

NORTH PACIFIC MINES LTD.

NEW FUNDS ALLOCATED - TO DANSEY PROPERTY - In addition to holding an option on the Krain group of claims in Highland Valley, North Pacific Mines Ltd. holds full title to the Dansey group, having exercised completely its option on the latter which is now known as "North Pacific No. 2 Group." The consideration for the Dansey was \$4,000 and 50,000 North Pacific shares. The company proposes to proceed with a program on the Dansey property, recommended by D.W.Pringle, P.Eng., at estimated cost of \$125,000.

As noted in GCNL No.200, North Pacific has arranged an underwriting of 300,000 treasury shs. at 50¢ p/s. The underwriter, Hemsworth, Turton & Co. Ltd., has registration covering the right to sell these shares to the public at market, to \$1.00 p/s. The financing agreement is dated Sept.23. An audited statement as at May 31, 1968, showed current assets as follows: cash and acct. rec. \$918; investments at book value \$183,510 having market value of \$26,575; current liab. \$720. Of 5,000,000 shs. auth., 3,400,000 were issued at May 31, 1968, of which 471,750 were in escrow.

The North Pacific No.2, or Dansey property, is located about 4 miles NE of Bethlehem Copper's mine in Highland Valley and some 4 miles SE of the Krain claims. Mr. Pringle, in his summary, says that the geological location and results dictate that more work should be done. He says that strong mineralized shear zones have been exposed by trenching and that generally the shears trend northeasterly and dip about 70 deg. Northwest. Mineralization is found in shear lodes and disseminations. Generally, he found, both types are widespread but of low grades. The program is to include I.P. surveys, ground geological mapping, dozer work, trenching and diamond drilling.

The consultant's report on the Krain property says that the location, plus the mineralization uncovered to date dictates that a well planned 2 to 3 year program should be carried out. He concludes that, for this comprehensive program, some \$150,000 would be necessary per year. An excellent potential is indicated in the Krain area which covers 28 claims, 5 miles north of the Bethlehem open pit. Showings outcrop at 5,500 to 5,700 ft. elevation, almost on the divide between Highland Valley and Guichon Creek Valley.

Mr. Pringle points out that various tonnage and grade calculations have been made for the Krain occurrences over the past few years by different companies. He adds:

"I don't believe the tonnage is as important as the grade at this stage of operations. It appears that a 0.4 - 0.5% copper (plus some Mo and Ag.) would be a reasonable grade to apply to this Krain mineralized area. There is approximately 20,000,000 tons of the above grade (50% Oxidized) without considering the waste/ore stripping ratio.

"If the above grade is to be the normal in the area, then a large tonnage must be proven up. This means a wide diamond drill pattern must be established - say on a 400 foot grid. Drilling must continue north and south to the percussion area. Some drilling must be done to the south west of the present zone - due to an indicated anomaly and an interesting set of rocks and structure.

"Regional geological mapping must be projected under the volcanic capping and some long shot drilling through the capping must, in the final analysis, be done. This will require very detailed geological mapping around the capping limits."

EXPLORATION AGREEMENT COMPLETED - B.O. Brynelson, president of Thermochem Industries Ltd. and R.J. Wiley, president of North Pacific Mines Ltd. have announced the completion of an exploration development agreement covering a large block of claims in the Highland Valley area of B.C.

Under the terms of the agreement, the "Brynelson Group" company Thermochem Industries Ltd. will spend the following minimum amounts on the exploration of the property in the next three years: \$100,000 before Dec. 31, 1969; \$150,000 before Dec. 31, 1970 and \$200,000 before Dec. 31, 1971. Excess of expenditures in one period is credited to subsequent periods. If Thermochem continues exploratory work after Dec. 31, 1971, it can do so by paying \$150,000 for each additional (not to exceed two) years. This \$150,000 per year is due to North Pacific in addition to any funds expended by Thermochem during these two years in the exploration of the property. During examination periods Thermochem may give notice which terminates examination and exploration expenditures as stated and commits Thermochem to bring the property into production within five years of the date of notice. Should Thermochem terminate the agreement during any year after having given notice of its intention to continue, then it must pay to North Pacific the balance of the unspent commitment for the year.

When production is attained the senior production loans are to be repaid out of 90% of first proceeds of production, the remaining 10% being divided 30% to North Pacific and 70% to Thermochem. Thereafter North Pacific and Thermochem shall be repaid their preproduction expenditures in the ratios of their respective expenditures and thereafter proceeds shall be divided 70% to Thermochem, 30% to North Pacific. North Pacific is entitled to the return of some \$615,000 expended by it on the exploration and development of the property.

Thermochem expects to start work on the property as soon as property conditions permit.

Mr. Wiley stated that as a result of the financing carried out in September 1968, through Hemsworth, Turton & Co. Ltd. the company has investments and current assets of about \$250,000 which will permit the company to continue its search for properties or companies, not necessarily in the mining industry, worthy of investment.

Shareholders of North Pacific Mines Ltd. will be asked to approve the agreement with Thermochem at the annual meeting to be held in the Bayshore Hotel, on Feb. 12, 1969, at 9:15 a.m.

Earlier exploration work which has taken place at irregular intervals since 1957 on the North Pacific property has resulted in ore reserve estimates of 20,000,000 tons of 0.45% copper and undetermined amounts of molybdenum, gold and silver.

FOR THE RECORD

Grouse Mountain Resorts Ltd. has called the \$100,000 principal amount of its 7% redeemable convertible sinking fund debentures series A for redemption on April 1, 1969. These debentures are convertible until March 31, 1969, at the rate of 431 common shares per \$1,000 of the principal amount.

Placer Development Limited will pay a stock dividend equal to 25¢ cash per common share to shareholders of record Feb. 21, 1969.

Straits Towing Limited will pay a dividend of 15¢ on the class A shares on March 1, 1969, record Feb. 15, 1969.

Athabasca Columbia Resources Ltd. common shares will be called for trading on the Vancouver Stock Exchange on Feb. 3, 1969. Of the 1,600,000 shares authorized there are 880,520 shares issued.

EDP Data Centres Limited 5% preferred shares and the common share purchase warrants will be called for trading on the Vancouver Stock Exchange on Feb. 3, 1969.

OCTOBER 3, 1968

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CURRENT KRAIN PROPERTY DRILLING FIRST STEP - R.J.Wiley, president, advised the recent annual IN MOVE TO RESEARCH LEACHING POSSIBILITIES meeting of North Pacific Mines Ltd., that the company is proceeding on its own to determine the feasibility of operating its Krain property in Highland Valley, B.C., on a leaching basis. This program follows notice of termination given 19May70 to Noranda and Brameda of termination of North Pacific's agreement with those companies.

North Pacific's statement for the year to 31Jan70 showed that \$120,000 was raised from sale of 200,000 treasury shares and that \$78,581 was spent. This resulted in working cap. at 31Jan70 of \$106,144. Of 5,000,000 shares auth., 3,907,500 were outstanding.

The president said that North Pacific Mines is currently drilling 25 percussion holes at its Krain property at 60 ft. centres. The holes are to range in depth from 75 to 175 ft. to detail fill-in information as a test of an oxide copper zone. Material obtained is to go to B.C. Research Council to investigate feasibility for production of copper by chemical leaching. Given favorable results, he said the company plans to proceed with design work for a leaching plant and to complete feasibility studies to production.

Mr. Wiley said in the annual report that, the funds on hand would permit a limited program which would include planned further work on its 100 claims in the Goosly Lake area, 20 miles S of Houston, B.C., following results he describes as encouraging.

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*Smith
Bar*

*Written by
Bar*

MINERALOGICAL BRANCH, DEPARTMENT OF MINES AND PETROLEUM RESOURCES,
VICTORIA, B. C.

SUMMARY OF EXPLORATION AND
DEVELOPMENT WORK PERFORMED
IN 1967

North Pacific Mines Ltd.,
728 West Hastings St.,
Vancouver, B. C.

NON-PRODUCING PROPERTIES

THIS RETURN IS DESIGNED TO PROVIDE DATA FOR LONG TERM COMPILATIONS OF THE MINERAL INDUSTRY,
AND WILL BE ON PERMANENT FILE WITH THE DEPARTMENT. CONFIDENTIAL INFORMATION IS NOT SOLICITED.

PLEASE COMPLETE AS SOON AS POSSIBLE AND MAIL, IN THE ENCLOSED SELF-ADDRESSED ENVELOPE, NOT
LATER THAN JANUARY 15TH.

NOTE--A SMALL SKETCH MAP GREATLY ENHANCES THE VALUE OF THE INFORMATION.

INDICATE HERE IF NO EXPLORATION WORK WAS DONE IN 1967 _____

PROPERTY NAME Krain Property

FORMER NAME(S) _____

NAMES OF KEY CLAIMS Krain Copper TOTAL NO. OF CLAIMS _____

LOCALITY Highland Valley LAT. _____ ° _____ ' LONG. 50° 121' N. E.

ACCESS--FROM Ashcroft BY Partly paved Road +
Partly unpaved DISTANCE - 33 Miles

MINING DIVISION Kamloops ALTITUDE OF SHOWINGS--FROM 5,400 TO 5,700

NAME OF COMPANY North Pacific Mines Ltd. (N.P.L.)

MAILING ADDRESS 728 West Hastings Street, Vancouver, B. C.

PROPERTY OWNED BY, OPTIONED FROM, OR UNDER AGREEMENT FROM? Owned by
North Pacific Mines Ltd.

WORK PERIOD, MONTHS 1 AVERAGE NO. EMPLOYED--(A) BY COMPANY _____ (B) BY CONTRACTOR _____
Resident Engineer

WORK SUPERVISED BY Mr. J. Roper POSITION Shuro Co. Ltd.

METALS OR MINERALS FOUND Cu IS IT AN OLD SHOWING? No, only partly

PREVIOUS WORK, BY WHOM AND WHEN Beaverlodge Uranium 1956, North Pacific Mines
1964-65, Canex 1965-66

ESSENTIAL GEOLOGY--

MINERALOGY OF ORE Disseminated Cu & Mo OF GANGUE _____

NATURE OF DEPOSIT Porphyry Cu. Deposit

HOST ROCK Quartz Diorite, Quartz Diorite Porphyry, Several phases of the
Highland Valley Batholith.

ALTERATION Some K₂sp₂ alteration, Kaolinization

OTHER _____

SURVEYS AND MAPS MADE IN 1967--

WERE CLAIMS SURVEYED? _____

TOPOGRAPHIC MAP--BY WHOM? _____ SCALE _____

SURFACE WORKINGS MAPPED? _____ SCALE _____

UNDERGROUND WORKINGS MAPPED? _____ SCALE _____

GEOLOGICAL MAPPING DONE IN 1967--

BY	GEOLOGIST	AREA--LOCATION, CLAIMS, DIMENSIONS	SCALE OF MAP

GEOPHYSICAL WORK DONE IN 1967--

METHOD AND BY WHOM	AREA--LOCATION, CLAIMS, DIMENSIONS	SCALE OF MAP

GEOCHEMICAL WORK DONE IN 1967--

METHOD AND BY WHOM	AREA--LOCATION, CLAIMS, DIMENSIONS	SCALE OF MAP

CLAIMS ON WHICH WORK WAS DONE _____

SURFACE WORK DONE IN 1967--

TRENCHES--HOW MADE? _____ NO. _____ TOTAL LENGTH _____

STRIPPING BEDROCK--HOW DONE? _____ TOTAL AREA _____

PITS AND OPEN CUTS--HOW DONE? _____ NO. _____ TOTAL DEPTH _____

CONSTRUCTION (ROADS, BUILDINGS, ETC.) _____

BY WHOM? _____

ROCK WORK DONE IN 1967--

ADITS--NUMBER _____ TOTAL LENGTH _____

SHAFTS OR PITS--NUMBER _____ TOTAL FOOTAGE _____

DRIFTS, CROSSCUTS, RAISES, WINZES _____ TOTAL FOOTAGE _____

DIAMOND DRILLING DONE IN 1967--

SURFACE--BY WHOM? Shuro Co, Ltd. CORE SIZE NQ wireline NO. OF HOLES 4 FOOTAGE 2739

UNDERGROUND--BY WHOM? _____ CORE SIZE _____ NO. OF HOLES _____ FOOTAGE _____

ROTARY DRILLING--BY WHOM? _____ HOLE SIZE _____ NO. OF HOLES _____ FOOTAGE _____

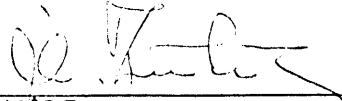
PERCUSSION DRILLING--BY WHOM? _____ HOLE SIZE _____ NO. OF HOLES _____ FOOTAGE _____

WHERE IS CORE STORED? On the property

WHERE ARE RECORDS KEPT? Vancouver office, 728 W. Hastings Street, Vancouver, B. C.

ASSESSMENT REPORTS FILED IN 1967--GEOLOGICAL _____ GEOPHYSICAL _____ GEOCHEMICAL _____

REMARKS-- _____

DATE February 15th, 1968 SIGNATURE 

OFFICIAL POSITION Exploration Superintendent