

North Pacific hits mineralization on first hole at Dansey claims

North Pacific Mines Ltd. could have a major copper-molybdenum situation following results of an induced polarization survey on its wholly-owned Dansey Group of 118 claims in the Highland Valley.

"The amplitude of the anomalies and the extent of the zone are exceptionally great for the Highland Valley area," Hunttec Ltd., which conducted the IP survey said: "The main feature showing up in the survey is an extensive zone of anomalous readings, striking northeast-southwest."

North Pacific president R.J. (Jack) Wiley said the first drill hole on the Dansey property had reached 61 feet and had copper-molybdenum mineralization after encountering 22 feet of overburden. The hole will be continued to 500 feet, he added.

He said the anomalous zone is approximately 3,000 feet long and 800 feet wide and still open at one end.

North Pacific, through Canex Aerial Explorations Ltd., also is developing the Krain copper property (28 claims), 16 miles from Ashcroft and Lornex Mining Co. Ltd. also is developing a huge low-grade copper deposit in the valley.

If all of these deposits are brought into production, plus the extensive Brenda Mines' property near Peachland, there is no doubt that a smelter would be built in the same general area.

Wiley added that three major companies have been negotiating with North Pacific for the Dansey property. He said no deals have been made at this stage.

Referring to the Dansey anomaly, Hunttec stated:

"The readings within the anomalous zone vary considerably in amplitude, with individual highs well outlined by the contouring. Detailing on two of these peaks indicates that they are not caused entirely by higher concentrations of material responsive to IP, but result, at least in part, from the responsive material being closer to the surface.

"The pattern of the peaks and outlines of this anomalous zone is quite complex, and might be responsive to a more sophisticated interpretation if geological information were made available.

"The extent of the anomalous zone in this area is such that many drill holes will be required to full test its potential. Observation of outcrop during the survey indicates that some high chargeability readings result from pyrite.

"However, it is typical of the Highland Valley that copper ore is associated with bodies of pyrite, and moreover, that pyrite bodies give a much higher response to the IP than those rich in copper minerals.

"Anomalies to be detailed were



JACK WILEY

selected on the basis of amplitude and extent alone and it may be that some of the weaker anomalies in the area are more interesting on account of their geological setting.

"Further work is required before accurate drill holes could be spotted to determine the cause of other high chargeability readings in the area."

Wiley also said that a camp has been established on the company's silver-lead-zinc show on Cape Breton Island. He said a drill is on the property and drilling will begin shortly.

ALBEDENA OIL AT PINE POINT

Albedena Oils Ltd. has acquired 31 claims adjoining Copper Soo in the Pine Point area.

President Nicholas Martini plans an early exploration program, as recommended by consulting geologist B. C. Macdonald.

Macdonald has recommended line cutting, to be followed by an induced polarization survey. Cost of the program will be approximately \$15,000, he said.

Steelworkers' deal rejected by Mine, Mill

Trail — The Mine-Mill union last week rejected a merger proposal from the rival United Steelworkers of America.

The vote was 105-1.

Delegates at the annual convention of the International Union of Mine, Mill and Smelter Workers told Steelworkers' director Larry Sefton that they are determined to protect their Canadian independence.

They also demanded that the steelworkers end their raiding.

Union president Ken Smith and other national executives were returned to office by acclamation.

Rolling Hills trading stopped, pending assays of first hole

Rolling Hills Copper Mines Ltd. president Earl Glick wants to clear the air before trading is resumed in the company's stock.

Glick agreed with the Vancouver Stock Exchange to suspend trading in Rolling Hills shares before the market opened last Friday because there were too many rumors circulating. He said assays of the core from the company's first hole on its Pine Point property will clarify the situation.

"Nobody has seen the core to my knowledge. As far as we are concerned, no one has given an opinion except to say there is mineralization. But the grade of mineralization will not be determined until the assay."

The core reportedly shows mineralization throughout its 294 feet (excluding overburden) and that drilling will continue until the footwall is reached.

The company's claims are 85 miles east of Pine Point.

Glick said the core is being shipped to Vancouver for assay-

ing at J. R. Williams and Son Ltd. He added assay results would be given to the press, the VSE and the public at the same time.

Last Thursday a backlog of orders delayed the opening of Rolling Hills for half an hour so buy and sell orders could be matched. Bid price was \$3 and offering price \$4. Exchange officials opened trading at \$3.05 but the stock slipped back to the \$2.20 - \$2.35 range later in the day.

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Royal Trust

Shareholders have approved proposals to seek amendments to the company's charter that would permit a 5-for-1 stock split, a change in voting rights, and listing of the shares. The current requirement for an annual evaluation of the stock by shareholders and restrictions on the transfer of shares would also be eliminated, subject to approval by the Quebec legislature. If the charter is amended as proposed, Royal Trust plans to split its shares and apply for listing on one or more Canadian stock exchanges.

Comment: The company has had a solid record and the stock when listed, should provide an attractive investment vehicle.

Standard Radio

An increased quarterly dividend of 9¢ a share will be paid on April 7 to shareholders of record March 18. Previously, 7½¢ a share was paid quarterly. New indicated annual rate is 36¢ a share against 30¢ previously paid.

Comment: Trading in Standard Radio is generally rather thin, but the company's record has been excellent and there are good prospects for continuing gains in earnings. While yield remains low (1.7%), we believe the stock is an attractive purchase on a 12 month basis. A green sheet on the company will be available shortly.

Laurentide Corp.

Power Corp. of Canada Ltd. plans to make an offer in the near future for the 1.5 million outstanding SUBORDINATED common shares of Laurentide that it does not already own, at a price of \$2 a share. Laurentide has three million such shares outstanding, of which Power Corp. holds just over 1.5 million. Total acceptance of the offer would bring Power Corp.'s interest in voting shares of Laurentide to 63%.

Comment: The common stock recovered sharply from a low of around \$10 reached late last year. While further recovery is expected to be rather slow, we would retain holdings in most accounts.

Atlantic Sugar

The company plans to invest more than \$13 million in a fish plant and dragger fleet in Newfoundland. The investment includes a \$3 million fish processing plant, \$5 million for five new trawlers, and an additional \$5 million before the end of 1966 for an additional five trawlers. Actual production of processed fish would begin by February 1, 1967.

Comment: The company has previously announced plans to spend \$3 million on a tuna fishing company in New Brunswick. It is not feasible to make any confident estimate regarding the contribution of these ventures to future earnings. However, we feel positions in the stock can be retained.

Algoma Steel

For the year ended December 13, 1965, earnings rose 11.6% to \$5.31 a share from \$4.76 a share for fiscal 1964. Net income amounted to \$30.8 million against \$27.6 million. Net sales increased 7.5% to \$242 million, while investment income was 43% higher at \$2.5 million. Steel ingot production rose eight percent to 2.5 million tons.

Comment: The results are satisfactory and slightly ahead of estimates and there appears to be room for a dividend increase from the \$1.80 currently paid. The stock declined gradually during 1965 from a high of around \$80 to below \$60. Recovery which followed was rather sharp and the stock is likely to encounter resistance in the \$68-\$70 area.

Canada Bread

For the 24 weeks ended December 11, 1965, net income amounted to \$305,000, up 11% from the comparable period a year earlier, and equal to 90¢ a share against 80¢ a share. The fiscal year ends

which is 55% owned by Maple Leaf recent years. Although not actively held in view of continuing earnings approach \$2.15 a share compared with \$1.80 a share on June 26, 1965.

Permanent

For the year ended December 31, 1965, net income rose 8.5% to \$2.20 a share against 20¢ a share for 1964. Number of shares was outstanding 474 million. Mortgages were 15% of assets increased 5.3% to \$144 million. The company issued rights to shareholders for one share for five shares. The company has in recent weeks, however holdings can



FR Location Key
to mining
ventures in
this issue

IP underway at Pine Point for Homestake

Homestake Silver Ltd. reports that an induced polarization survey is underway on the company's 34 claims in the Pine Point area.

The survey should be finished in about six weeks, an official said.

Under terms of an agreement signed last December, American Smelting and Refining Co. has established a camp on the property and has an 11-man crew, including two geophysicists and a geologist, at work.

The company said that diamond drilling was underway at the Molly Gibson mine at Nelson and will be followed by an underground program of drifting and raising.

Completion of this program will earn a 60 percent interest in the property for Homestake, with Cominco owning the other 40 percent.

file
January 25, 1966

Terms tentatively offered on North Pacific:

1. C.S.E. would commit itself to \$100,000. in work over first year. (based on 10,000 feet of drilling, say, \$80,000. and remainder on geology-geochem I.P.)
2. C.S.E. would then have option to continue for a further 18 months and if C.S.E. has spent in the aggregate $\frac{1}{2}$ million by the end of the second period, we would have the right to incorporate a company. We would also have a right at any time during second period to incorporate the company and put the balance of the unexpended cash into the treasury.
3. *if C.S.E. did not wish to retain its interest in the property over N.P.*
C.S.E. would have 55% and N.P. 45% of new company and C.S.E. would provide financing on a loan or preference share basis up to total of \$10 million. If financing required beyond this, C.S.E. would provide additional financing to the extent of a further \$7 million and receive $1\frac{1}{2}\%$ of the company for each million dollars provided beyond the initial \$10 million - i.e. if C.S.E. provide a total of \$7 million, it could end up with a maximum of 65.5% but in any event N.P. would not drop below 34.5%.
4. Beyond \$17 million both C.S.E. and N.P. would be invited to participate pro rata through some form of rights offering.

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PROPERTY FILE

Property Examination

921NFO34

NORTH PACIFIC MINES LIMITED
(Dansey Group)

Location

Lat. 50°31'N., Long. 120°53'W.

40 claims, extending 2 miles west from the Guichon Creek, 3 miles north of the Guichon Creek-Highland Valley road junction. Access via a bulldozed road west from the Guichon Creek Road.

North Pacific Personnel

R. J. Wiley (President), A. Allen (Consulting Geologist), A. Fustas (Project Engineer), I. Schulman (Director).

Summary and Conclusions

Data on the property was first examined in Toronto on January 14th, 1966. A tentative deal was offered subject to the examination of the property - this was carried out on January 29th and 30th. The conclusion was reached that, notwithstanding the large zone of anomalous I.P. readings, the claims do not merit a heavy work commitment on our part at the present stage. Since other parties have offered to spend substantial sums on the property, while North Pacific would retain a 50% carried interest, it is felt that our original bid, involving an initial work commitment of \$100,000. for an option to earn at least a 55% interest, will not be accepted. However, it is recommended that we withdraw our bid, with the reservation that we would be prepared to carry out a full examination of

the property in the Spring under some more suitable option terms.

The property has been largely covered by both induced polarization and magnetometer surveys plus a rubeanic-acid geochemical survey. Trenches have been bulldozed in several places. One drill hole has recently been completed to 706 feet and another is in progress. The property has not been geologically mapped.

Geophysics

The I.P. survey revealed a large anomalous area at least 4800 ft. long and over 1000 ft. wide striking NE-SW. The readings vary considerably in amplitude and reach peaks of over 10 milliseconds in three zones, which on detailed work were found to be in part due to the responsive material being closer to surface. Initial indications were that the causative bodies are flat-lying with gentle dips to the north if anything. The peak zones are crossed by lines 0, 28W and 36W respectively. Hunttec, who performed the survey, concluded that whereas two drill holes were warranted to determine the cause of the peaks on lines 28W and 0, further work would be required before accurate drill holes could be spotted to determine the cause of the other lower readings.

The magnetometer results reveal a rather erratic picture open to several interpretations. According to A. Allen, the important feature is an east-west trend of low values crossing the I.P. zone as a whole and a north-east "low" on the south-east flank that coincides with a mineralized shear zone revealed by trenching. The

geochemical pattern more or less coincides with the east-west magnetic "low".

Geology and Mineralization

The property is largely underlain by a fresh, dark hornblende-biotite quartz-diorite that A. Allen infers is later than the main Guichon intrusive.

Trenching on the north flank of the I.P. zone revealed a north-east trending shear zone with patchy chalcopyrite. The shear is characterized by intensely chloritized and sericitized quartz-diorite and is 5-12 feet wide. On the south-east flank of the northern part of the I.P. zone, trenching has again revealed a 30 ft. wide north-east trending shear zone occupied by soft weathered gouge with erratic malachite and iron staining. Apart from the shear zone are random fractured zones with pyrite and a little chalcopyrite on the fracture planes. In one trench a 25-foot long section of fresh quartz-diorite carries disseminated chalcopyrite as blebs and fracture fillings - a grab sample of this assayed 0.18% Cu. In summary, the pyrite-chalcopyrite mineralization observed occurs in - (a) well sheared quartz-diorite often weathered at surface to gouge-like material; (b) widely-spaced erratic fracture fillings; (c) isolated zones of disseminated sulphides. ^{Alteration} ~~Attention~~ is limited to the shear zones and thin fractures.

Drill Hole Results

DDH 66-1 (depth 706', drilled southwards at 60°)

No assays available at time of writing - most of the core was as yet unsplit.

- 0 - 22' Overburden.
- 22 - 113' Well broken, partially weathered quartz-diorite with pyrite frequent as a coating on hairline fracture planes. Some shearing in short sections. Occasional chalcopyrite as disseminated blebs and rarely in the fractures. Disseminated magnetite throughout.
- 113 - 591' As above, but rock fresh and pyrite not so frequent - average sulphide content very low, pyrite being mainly confined to thin fractures in the fresh quartz-diorite host rock. Rare chalcopyrite as disseminated blebs. Alteration confined to sericite and epidote in hairline fractures or rarely as inches wide shear zones. The rock is unfoliated and fracturing is widely spaced.
- 591 - 621' Fracturing more intense with consequent alteration of rock immediate to the fractures whereby feldspars convert to a sericitic mass and mafics alter to chlorite. Some fractures filled with pyrite, sometimes accompanied by chalcopyrite especially where epidote is present also.
- 621 - 706' As 113 - 591'.

DDH 66-2 (still drilling, south-west at -45°)

- 0 - 55' Quartz-diorite with widely-spaced hairline fractures with low amounts of pyrite and traces of chalcopyrite as disseminated small blebs.

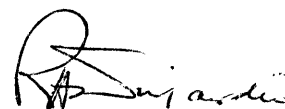
66-1 was located on line 0 and undercut on I.P. peak of 12 milliseconds and a magnetic high.

66-2 was on line 7W, drilling in an I.P. area of 6 to 7 milliseconds and in a magnetic low.

Conclusions

1. 66-1 showed the I.P. peak to be caused by pyrite fracture filling in quartz-diorite.
2. 66-2 is presently drilling in the same rock type and similar mineralization.
3. Surface showings reveal copper mineralization typical of the Guichon area in rock thought by the writer to be normal Guichon quartz-diorite quite dissimilar from the breccias and porphyries exposed at Bethlehem and Lornex.
4. The I.P. zone makes the property still attractive but the pattern is complex and needs clarification by detailed ground work, geological mapping in particular. There is obviously much outcrop to explore on the property.
5. At the present stage it is premature to budget \$100,000. for work on the property but a short working option is recommended whereby we could do preliminary work from the Jericho base camp, for an option to go further and earn an increasing interest as money is expended.

Toronto, Ontario
February 8th, 1966



R. A. Dujardin