

MEMORANDUM FROM **A. Sutherland Brown**

TO **Mr. J.E. McMynn,**  
**Deputy Minister.**

016041



THE DEPARTMENT OF  
**MINES AND PETROLEUM RESOURCES**  
PARLIAMENT BUILDINGS, VICTORIA, BRITISH COLUMBIA V8V 1X4

DATE **July 29/75**  
File - P-9

*093M 049*

**Re: Limited Production Permit**  
**Silver Standard Mines Ltd.**

I have just returned from a visit to the BABE property on the Queen Charlotte Islands. The whole property is a very low grade potentially large open pit gold mine in which there is no visible gold. At one perimeter of it are a group of veins, mostly less than 1" wide, which carry visible free gold. Efrem Specogna, the prospector who discovered the property, has optioned the whole property to Silver Standard Mines, who in turn have optioned it to Quintana Minerals Ltd. The latter have an agreement with Specogna that he mine the small veinlets with visible free gold that occur on a small part of the BABE No. 10. I believe Quintana would be interested in this as a test. The prospectors will have to hand cob the ore and will do a large amount of work and produce a relatively few tons which may have good assays. I do not think that under the circumstances it requires a limited production permit and can be looked upon as testing in regard to exploration.

I recommend that Silver Standard Mines, Quintana, and Mr. Specogna be instructed that a limited production permit is not required.

*A. Sutherland Brown*

**A. SUTHERLAND BROWN,**  
**Chief Geologist, Geological Division,**  
**Mineral Resources Branch.**

ASB/jr

cc: Central Records

DEPUTY MINISTER OF MINES  
& PETROLEUM RESOURCES

1070

REC'D JUL 29 '75

*cc: JSP (Aug 12/75)*

REFERRED	TO	DATE	INITIAL
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A. D. M.			
A. D. P.			
M. R.			
E. & P.			
A. D.			

million, or \$1.45/share, last year.

Ore treated in the concentrator was 1,787,000 tons averaging 2.4% lead and 6% zinc compared to the 1,760,000 tons treated in the same period last year which averaged 2.2% lead and 5.4% zinc.

Lead concentrate production increased from 44,900 in the first six months of 1977 to 50,300 tons in the first half of 1978 while zinc concentrate production improved to 169,000 tons from 152,800 tons. A revision to the mining program resulted in the production of extra lead concentrate.

Erection of the 30-yd dragline is on schedule and the 1978 exploration program is proceeding well with additions to ore reserves replacing the ore mined in the first half of 1978. A large block of ground was staked west of Hay River NWT as part of a joint venture with Cominco Ltd. 93M1049 (SE)

#### ■SILVER STANDARD MINES LTD:

The company has optioned a high grade copper prospect with silver values near Smithers, BC, and some drill work is expected on it in the 1978 season.

The company's largest exploration program this year will be on a base metal discovery in the East Kootenays which it is exploring with Imperial Oil (metals division) and Hanna Mining. Drilling will test a band of zinc mineralization that has been traced for several thousand feet.

□TEXASGULF INC: Net income for the second quarter of 1978 amounted to \$11,732,000, or 31¢/share, compared to \$12,550,000, or 33¢/share, for the second quarter of 1977. Figures for the first six months of 1978 were \$22,266,000, or 58¢/share, compared to \$27,599,000, or 75¢/share, for the same period of 1977.

#### ■WELCOME NORTH MINES LTD:

The company's current exploration program is in full swing.

Newly-discovered extensions to the ANGIE zinc-silver prospect 15 miles south of Ross River, Yukon, will be sampled by trenching. Drilling is planned. The Woodside project, at work on the prospect, is financed by Getty Mining Pacific Ltd and operated by Welcome North which holds a 40% carried interest.

In the North Canol project, the HASTEN and FETCH claims, which are being explored under an option agreement by Canadian Nickel (Canico), are located in the Macmillan Pass area, Yukon. Welcome North holds a 20% interest in the two properties. A diamond drill program is planned to test geophysical and geochemical anomalies.

Under the provisions of an option

agreement with Welcome North, Utah Mines Ltd is proceeding with a \$350,000 exploration program on the MAXI property, 100 miles southeast of Ross River, Yukon. Diamond drilling is expected to begin in August.

The Gataga Venture, financed by Getting Mining Pacific Ltd, Chevron Canada Ltd and Aquitaine Company of Canada Limited, holds 425 claim units over a shale formation hosting lead-zinc and barite mineralization in northern BC. The venture is proceeding with negotiations with Placer Development to acquire a 50% interest in an adjacent property. A \$200,000 diamond drilling program is planned on this property.

Follow-up electromagnetic surveys are planned over the gravity anomalies located over the Tenas Creek properties near Ross River. Du Pont of Canada Exploration conducted the surveys.

The company is active through a number of other joint ventures. Its 100%-owned and controlled Basin Project is well underway with a \$259,000 prospecting program for shale hosted zinc-lead deposits in the Selwyn Basin of southeastern Yukon.

The 1978 season is Welcome North's most active. Exploration expenditures are at an all-time high of more than \$3,000,000.

**William J Montgomery**, head of the solid fuels analysis and standardization laboratory at CANMET (Canada Centre for Mineral and Energy Technology) has received the R.A. Glenn Award from the American Society for Testing and Materials. The award was for outstanding contributions in the development of ASTM standards relating to coal and coke. It was presented at the annual ASTM awards dinner, held recently in Myrtle Beach, SC. Making the presentation was Dr Jan Visman one of the award's first recipients and former head of CANMET's Western Research Laboratory in Edmonton.

New board of directors of the Canadian Diamond Drilling Association includes: **Gordon Cyr**, Midwest Drilling, president; **J L Salton**, Wesdrill, vice-president; **R Finlayson**, Dresser/Boyles; **R Simpson**, D W Coates Enterprises; **R McCarthy**, Canadian Longyear; **Henry Skowronski**, Bradley Bros. **David Holland**, succeeds **Charles Steine** as managing director.

Gulf Minerals Canada Limited appointments: **John A Kelly** to vice-president of

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new production and engineering department, in Saskatoon, Saskatchewan, to oversee development of production from uranium properties; **Fred C Perry** to vice-president exploration, based at head office in Toronto.

**Harold F Hendershot** is elected president of Inco Limited's formed metal products group, which includes companies in the USA, UK, Canada, and Japan.

**A Chester Beatty** retires as chairman and director of Selection Trust, but remains as honorary chairman and a director of Selco Mining Corporation. **J P Du Cane** succeeds as chairman of Selection Trust and remains managing director.

**Alfred P Statham** has been elected a vice-president of Inco Limited, with corporate responsibility for public affairs, including public relations and government affairs.

Appointments by Gulf Minerals Canada Limited at its Rabbit Lake uranium mine in northern Saskatchewan: **M R Babcock** project manager; **A R Morrish** production manager.

**Dr W R (Bill) Bacon** has been appointed co-ordinator of the accelerated mineral development programme in British Columbia. The \$5-million Mines and Petroleum Resources program is intended to create jobs and assist the mineral industry in exploration and development.

**Dr Charles A McDowell**, head of the department of chemistry at the University of British Columbia, Vancouver, has been elected president of The Chemical Institute of Canada, succeeding **Dr W H**

**Gauvin**, director of Noranda Research Centre, Pointe Claire, Quebec. The new president-elect is **Dr Louis S Renzoni**, now a consultant in Toronto after long service with Inco Ltd.

**J Norman Olsen** is appointed president of BC Hydro and Power Authority. Named vice-presidents (a change in terminology only) are: **W A Best** electrical operations; **W A Duncan** transportation; **R K Kidd** gas operations and energy conservation; **E H Martin** engineering; **C W Nash** corporate affairs; **J P Sheehan** administration and finance.

**Alton J Green** is appointed project co-ordinator with Westcoast Transmission Company for the Alaska Highway gas pipeline; he was vice-president supply and sales with Westcoast, and his duties will be taken over by **Arthur H Willms**, appointed group manager.

Appointed to the Technical Service Council are: **Alan E Gallie** (Sherritt Gordon Mines) as president; **Robert E Heneault** (Stelco) vice-president. Appointed directors are: **C R Collyer** (Syn-crude Canada); **D T Stevenson** (Babcock & Wilcox Canada); **R Stollery** (Poole Construction). The TSC is a non-profit placement and consulting service run by industry.

**Donald W Pringle** recently completed his fifth assignment as a volunteer consultant for Canadian Executive Service Overseas (CESO); he advised on underground mining operations in Brazil, and was consultant at a copper mine in Chile.

Appointments at Exxon Minerals Company, USA; **Marcel F DeGuire** as metallurgical engineer, Houston; **Allen H Lockheed** as technical systems analyst, Houston; **Ruston A Ford** as senior staff engineer, Crandon project (he was formerly with Sherritt Gordon Mines, Lynn Lake). **James D Grenia** is a senior staff engineer, Pinos Altos project; **Raymond R Hyyppa** as senior staff engineer, Highland Mill expansion project, Casper Wyoming.

**Alex Vanveller** is appointed manager at the Cranbrook, BC, branch of Wajax Industries Limited.

**Miles H Russell** is appointed manager, business and resources development, for Union Carbide Canada Limited, based in Edmonton.

**Charles G Plaxton** is appointed director of marketing and sales, Greening Donald Co Ltd.

**Roger H Jung** has been appointed divisional general manager, Elworthy Division, Bow Valley Resource Services Ltd.



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George Braun - Silver Standard Mine

93M/5E

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On August 5th I talked with George Braun, lessee at the Silver Standard Mine at Hazelton. He is continuing to mine there on a small scale basis and is appreciative of the Department's help in supplying the odd assay and identification.