

Securities Reports

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Banbury Gold Mines

Shares Outstanding: 3,304,700

1984 Price Range

Listed: VSE (BBG)

High	Low	Recent
\$1.40	\$0.91	\$1.00

Summary: Banbury Gold Mines was formed in 1978 to acquire the former producing mine owned by Gold Mountain Mines, near Hedley, British Columbia. Since acquiring the property, Banbury has spent more than \$2 million in development and exploration, proving up ore reserves of 241,800 tons, averaging 0.276 oz. gold/ton. Application was made to the various regulatory bodies for production permits early in 1983, but approval was received too late in the year for production to actually begin. Banbury expects to start gold production in the summer of 1984, using percolation leaching to recover the gold. The company already has 6,000 tons of ore by the crusher ready to be processed. Banbury will be the first commercial gold leaching operation in western Canada. It is expected that the company will reach the production stage financed entirely by equity.

In addition to the Hedley claims, Banbury has also acquired the right to earn a 100% interest in the *Lea Claim Group*, subject to a 2% net smelter return royalty. The claims are situated in the Rutledge Lake area of the MacKenzie Mining District of the Northwest Territories.

Current Activities: Banbury holds a 100% interest in a gold prospect, 29 claims of which include the former producing Gold Mountain Mine in the well-known *Hedley Gold Camp*. The Hedley gold camp includes two of B.C.'s most prolific gold producers: the Nickel Plate and the Hedley Mascot mines. Banbury's property has a history going back to the turn of the century when it was operated as the Pollock Mine. From 1932 to 1937, part of the property was operated as the Gold Mountain Mines. In 1936, a 60-ton mill was in operation, but was shut down in 1937, due to economic conditions. About 60 drill holes have been put down to confirm ore reserves and in searching for additional ore.

In 1983, following a successful underwriting, Banbury started work on driving the #3 and #4 adits. The higher of these is the #4. It has been driven so as to be about 150 feet lower than the surface outcropping of the vein. To reach the vein, the company had to drive a crosscut 311 feet, and then north and south for a combined distance of 784 feet on the drift. Assay results were generally better than expected. Results ranged from 0.018 to 0.866 oz. gold/ton. From the information the company has, it appears that 572 feet of the #4 level of the *Pine Knot Vein* has commercial ore at present prices.

Level #3 is approximately 150 feet lower down the

mountain than #4. The main purpose of driving the #3 level is to test the vein by drifting on it, and by core drilling underneath it to see if it persists to depth. The company drove 1,010 feet to crosscut the vein, then continued to crosscut another 150 feet to establish a core drilling station. Assay results on level #3 ranged from 0.083 oz. gold/ton to 0.722 oz. gold/ton.

In the valley floor, a base camp has been established, plus a leach pad and evaporation basin are under construction. Government permits have been received to enable leaching to start in July or August.

Exploration: R.H. Seraphim, Ph.D., P.Eng., has reviewed the work on the *Pine Knot Vein*. In his report of January 13, 1984, he wrote: "The levels disclose an average of 135 tons per vertical foot grading 0.50 oz. gold pre-dilution. If this average is assumed to pertain between 2240 elevation (50 feet below the 2290 level) and surface, the indicated potential is in the order of 50,000 tons. If 25% dilution grading 0.06 is included, the tonnage would be 64,000 grading 0.41 oz. gold per ton. Inasmuch as the south face of the lowest level (2,290 feet elevation) remains in good grade mineralization and also this mineralization is open to depth, further work is recommended."

Production Plans: Gold recovery at Banbury will be by the percolation leaching process — the only operation of its kind in western Canada. The ore will be reduced in both a jaw crusher and roll crusher to less than 0.5 inch and transported by truck to the leach pad. The leach pad will be able to hold 12,000 tons and will have heating coils to prevent freezing. The leaching process will take 30 days to extract the gold and silver. Bench flotation tests run on Banbury ore indicate a recovery rate of at least 90% of the gold. Recovery by large-scale leaching has not yet been determined.

Economics: When operating at full production, the operation is expected to handle 4,000 tons per month grading 0.3 ounces gold. Leaching will be carried out for nine months of the year. A recovery of 900 ounces gold per month, based on a gold price of US\$375, should generate gross revenue of around \$337,500 per month. Costs per ton should be in the area of \$60. On a nine-month season, gross revenue would be about \$3,037,500. With the mine treating 36,000 tons per season, operating costs would be \$2,160,000, leaving an operating profit of \$877,500.

Financial: Banbury owns 420,000 shares of Enexo International. These shares trade around \$3.60, and represent about 45¢ per share of Banbury's worth. Banbury is preparing a public offering in which it expects to raise between \$800,000 and \$1,000,000. Proceeds of the issue will be spent mainly on paying the costs of *Phase I* on the Hedley Claims — drifting and raising, sub-leveling, diamond drilling, and test holing — and constructing the leach pad facilities.

Capitalization	Authorized	Outstanding
	5,000,000	3,304,700

Statutory Information: Head Office: 302 - 540 Burrard St., Vancouver, B.C. V6C 2K1 (604) 688-0601.

Officers and Directors: Douglas A. Dewar, president; Kenneth Gracy; Ronald S. Deans, William L. Puckering, P.Eng.; Arnold Armstrong; Raymond McLean, secretary.

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Securities Reports

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Decker Resources

Shares Outstanding: 1,682,623*

Listed: Vancouver (DKR)

	Price Range	
	Low	High
1979	\$1.55	\$3.60
1980	0.95	5.20
1981	0.37	4.45
1982	0.15	0.70
1983	0.20	1.10
1984	0.45	—

Summary: Decker Resources has three excellent precious metals properties, located in areas where known ore deposits have been discovered. Initial exploration on the company's properties has given very encouraging results.

The gold anomalies initially indicated by airborne surveys at the company's Terrace Bay Property have been confirmed by follow-up ground exploration.

At the Great Western property (Motherlode Mine) in California, a drilling program performed during 1983 extended the gold-bearing quartz to a depth of at least 400 feet, over a 1,200-foot strike length.

Programs planned for the 1984 season, particularly at the Motherlode Mine in California, are expected to develop information to where ore reserve figures can be estimated.

Current Activities: The company's three main prospects — the Terrace Bay gold property, the Motherlode Mine and the Laurasia silver property in the Yukon — will receive the main exploration thrust in the 1984 season. All the properties have had work carried out on them in the past. A rundown on the programs for 1984 follows:

Terrace Bay-Hemlo Gold Property: Decker Resources owns 55 mining claims located 45 miles east of the Hemlo gold camp, in the Terrace Bay district of Ontario. Several mining companies are active in Terrace Bay, with a great deal of exploratory work currently underway. To the north of the Decker Resources property, Micham Explorations is getting very encouraging results for its drilling program, with values up to 1.29 ounces of gold per ton reported. Micham has recently negotiated a \$5 million equity financing to continue its exploration.

To the immediate southeast of Decker, Silver Sceptre (a Hughes-Lang company) is also actively exploring its claims. The Hughes-Lang Group was one of the major participants in the original Hemlo discovery through Golden Sceptre and Goliath Gold Mines.

The Decker Resources claims are in the same volcanic sedimentary environment as the Hemlo discoveries and, according to a report to the company by consulting

mining engineer H.J. Bergmann, exploration could result in discovery of a Hemlo-type of gold deposit.

The 1984 program will include geochemical sampling to locate targets for a drilling program.

Great Western (Motherlode Mine) Property: This property is 100% owned by Decker Resources and is a former gold producer. The claims are located in the northern sector of the Grass Valley Gold Belt in Yuba County, California.

Previously known as the Motherlode Mine, the property has been developed by a 240-foot shaft and three levels. The mine is a 90-foot wide shear-zone which strikes 55 degrees east and dips 75 to 85 degrees west. The footwall vein averages 14 feet wide and the hanging wall vein up to seven feet.

Sampling from the surface ran from 2.269 ounces to 5.316 ounces gold per ton.

During 1978-79, Decker Resources carried out a drilling program which gave assays ranging from 0.098 to 0.575 ounces per ton. Additional work undertaken since by Decker Resources has been successful in determining that the gold-bearing quartz vein is continuous to depths of 400 feet, with a strike length of over 1,200 feet.

During the 1984 season, the company will continue exploration of the Motherlode with the intention of outlining sufficient tonnage to make a decision on developing a mineable ore body. Work will get underway in the very near future.

Laurasia Yukon Silver Property: Decker Resources holds a 50% interest in this property of seven patented claims. The claims are located in the Keno Hill silver camp, an area which has produced over 190 million ounces of silver since 1913. Keno Hill's history includes many famous mines. United Keno Hill Mines is currently the only remaining producer. The area is noted for its high-grade ore. The United Keno Hill operation produces ore averaging about 39 ounces per ton.

Two vein systems have been located on the Decker Resources property — the *Nabob* and *Rum Tum* veins. There are two other known veins — the *Lakeview* and *Fox-South* — located to the southeast of the property.

Very little exploration has been carried out so far on the property, however assays of selected specimens taken by Decker ran up to 1,564 ounces silver per ton. In a sampling program, values to 336 ounces silver per ton were returned.

A program of sampling and bulldozer trenching, to be followed by drilling, will be undertaken during the 1984 season. Exploration of the downdip extensions of surface mineralization is expected to reveal the extent of the property's potential to contain a silver ore-body similar to those which occur in the Keno Hill district.

Capitalization: Authorized 10,000,000
Common Stock NPV 1,682,623*

Statutory Information: Head Office — 319 - 470 Granville St., Vancouver, B.C. V6C 1V5 (604) 685-5774.

Officers & Directors: Ron Henrickson, president; Alfred K. Pegg, David B. Ratner, James M. Wasko.

Transfer Agents: Central Trust Company, 700 West Pender St., Vancouver, B.C.

* includes 435,000 shares in escrow.

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