

Metal prices slow demand

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As far as copper is concerned, it appears that Japan is still suffering from a glut of production. The country's traders have been beating the bushes in South Korea, Taiwan and the Philippines to sop up some of the metal not being used in domestic consumption. U.S. consumption rates are also down to pre-year-end levels, while the full impact of restarted copper operations at Inco Limited, Gaspé and Gibraltar are just now being felt throughout the industry. All this indicates that there won't be too many premium contracts concluded in upcoming negotiations between producers and consumers.

Oil prices record highs

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double-digit inflation, it appears to be only a matter of time before OPEC oil price increases will follow suit. It has become a chicken and egg situation with Arabs seeking redress for the ravages of U.S. inflation, while U.S. inflation is being fanned by escalating oil prices.

A further factor in the oil picture is the continuing friction between the PLO and Israel and the still shaky government of the Ayatollah

Norco anticipates production from B.C. coal deposit by 1981

VANCOUVER — Shipments of thermal coal from Norco Resources' Bowron River property, 35 mi. east of Prince George, could begin in the next few years.

Norco is currently negotiating a long-term marketing agreement with interests in Taiwan which would provide financing of \$3 million for feasibility and development work and a further \$30 million in return for an equity position in the company.

The development project is estimated to cost \$80 million. Initial shipments would be around 200,000 tons a year, increasing to one million tons of 1,300 btu coal by around 1985. H. John Wilson, Norco secretary tells The Northern Miner.

Approximately \$3 million has been spent on the property since 1968, mainly on drill work and 1,200 ft. of underground development. Some preliminary engineering work is currently being carried out and a \$130,000 exploration and development program is scheduled to begin around October, subject to the marketing agreement being finalized.

The property has 5,940,000 tonnes of proven reserves and 55,000,000 tonnes of drill-indicated reserves. These coal measures are from the bottom seam and do not include the middle and upper seams. An independent report by Dolmage, Campbell & Associates in

1975 estimated potential reserves of between 240,000,000 and 380,000,000 short tons.

The thermal coal has 9% ash, 2.5% retained moisture, 34.9% volatile matter and 52.7% fixed carbon with a free swelling index of one to two.

A unique amber resin in the coal deposit is also receiving attention from potential customers, Mr. Wilson reports. Analysis of the property indicates the resin content to be frequently as much as 80 lb. per ton and no less than 24 lb. per ton.

Earlier in 1979 Norco acquired six additional coal licences in the region, increasing the property area from three to nine square miles.

Discussions have been held with government agencies regarding financing of the project and the company is hoping to receive some assistance under the provincial government's accelerated mine development program. Working capital at Aug. 23, 1979, was approximately \$250,000.

Boundary, Precambrian ready for next phase

Consolidated Boundary Exploration has completed the formal documents with Precambrian Shield Resources of Calgary covering the next phases of exploration and development on the Granville Mountain gold property, 40 miles east of

GCNL #245 20-12-79

NORCO RESOURCES LTD. 093H005

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FUNDS FOR FEASIBILITY - Morris M. Menzies, chairman of Norco Resources Ltd., reports that, STUDY SOUGHT IN ORIENT pursuant to the Memorandum of Agreement with Taiwan Power Company calling for delivery of 200,000 tonnes of B.C. thermal coal in 1982, rising to 1,000,000 tonnes per year by 1986, subject to a feasibility study to show that coal of a quality and tonnage acceptable to Taipower can be mined at Norco's Bowron River property, F Norco has invited proposals from four major consulting engineering firms for a thorough study of the mining potential of Norco's Bowron River coal basin. Proposals will be received by the end of the year, after which a contract will be signed. When the consultant is chosen, the firm is expected to begin project planning immediately and to start work on the site as soon as weather permits in the spring.

Norco will conduct an exploration program, which is to continue through the winter, with the object of extending the coal reserves, presently indicated at more than 60,000,000 tons. This program will require two drills and geophysical teams working under the direction of Norco's consulting coal geologist, I.R. Borovic.

During the past month, Norco's president, H. John Wilson, has visited Toronto, Tokyo and Hong Kong, where he found strong interest in supporting this thermal coal project. He is now in the Orient negotiating finances for the feasibility study.