCOE EARNINGS, Page Five

Kam-Kotia stresses preparatory work at Davis-Keays

VANCOUVER — Kam-Kotia Mines is undertaking a \$2,250,000 program at Davis-Keays Mining's copper property geared to prepare for possible commencement of proposed mill and plant construction next spring.

The program is already well under way. The Northern Miner learns in conversation with G. W. Walkey, recently appointed president of Davis-Keays. (Mr. Walkey is also vice-president and general manager of Kam-Kotia.)

The Kam-Kotia program will include further exploration work, mine development and plant site preparation, engineering, etc., and envisages the expenditure of the \$2,250,000 by Apr. 1, 1971. In return for expenditures so made, Kam-Kotia may acquire up to approximately 650,000 Davis-Keays shares. Kam-Kotia is accepting Davis-Keays shares in payment for its actual expenditures rather than underwriting blocks of

See KAM-KOTIA, Page Five

Free dollar cuts earnings of Canadian metal producers

Un-pegging of the Canadian dollar can be regarded as still another minus factor to be reckoned with by the Canadian mining industry.

Immediately after its May 31 release from the pegged rate of 97¢US, the Canadian dollar shot to the equivalent of 97¢US. After a brief dip to under 96¢ in June, its value climbed steadily to significantly over 98¢ in recent weeks.

If this rate is maintained for any extended period, it will naturally mean that we'll be losing about a nickel on every dollar's worth of minerals we ship out of the country

of 1970 the dollar value of Iron ore exports was up 51% over the same period last year. Zinc shipments were up 28%, nickel 24%, copper 16% and aluminum 6%.

The recent contractions, on the other hand, are the result of continuing softness in the U.S. economy and determined anti-inflationary measures in other countries... notably West Germany and Japan.

Thus, we have the multi-barrelled situation where foreigners generally want less of our mineral production and they're paying less for what they take.

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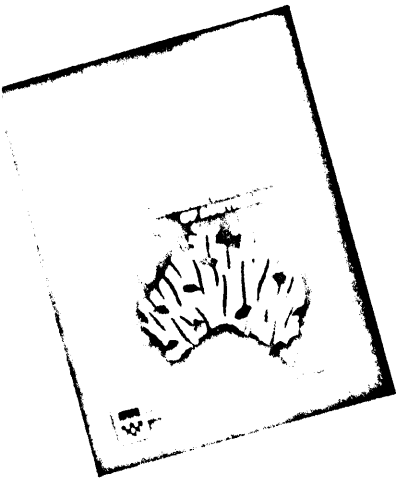
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along with 28 satellites, will put all but 24,000 northern citizens within easy reach of a government office.

R. V. Scott, newly appointed director of the project, says that the offices will be mainly at street level so that they are readily accessible to the public.

Information galore

The offices will be well stocked with display material, catalogues of Ontario government publications, and application forms for various social assistance programs.

Of the total complement of 72 persons hired for the new branch, 62 were Northerners by choice or by birth. Most of them were already civil servants from other branches of government. Average annual salary ranges between \$10,000-\$12,000.

It is hoped that these officers will be able to smooth the way for faster and more complete development of the

North. As an example, it now takes the approval of eight different departments and agencies before anyone can become a resort operator, while 11 different entities get into the act if you want to drill for gas in Lake Erie.

It's estimated that the whole project will cost in the neighborhood of \$750,000 a year.

The organization will be divided into three distinct regions each with its own supervisor. After 13 years in the community planning branch of the Department of Municipal Affairs, A. R. Morpurgo will take over as supervisor of the Northwestern Ontario region.

Thomas L. Pickard, former program manager with the Emergency Measures Organization, Department of Justice, will supervise the Mid-North region headquartered in Sudbury. Kenneth Biggs will run the Northeastern region from Timmins.

Bethlehem Copper

(Continued from Page One)

The current exploration program is expected to be completed within four months, according to P. M. Reynolds, president. This work, which is proceeding, is to include continuation of drilling, using two diamond and one percussion drills. In addition, metallurgical tests to determine recoveries of the valuable constituents of the deposit are to be carried out. A preliminary geotechnical evaluation of the area is to be provided by Golder Brawner and Associates Ltd., of Vancouver, which has been retained for the purpose.

Bethlehem's technical staff is being

assisted by J. David Lowell, geological consultant, Tucson, Ariz., who has visited the property on several occasions and will continue to do so.

Bethlehem, of course, holds the important deposits on its original property in the Highland Valley area (some 20 miles southeast of Ashcroft, B.C. which, in turn, is less than 10 miles south of Cache Creek) and also has part of the Valley Copper deposit straddling the common boundary between Bethlehem and Valley Copper Mines, also on its original property.

Higher investments income boosts Brinco earnings

Consolidated net earnings of British Newfoundland Corp. (Brinco) for the six months ended June 30, 1970, were \$1,134,699, compared with \$1,026,161 for the same period last year. This increase was essentially accounted for by increased income from investments totaling \$283,773 (\$192,203), the interim report states.

Revenue from the sales of copper concentrates totalled \$3,649,034, up from \$3,064,641 during the first half of last year. Operating and administrative expenses were \$1,787,945 (\$1,412,930). Working capital was \$2,011,987.

Brinex, a wholly owned subsidiary of Brinco, is carrying out an intensive exploration program, the cost which will be written off against income as incurred. Accordingly net earnings for the first half year are not indicative of the results which may be attained over the entire year, the report points out.

Churchill Falls (Labrador) Corp., of which Brinco is a major shareholder, was on schedule during the period. Expenditures on the project during the second quarter amounted to \$52 million.

Hydra Explorations has staked 15 claims in the Press Lake area at a cost of \$1,800.

Syndicate grants options on Blind River claims

The Mississagi Syndicate, which at June 30, 1970, held 512 claims in the Blind River uranium area of northern Ontario, has granted working options on 270 of the claims.

Pacific Petroleum can earn a 50% interest in 183 of the claims for performing specified work; while 77 claims have been optioned to Subco which can earn 100% interest, subject to payment to the Syndicate of a 5% royalty on all ore mined from the claims.

The Mississagi Syndicate is 50% controlled by Yellowknife Bear Mines, with other participants being Zenmac Metal Mines (22½% interest), Rich Group Yellowknife Mines, and private interests.

Canadore to drill

A diamond drill has been moved onto the Senneville Twp., Northwestern Quebec, property of Canadore Mining and Development with the first hole spotted to test a promising anomaly outlined by magnetometer and electromagnetic survey, according to Jean Allx, president. At least six holes will be drilled in the current program.

The company is well financed for the campaign. In January an underwriting provided the company with \$150,000.

subsidiary of Crest Ventures completed the expenditure of \$1,000,000 by Ardo, it will receive shares of Crest Silver.

Ardo had \$53,697 working on May 31, 1970, compared to \$1,000,000 at the beginning of the year.

Colo concludes program on Brycon prospect

Colo Corp., the Canadian subsidiary of Denver-based Ardo, has concluded its 1970 program to evaluate Brycon 1 Highland River gold prospect program covered the southern property and has involved of \$375,000. Steve Seal, Brycon man, advises.

The program, under the supervision of P. M. Hopkins, consulting engineer, consisted of extensive drilling, and trenching as well as a total of 26 holes was completed. Drill lines in the permanent and one line on the B.C.-Y.U. The lines varied from 1,500 feet apart and the holes were drilled at intervals of 500-1,500 feet.

A full report on the results of the year's exploration should be available by mid-October.

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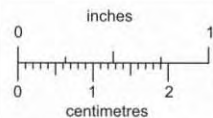
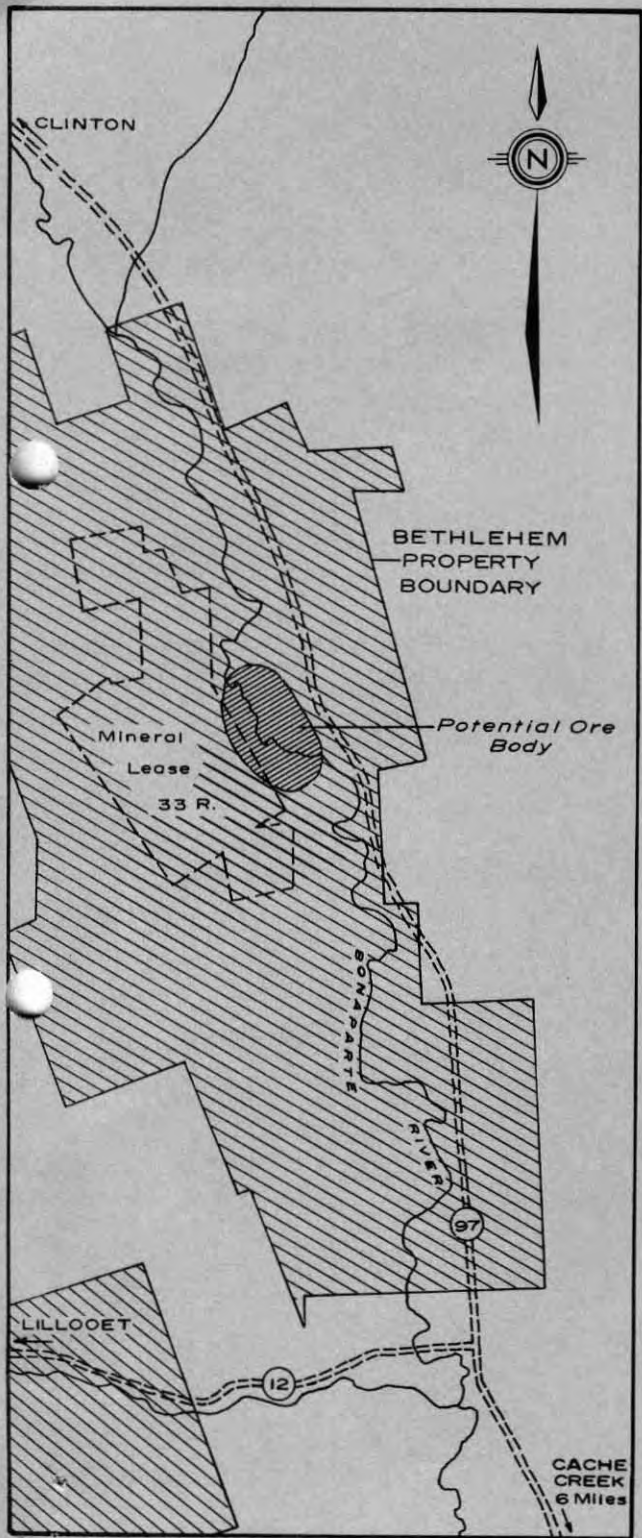
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SPECIAL REPORT NO. 2

ON EXPLORATION OF THE

MAGGIE PROSPECT

AT

**CACHE CREEK,
BRITISH COLUMBIA**



October 28, 1970

BETHLEHEM COPPER CORPORATION LTD.

Suite 2100 Guinness Tower
1055 West Hastings Street
Vancouver 1, B.C.

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October 28, 1970

*Patrick M. Reynolds
President*

*Photograph looking
northwest across
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