

018623

**THIS IS
DOLLY VARDEN**



Information about

DOLLY VARDEN MINES LTD. VANCOUVER CANADA

OUR SYMBOL: A Silver Coin



Why the girl in the hat? In 1841 Charles Dickens in his book *BARNABY RUDGE*, introduced a "charming young lady with flashing eyes" named Dolly Varden. Her fame spread, and by the 1890's hundreds of ladies wore Dolly Varden hats. Records show that when a prospector first discovered silver near Alice Arm in 1907, he thought of this beautiful girl and named the strike, Dolly Varden.

Issued April, 1964

Information

about

DOLLY VARDEN

MINES LTD. (N. P. L.)

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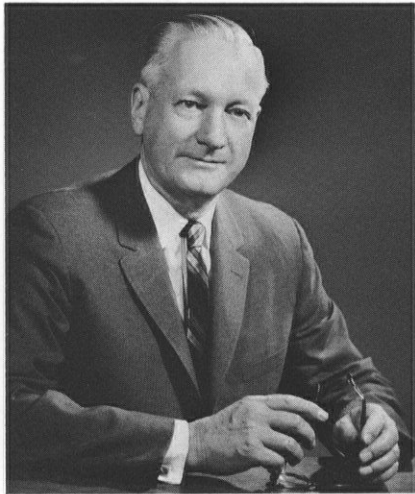
Inside Back Cover: LOCATION MAP, B.C.

Mines:

ALICE ARM, B.C.

Head Office:

617-837 WEST HASTINGS STREET VANCOUVER 1 CANADA

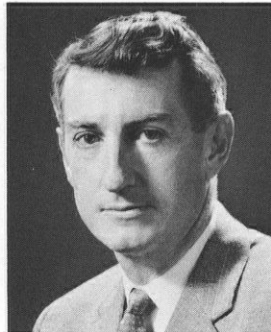


A Message from the President

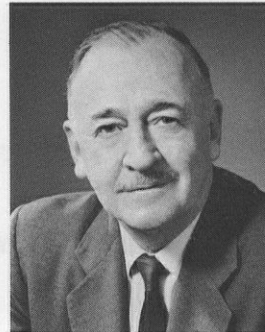
Heading a team of business men and engineers that are bringing into reality a mine which might well be the biggest of its kind in the world is an exciting experience. The work that goes into organizing financial resources and engineering talents into an efficiently operating company is enormous, and at times the task seemed overwhelming. We have now made large discoveries of silver-bearing ore and developed them to a stage where production plans can be made. It is a pleasure to introduce the following Directors and consultants whose efforts have helped to bring this Company to its present status.

F. C. Buckland
F. C. BUCKLAND, PH.D., P.ENG.
President

The Directors



PETER E. CROMIE
Vice President
Director:
Sun Publishing Company Limited
President:
Plato Industries Limited



THOMAS S. MACKAY, M.B.E.
President:
Thomas Mackay & Co. Ltd.,
INVESTMENT DEALERS
Director:
Mt. Washington Copper Co. Ltd.



COLIN CAMPBELL
President:
Campbell-Bennett Limited
Trans-Pacific Leasing Services Ltd.



PETER C. G. RICHARDS
Secretary
Partner:
Richards and Richards,
Solicitors for the Company.

Consulting Engineers

Geology: A. C. SKERL, A.R.S.M., PH.D., P.ENG.
Mining: J. A. C. ROSS & ASSOCIATES, LTD.
Mill: WRIGHT ENGINEERS LIMITED

Solicitors: RICHARDS & RICHARDS
Bankers: THE BANK OF NOVA SCOTIA
Auditors: GRIFFITHS & GRIFFITHS

Registrar and Transfer Agent:
GUARANTY TRUST COMPANY OF CANADA

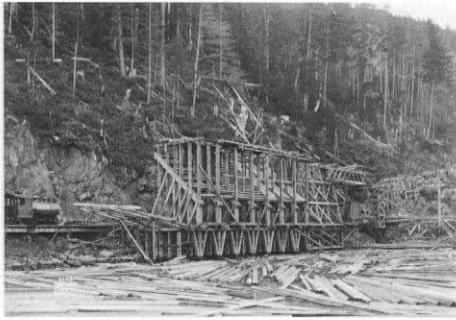
Shares listed on the Vancouver Stock Exchange



HISTORY



1



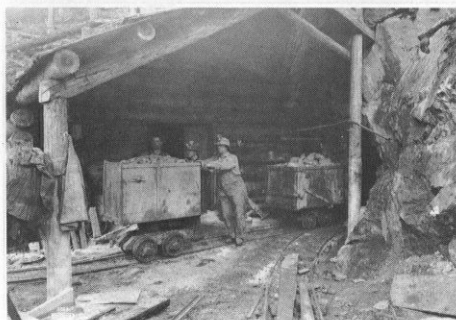
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3



4



5

The DOLLY VARDEN silver strike near Alice Arm, B.C., was first made in 1907. (See story on the inside front cover.) After a slow start on development by hand mining over a number of years, in 1919 a railroad was built over the seventeen miles from Alice Arm to the mine. However, the mining company could not pay for the railroad; so the people who built it seized the mine! In the ensuing three years, 1919-1921, the Dolly Varden Mines Railroad produced 1,300,000 ounces of silver.

Except for a little high-grading by hand miners, the Kitsault Valley lay quiet until 1947 when an eastern mining company obtained claims adjacent to, and across the river from, DOLLY VARDEN. They constructed a 400-ton-a-day mill and refinery; a 2000 horsepower hydro electric plant; machine shops and camp including a community hall with school room, badminton court and bowling alley at a cost of \$2,000,000. Over the next 10 years they produced 19,000,000 ounces of silver. When their main ore body was depleted by 1958, they decided to cease operations in B.C. The price of silver was then 85c an ounce.

In 1960, a new company, DOLLY VARDEN MINES LTD. (N.P.L.), was formed and taken over by Frank Buckland, PH.D., P.ENG., a mining engineer with vast experience throughout North America, along with the other present directors of the Company. It then acquired the old DOLLY VARDEN claims including our now famous Wolf mines, and also purchased all of the eastern company's property in the valley, which included the North Star mine; mill; refinery; power house and all of the buildings.

Since that time, the Company has carried out extensive exploration and development on what now appears to be one of the world's largest silver reserves.

All photographs on this page were taken in 1920

- 1 Loading platform at Alice Arm Wharf
- 2 Ore bunkers at Alice Arm
- 3 Lower terminal of aerial tramway
- 4 Camp 8 terminal and power house
- 5 Blacksmith shop at portal No. 4



RESERVES

Our Three Principal Ore Bodies

Dolly Varden Mine - mined from 1917 to 1921.

Proven and Probable Ore - 90,000 Tons of 22 ounce, or 2,000,000 ounces of silver
Inferred Ore - 200,000 Tons of 16 ounce, or 3,000,000 ounces of silver

North Star Mine - 1700 feet of underground tunnels.

Proven and Probable Ore - 125,000 Tons of 15 ounce, or 1,800,000 ounces of silver
Inferred Ore - 250,000 Tons of 15 ounce, or 3,700,000 ounces of silver

Wolf No. 2 and Wolf No. 1 - 800 feet of tunneling from 4 adits and extensive test hole and diamond drilling.

Proven and Probable Ore - 800,000 Tons of 12 ounce, or 9,600,000 ounces of silver
Inferred Ore - 3,500,000 Tons of 12 ounce, or 42,000,000 ounces of silver

Total of above Proven, Probable and Inferred Ore: 5,000,000 tons containing 62,000,000 ounces of silver, with a gross value of over \$85,000,000.

It must be pointed out to those not familiar with mining risks, that the foregoing total is tentative and dependent on proving-up the Probable and Inferred Ore. On the other hand, in no cases have the ore bodies yet been delineated, and the geology is very favourable to massive silver bearing rock.

We are in a gigantic mineralized belt extending along the eastern margin of the Coast Range from north of the Stikine River where several major companies are currently exploring 150,000,000 tons of copper ore, down through Granduc's tremendous copper reserves at Stewart, including the old Anyox copper mines and the Premier mine which produced 40,000,000 ounces of silver, and on down through Kennecot Copper's huge new molybdenum deposit adjacent to Alice Arm, and on through to southern B.C. A power line is being planned to run from Kitimat through Alice Arm up to Stewart.

DOLLY VARDEN already operates its own 2000 horsepower hydro electric plant. (See page three, second paragraph, for other facilities in place.)

Wolf No. 2 portal at 1240 ft.



DEVELOPMENT & PRODUCTION PROGRAM

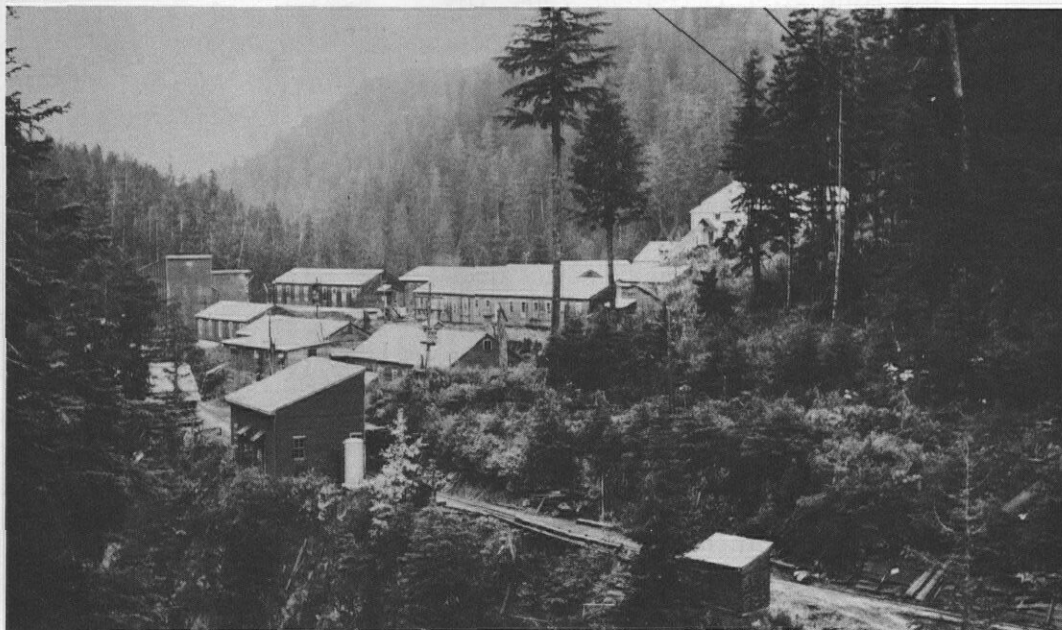
The Company has entered into a 50-year agreement with Sunshine Mining Company of Spokane, Washington, the largest silver producers in the United States. Listed on the New York Stock Exchange, Sunshine has mined 210,000,000 ounces of silver over the past 40 years and last year mined 6,000,000 ounces, indicating their knowledge and experience in this field. They are exploring by drifting, crosscutting, sinking and diamond drilling, to determine the size of mill with which to start commercial production. (See Finances, next page.)

Because of the large tonnage at the Wolf mines, ore is being blocked-out in preparation for mining to commence there first. Further blocking-out of ore will start in the near future on

the high grade North Star Mine, where large tonnages also exist. Working up the dip of the North Star vein will lead into the Dolly Varden ore body.

Access to the mine is easy, as the Government dock at Alice Arm is served regularly by coastal freighters and Pacific Western Airlines from Prince Rupert. The mine is just seventeen miles up the Kitsault River on a provincial road. No mountains are crossed en route.

Camp, machine shops, assay office and mill.



This is Dolly Varden

Page five

FINANCES

The fiscal year ends March 31st.

Authorized capital: 4,000,000 shares.

Issued and outstanding: 4,000,000 shares.

All shares were issued for cash only: \$1,370,000.

Debt: none.

Net working capital: approximately \$40,000.

Spent by DOLLY VARDEN purchasing and developing the property to January 31, 1964: \$1,321,000.

Sunshine Mining Company (see page five) has an agreement with DOLLY VARDEN for a term of 50 years, whereby they provide all of the money required to go into production at no interest cost. All profits will be divided 50-50.

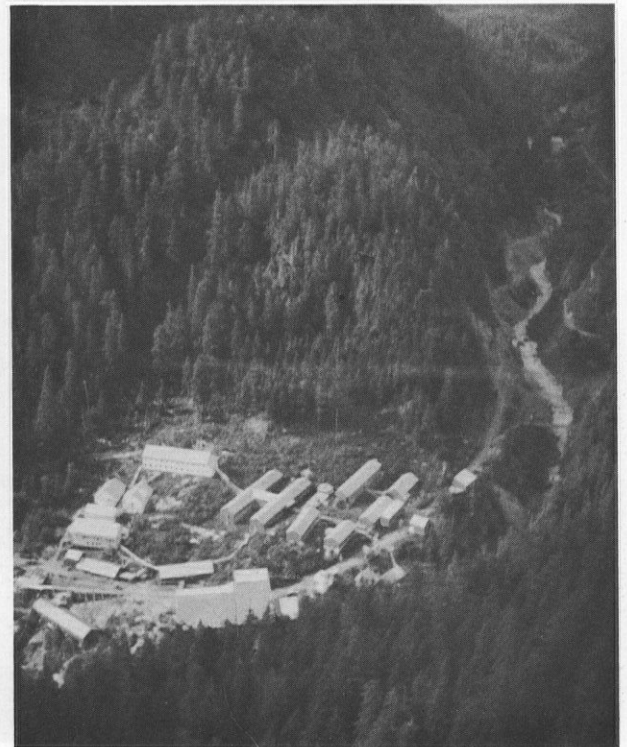
Once production commences, DOLLY VARDEN starts to get back its expenditures to date, \$1,321,000. Sunshine may terminate the agreement at any time after December 1964, (by which time they are committed to have spent at least \$250,000), and they would relinquish all monies spent and retain no interest whatsoever in the property.

Sunshine Mining Company are required to consult with our appointees on all major decisions, and all mining progress data, assays, etc. will be provided to our engineers continuously.

As to prospective profits, it is impossible to predict results of operations at this stage with any degree of accuracy. A 1,000 ton mill should provide yearly profits in the neighborhood of \$2,000,000. A larger mill or higher mill heads would result in considerably increased profits.

Total cost per ton of ore is estimated at approximately \$9.50, leaving a good profit margin (see SILVER MARKET page seven).

Camp and Mill on Kitsault River.
Wolf mines near top right.



THE MARKET FOR SILVER

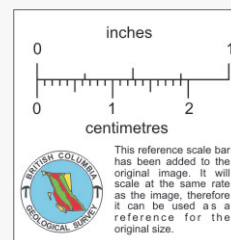
Silver's price is now probably as stable as any commodity in the world. While consumption greatly exceeds production, the U.S. government has a huge stockpile from which it supplies the shortage at \$1.29 U.S. (\$1.40 Canadian) per ounce. Coinage uses over a third of the total consumption, and some nations are considering a reduction in the amount of silver used in their coins. Even if this does happen, consumption will still exceed production, and the stabilizing effect of the U.S. Treasury will continue. The industrial uses of silver are chiefly photography, the electrical industry, jewelry and silverware. Other than DOLLY VARDEN there are no new large sources of silver in view anywhere in the world.

Silver consumption for industrial uses in the free world during 1963 ran to 247,000,000 ounces, while coinage used 172,000,000 ounces, a total of 419,000,000. Total production was only half that much; 210,000,000 ounces! The majority of that came from

Mexico:	43,000,000 ounces	Peru:	38,000,000 ounces
U.S.:	37,000,000 ounces	Canada:	30,000,000 ounces

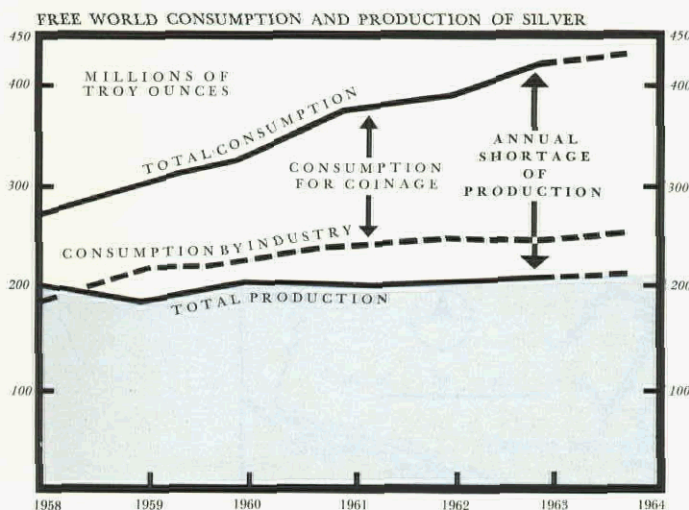
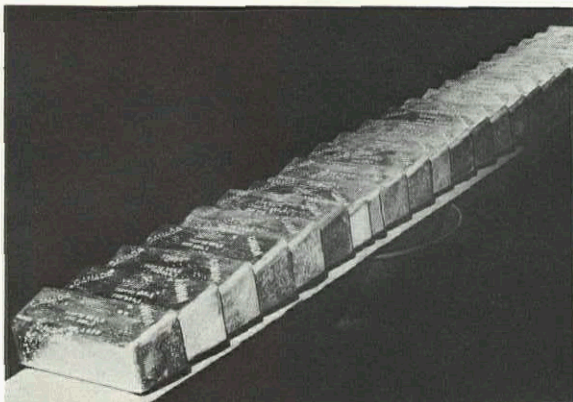
Principal Canadian sources in turn were approximately as follows:

COMPANY	PROVINCE	MAIN ORES	OUNCES SILVER PRODUCED
United Keno Hill Mines	Yukon	Silver, lead, zinc	7,000,000
Consolidated Mining and Smelting	B.C.	Lead, zinc, silver	4,000,000
Hudson Bay Mining	Manitoba	Zinc, lead, copper, silver	1,600,000
Geco Mines	Ontario	Copper, zinc	1,500,000
American Smelting & Refining	Newfoundland	Silver, zinc, lead, copper	1,500,000
Siscoe Metals	Ontario	Silver, copper	1,400,000

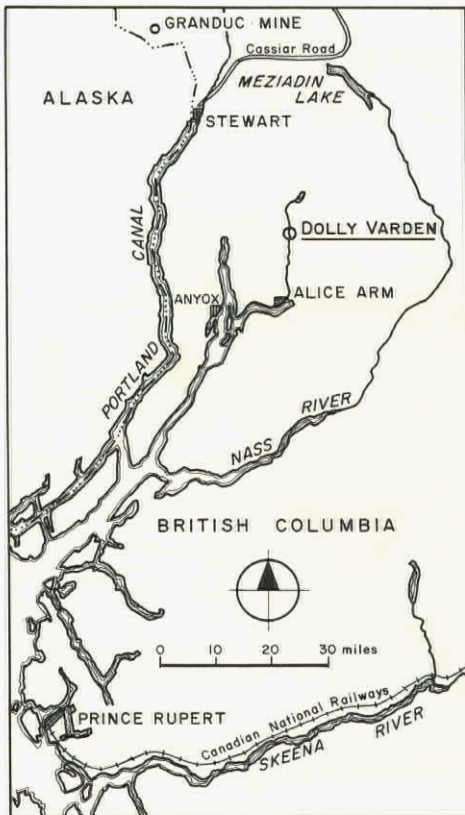
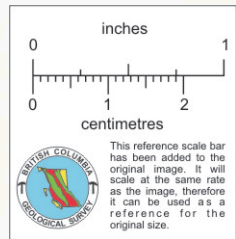
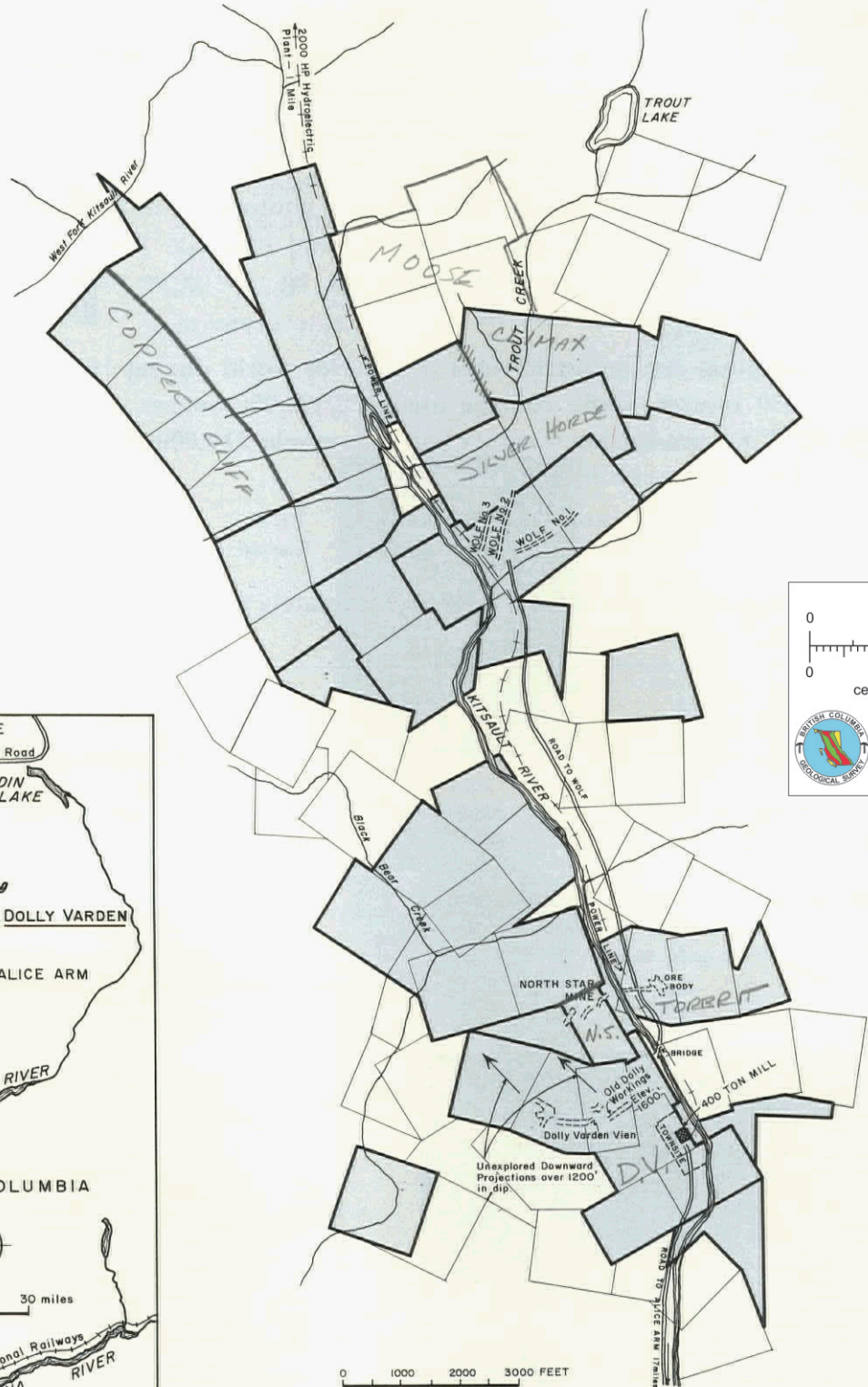


Only 18% of Canada's silver comes from straight silver producers, 80% coming from base metal mines, and 2% from gold mines.

Silver bullion from the Kitsault Valley.




PROPERTY MAP OF DOLLY VARDEN MINES LTD.





inches
0 1
centimetres
0 1 2



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

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