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# **DOLLY VARDEN MINES LTD. (NPL)**

**Silver Mines  
ALICE ARM, B.C.**

**1400-409 GRANVILLE STREET, VANCOUVER 2, B. C. PHONE 682-4296**

April 21, 1971

## Important News for Shareholders

Our General Manager, George Aaltonen and the Company's geologist, Marvin Mitchell, have calculated reserves on sections of the Torbrit vein never studied before, and have reached the following conclusions. Drill-indicated reserves at the Torbrit vein have increased from 367,000 tons of 7.6 oz. of silver to 866,812 tons averaging 9.1 oz. of silver, 0.42% lead and 0.50% zinc. The Company's delineated reserves now total 1,702,436 tons averaging 9.51 oz. silver, 0.51% lead and 0.80% zinc.

In the opinion of our staff, production at 700 tons per day is now thoroughly feasible at today's price of silver.

Peter Cromie, President

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ALICE ARM, B.C.

1400-409 GRANVILLE STREET, VANCOUVER 2, B. C. PHONE 682-4296

March 24, 1971

## Information for Shareholders

1. During the past four months, our staff has carried-out surface and underground geological studies from detailed information (diamond drill logs, etc.) gathered over the past twenty years, but never before correlated.
2. Delineated ore reserves at the North Star mine contain 303,000 ozs. of silver more than previously calculated. In addition, we have plotted a hitherto unrecognized ore shoot 200 feet under the main haulage adit, from two diamond drill holes 290 feet apart, each with a 12-foot intersection containing average gross values of \$55 per ton of zinc, lead, silver and cadmium, plus possible copper. These changes increase the projected operating profit by over \$700,000. North Star reserves are now 231,100 tons, containing 10 ozs. of silver, plus zinc, lead, cadmium as well as indications of copper. 189
3. Blocked-out reserves at the Dolly Varden vein have been set at 43,130 tons grading 17.3 ozs. of silver, plus lead and zinc. These reserves are in 250 feet of the vein which is over 2,000 feet on surface and also contains traces of copper. 188
4. Study of the Torbrit mine is continuing and a significant increase from the previously claimed 367,000 tons will likely be blocked-out within a few weeks. 191
5. No further study was given to the Wolf mine (535,000 tons) over the past winter because we already have sufficient knowledge of this orebody to commence mining. 198
6. A program of further exploration is being planned for this summer. We are in the fortunate position of having to choose one or more targets from 6 different areas (on our own property) where ore-grade mineral is known to exist.

Some shareholders may not be aware of the big drop in the price of silver since early last year when it was \$1.90 per ounce, and then after a brief rise in November, it dropped to \$1.57. This made it impossible for us to obtain satisfactory production financing. Fortunately with the price now back to \$1.70, the economics of our property have become considerably more attractive.

DOLLY VARDEN MINES LTD.

Peter Cromie, President



# **DOLLY VARDEN MINES LTD. (NPL)**

**Silver Mines  
ALICE ARM, B.C.**

**1400-409 GRANVILLE STREET, VANCOUVER 2, B. C. PHONE 682-4296**

January 11, 1971

## PROGRESS REPORT

Our engineering staff are continuing to uncover additional information which should eventually add to our already considerable potential.

Studies of new Copper Belt information have indicated a further point of significance. The greater part of our copper anomalies follow the argillite-intrusive contact, especially in one place where they serve to outline an arcuate contact area some 4,400 ft. long. Historical research on the Anyox, an old producer in the Alice Arm area, has shown that they mined 18,000,000 tons of from 1.5 to 2.0% copper ore from a very similar geological environment.

It now seems that the copper mineralization is widespread than we realized. Old diamond drill core logging, and some assays, show the possibility of a recoverable amount of copper to add to the other metals in the vein material at both the Dolly Varden and North Star Mines. A recently compiled detailed regional geology map indicates that the Dolly Varden structure may be a faulted segment of the southern end of the Copper Belt, and that the silver veins, rather than being segments of one continuous vein, were, at one time a number of several parallel vein systems striking eastward from the Copper Belt.

These rather exciting possibilities open new areas for intensive exploration, not only on the Copper Belt, but between the Copper Belt and the Dolly Varden, Musketeer and Wolf structures.

With the aim of achieving the most favourable long-term results, proposals for further financing are under consideration.

DOLLY VARDEN MINES LTD.

Peter Cromie, President



# DOLLY VARDEN MINES LTD. (NPL)

Silver Mines  
ALICE ARM, B.C.

1400-409 GRANVILLE STREET, VANCOUVER 2, B. C. PHONE 682-4296

## INTERIM REPORT FOR 6 MONTHS ENDING SEPTEMBER 30, 1970

The tenth Annual Meeting held last week was well attended by shareholders both in person and by proxy. All members of the Board of Directors were re-elected. Before I had the opportunity to deliver the following address, several people present asked questions which indicated to me that many shareholders still may not realize the magnitude of our potential. Consequently, I have included my address to the Meeting below, along with the semi-annual statements.

Peter Cromie, President  
October 5, 1970

### PRESIDENT'S ADDRESS TO THE SHAREHOLDERS OF DOLLY VARDEN MINES LTD. AT ITS ANNUAL MEETING ON SEPTEMBER 29, 1970

Since I wrote my annual report to shareholders, further information has come to light, and certain important reflections have resulted.

#### First, the information:

- 1) We have purchased all of the minority shareholders' interests in Copper Cliff Mines Ltd., so that it is now a wholly-owned subsidiary. Copper Cliff owns a portion of the copper belt including the very important Surprise claim. (199)103P
- 2) The area of the moly anomaly on the Surprise claim has greatly increased and is open on the north-west, and the high assay has increased to 55 ppm from a previous high of 11 ppm. Yesterday afternoon, we received a large number of moly geochem assays which were extremely encouraging.
- 3) The copper and moly geochem anomalies, as shown on the back of the Annual Report, are now virtually continuous for two miles (and across an average width of 2,000 feet).
- 4) The structure containing these anomalies appears to dip to the east at about 60°.

#### Now the reflections:

Regarding the matter of public relations, I have tried to keep all notices factual, conservative, and non-promotional, and yet to reflect the spirit shared by the management. However, it now seems that I have been too conservative, in the sense that I have not interpreted the possibilities sufficiently.

continued overleaf....

For example, in the Annual Report I made no reference to possible tonnages on the copper belt, which could be anywhere from zero to 500 million tons. The area of copper and moly anomalies is equal to about one square mile, which is approximately 10 times the announced area of Bethlehem Copper's new Maggie claims where Bethlehem has at least 100 million tons. If on the other hand, our copper tonnage is small, it will be a nice bonus for the silver mines. I made no reference to further financing, which is currently being considered and should be arranged within the near future. It is not possible at this time to disclose what type of financing is contemplated, other than to mention that the responsible senior engineers who are studying our property, fully recognize the enormous potential of both the copper belt and the silver mines.

While indications are strong, we still have no proof of minable ore on the copper belt. However, if the indications do prove-up you can easily imagine the value of your property and hence, the value of your shares. We would certainly be in the Bethlehem-Lornex-Brenda league then. And none of those mines have the silver-lead-zinc-cadmium deposits adjoining their copper the way we have. This is of considerable interest geologically as well as financially.

You may rest assured that your management is working steadily towards turning your property into a very profitable operation. When I said "a dynamic and healthy future for your Company seems well assured", I was not exaggerating.

George Aaltonen, our General Manager, is here and he has mounted some interesting maps of the copper belt on easels, as well as engineers' drawings of the silver mill. You may like to address some questions to him before we close the meeting, and then inspect the maps after the meeting.

DOLLY VARDEN MINES LTD. (N.P.L.) AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the six months ended September 30, 1970

Subject to audit

<u>SOURCE OF FUNDS</u>	<u>1970</u>	<u>1969</u>
Proceeds on issue of capital stock (net)	\$ 81,368	\$ 294,500
Disposal of equipment	-	85,713
	<u>81,368</u>	<u>380,213</u>
<u>APPLICATION OF FUNDS</u>		
Development and administrative expenditure	56,535	293,310
Charges not requiring funds	-	28,437
	<u>56,535</u>	<u>264,873</u>
Purchase of minority shares of Copper Cliff Mines Ltd.	12,000	-
Acquisition of fixed assets	4,283	44,796
Decrease in equipment contracts	-	35,577
	<u>72,818</u>	<u>345,246</u>
Increase in working capital	8,550	34,967
Working capital at beginning of year	<u>113,449</u>	<u>232,655</u>
WORKING CAPITAL AT SEPTEMBER 30, 1970	\$ <u>121,999</u>	\$ <u>267,622</u>

DOLLY VARDEN MINES LTD. (N.P.L.) AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF DEFERRED DEVELOPMENT AND ADMINISTRATIVE EXPENDITURE  
for the six months ended September 30, 1970

Subject to audit and year-end adjustment

<u>DEVELOPMENT</u>	<u>1970</u>	<u>1969</u>
Assaying and sampling	\$ 2,311	\$ 7,594
Assessment fees and taxes	4,065	6,622
Board and lodging	-	24,832
Bridge and road maintenance	-	56,745
Camp salaries and maintenance	5,750	6,940
Drifting and raising	-	32,310
Engineering and supervision	11,588	53,705
Equipment rental	1,482	-
Insurance	191	180
Machinery maintenance	905	32,274
Salaries and benefits	10,893	11,739
Transportation and freight	2,752	8,720
	<u>39,937</u>	<u>241,661</u>
 <u>ADMINISTRATIVE</u>		
Advertising and public relations	1,690	1,153
Interest and bank charges	70	4,042
Legal and audit	2,958	4,896
Office	2,241	3,388
Rent	2,252	3,627
Salaries and benefits	9,083	21,293
Transfer and listing fees	570	6,142
Travelling	1,248	7,108
	<u>20,112</u>	<u>51,649</u>
	60,049	293,310
Interest earned	<u>3,514</u>	<u>-</u>
	56,535	293,310
Deferred Expenditure At Beginning Of Year	<u>2,094,908</u>	<u>1,609,532</u>
DEFERRED EXPENDITURE AT SEPTEMBER 30, 1970	<u>\$2,151,443</u>	<u>\$1,902,842</u>



# DOLLY VARDEN MINES LTD. (NPL)

Silver Mines  
ALICE ARM, B.C.

1400-409 GRANVILLE STREET, VANCOUVER 2, B.C. PHONE 682-4296

November 8, 1971

## INTERIM REPORT FOR 6 MONTHS ENDING SEPTEMBER 30, 1971

The planned rate of production has been increased to 1,000 tons per day from 700 tons previously, as a result of the additional 500,000 tons of ore at the Torbrit announced earlier this year. A practically brand-new mill is available at a price that would enable us to start at this higher rate of production for the same overall cost, \$4,900,000. This includes increased housing accommodation, mine preparation, more equipment, and other related costs. While capital funds are not yet in hand, negotiations are continuing.

The price of silver has dropped to \$1.31 per ounce which should still provide an annual operating profit of \$1,200,000., if we include only \$1 net per ton for barite. We are currently studying the recovery and marketing of barite, which runs at about 30% of Torbrit and North Star ore, and tests indicate it can be floated off in the mill. \$3 net per ton for barite is quite possible. In addition, we plan to develop some of the extremely attractive high grade outcrops which have never been explored. There is an excellent chance that one of these areas will provide sufficient higher grade ore to increase profitability to over \$2,000,000. per year even at the present low price of silver. Further, if the price of silver should move up 50¢ to \$1.81, profits would increase by another \$1,500,000. per year.

Prime targets to start with are:

- 1) the Surprise vein, where outcrops assayed up to 18 oz. of silver and 6.7% copper, plus geochemical and geophysical anomalies over an area 500 by 800 feet. Bulldozer stripping should be followed by diamond drilling.
- 2) the Dolly Varden vein, striking westward. Surface showings suggest that this high-grade vein extends at least another 1,500 feet. This should be drilled both from the surface and underground.
- 3) the Kitsol and South Musketeer veins, which is one vein bisected by the Kitsault River. Surface assays run up to 25 oz. of silver.

There are several other areas of exploration which must be dealt with, but these can be done after those outlined above have been completed. They include copper belt outcrops and one square mile of geochem anomalies, high grade silver at depth in the Wolf, known high grade zinc, lead, silver in the North Starr, and the exciting silver-lead-zinc geochem anomalies (2,900 feet) surrounding the newly discovered Mitchell vein.

In any event, we do not intend that the property lie dormant, waiting for metals prices to improve; it is far too valuable for that.

At the 1971 Annual Meeting held on September 27th, all members of the Board of Directors were re-elected. They are George Aaltonen, James W. Annett, Peter Cromie, Howard McD. Martin and John M. Rose.

DOLLY VARDEN MINES LTD. (N.P.L.) AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the six months ended September 30, 1971

Subject to audit

<u>SOURCE OF FUNDS</u>	<u>1971</u>	<u>1970</u>
Proceeds on issue of capital stock (net)	\$ -	\$ 81,368
Proceeds of Debenture issued	100,000	-
	<u>100,000</u>	<u>81,368</u>
 <u>APPLICATION OF FUNDS</u>		
Development and administrative expenditure	57,824	56,535
Purchase of mineral claim	43	-
Purchase of minority shares of Copper Cliff Mines Ltd.	-	12,000
Acquisition of fixed assets	-	4,283
	<u>57,867</u>	<u>72,818</u>
Increase in working capital	42,133	8,550
Working Capital at beginning of year	68,952	113,449
	<u>111,085</u>	<u>121,999</u>
WORKING CAPTIAL AT SEPTEMBER 30, 1971	\$ <u>111,085</u>	\$ <u>121,999</u>



DOLLY VARDEN MINES LTD. (N.P.L.) AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF DEFERRED DEVELOPMENT AND ADMINISTRATIVE EXPENDITURE  
for the six months ended September 30, 1971

Subject to audit and year-end adjustment

<u>DEVELOPMENT</u>	<u>1971</u>	<u>1970</u>
Assaying and sampling	\$ 2,032	\$ 2,311
Assessment fees and taxes	4,905	4,065
Camp salaries and maintenance	6,018	5,750
Engineering and supervision	12,126	11,588
Equipment rental	472	1,482
Insurance	41	191
Machinery Maintenance	777	905
Salaries and Benefits	11,477	10,893
Transportation and freight	1,335	2,752
	<u>39,183</u>	<u>39,937</u>
 <u>ADMINISTRATIVE</u>		
Advertising and public relations	1,835	1,690
Interest and bank charges	101	70
Legal and audit	3,256	2,958
Office	3,213	2,241
Rent	1,345	2,252
Salaries and management fees	9,097	9,083
Transfer and listing fees	442	570
Travelling	-	1,248
	<u>19,289</u>	<u>20,112</u>
Interest earned	58,472	60,049
	648	3,514
	<u>57,824</u>	<u>56,535</u>
Deferred Expenditure at Beginning of Year	2,203,110	2,094,908
	<u>\$2,260,934</u>	<u>\$2,151,443</u>

*Dolly Varden Mines Ltd. (N.P.L.)*

*Silver Mines*  
ALICE ARM. B.C.

617 - 837 WEST HASTINGS STREET - VANCOUVER 1, B.C.

*Telephone*  
MUTUAL 2-1691

March, 1963.

MEMORANDUM RE REPORT

Capitalized at - 3,000,000 shares  
2,998,002 issued

The company intends to increase its capitalization to 4,000,000 shares immediately in order to have 1,000,000 shares available for further financing.

The properties contain four ore zones, each partially developed, and several unexplored outcrops with good values. Thus, the future potential is large. In this respect, note Map No. 11, Wolf No. 2 Vein Plan. Diamond drill holes are scattered over a length of 800 feet and a vertical distance of 500 feet, with vein widths generally over 20 feet. The vein's known extension in surface outcrops is about 400 feet additional to the 800. In this one section there are therefore good indications of a length of 1,200 feet, a minimum depth of 500 feet, and a width of 20 feet. The zone could easily contain more than 1,000,000 tons which are not calculated into the reserves. The Wolf No. 1, Dolly Varden, and North Star ore zones contain similar possibilities.

In addition to the ore possibilities, the mine has sufficient positive ore to warrant the commencement of milling with the necessary rehabilitation of our plant and mine preparation.

The mill should be placed in operation and a large development program undertaken at the same time.

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DOLLY VARDEN MINES LTD. (N.P.L.)

#617 - 837 West Hastings Street

Vancouver 1, B. C.

January 17th, 1963

The Directors,  
Dolly Varden Mines Ltd.,  
Vancouver, B. C.

Dear Sirs:

It is apparent to me that the Directors have never studied our ore picture and do not know on what the reserve calculations are based.

Most of our ore is diamond-drill - hole ore. We have 56 vein intersections in the various bodies and I am listing these intersections on the attached pages. Tonnages estimated on the Dolly Varden are mainly from underground workings and surface assays. Tonnages estimated on the Wolf and North Star are mainly from diamond drill holes and surface assays.

You will all have questions asked as to our reserves. The holes are all plotted and various interpretations can be based upon them. No ore-body is completely delineated so that we are open, we might say, in all directions. These holes occur over a vertical distance of more than 2000 feet and a lateral distance of over two miles.

My personal opinion is that these give an indication only of possible large tonnages.

In this respect, I would like to point out to you the discrepancy in tonnages between the reports of Millar and Skerl. Without complete detailed figures, Millar gave us ten times as much ore as Skerl in the same mining area. I think you would find the same variations occurring between any number of engineers, depending on their desire to extend tonnages or to contract them.

The 56 intersections represent approximately 25,000 feet of drilling and possibly an expenditure to repeat them of \$100,000.

I would like the Directors to bear in mind that an additional 25,000 feet of diamond drilling could be done very intelligently with our present knowledge. I am not

The Directors

- 2 -

January 19, 1963

prepared to recommend this at this time, but it is quite possible that such drilling would quadruple our reserves as indicated by diamond drill holes at present.

I am tossing these thoughts to you as something to think about, only.

Yours truly,

F. C. Buckland, President.

DOLLY VARDEN MINES LTD. (N.P.L.)

Diamond Drill Intersections

Assays and Drill Intersections Used in Ore Calculations

Wolf No. 1 Ore-Body

Intersection and Assay

	<u>True Width</u>	<u>Ounces Silver per ton</u>	<u>Intersection Contains</u>
First Hole	17'	16.0	
Second Hole	17'	12.0	
Third Hole	14'	11.7	
Fourth Hole	33'	8.8	16.5'-12.0oz/Ag
Fifth Hole	22'	12.4	
Sixth Hole	45'	14.1	
Seventh Hole	31'	28.5	
Eighth Hole	34'	27.8	
Nineth Hole	32'	17.2	
Tenth Hole	38'	14.8	
Eleventh Hole	16'	6.5	
Twelfth Hole	13'	12.8	
Thirteenth Hole	18'	41.6	
Fourteenth Hole	16'	8.5	
Fiteenth Hole	15'	14.6	

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Wolf No. 2 Ore-Body - North End

First Hole	25'	9.9
Second Hole	21'	9.4
Third Hole	13'	5.7
Fourth Hole	11'	7.3
Fifth Hole	16'	18.0
Sixth Hole	15'	7.2
Seventh Hole	28'	17.1

Wolf No. 2 Ore-Body - South EndIntersection and Assay

	<u>True Width</u>	<u>Ounces Silver Per Ton</u>	<u>Intersection Contains</u>
First Hole - 1st Intersection	5'	10.8	
- 2nd Intersection	26'	3.7	
Second Hole-1st Intersection	10'	13.9	
-2nd Intersection	15'	7.3	
Third Hole-1st Intersection	5'	11.1	
-2nd Intersection	47'	4.6	
Fourth Hole	5'	6.0	
Fifth Hole	8.2'	52.0	
Sixth Hole-1st Intersection	5'	14.5	
-2nd Intersection	14'	4.8	
Seventh Hole	73'	11.1	14.4'-30.7 16'-11.0
Eighth Hole-1st Intersection	25'	10.5	
-2nd Intersection	19'	15.6	
Nineth Hole	5'	19.3	

North Star Ore-Body - In Main Ore-Body

First Hole-1st Intersection	5'	14.7	
-2nd Intersection	5'	9.4	
Second Hole	14'	9.3	
Third Hole-1st Intersection	4.5'	13.48	
-2nd Intersection	20'	9.7	10' - 15.7
Fourth Hole	32'	11.9	17' - 17.6
Fifth Hole	18'	8.6	10' - 11.4
Sixth Hole	5'	13.2	
Seventh Hole	6.5'	9.4	
Eighth Hole	14'	11.9	
Nineth Hole	18'	11.8	
Tenth Hole	18'	31.0	7'-54.1
Eleventh Hole	9.6'	17.1	

North Star Ore-Body (con'd)

Intersection and Assay

	<u>True Width</u>	<u>Ounces Silver Per Ton</u>	<u>Intersection Contains</u>
Twelfth Hole	5'	11.0	
Thirteenth Hole	30'	14.5	
Fourteenth Hole	25'	8.7	
Fifteenth Hole	10'	9.5	

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Dolly Varden Ore-Body

D. V. S. #200	39'	26.6	12-33.6 & 17 (36.1)
#120	25'	14.3	8' - 43.0

# DOLLY VARDEN RESOURCES LIMITED

1710-1177 WEST HASTINGS STREET  
 VANCOUVER, B.C.  
 V6E 2L3  
 TELEPHONE (604) 683-4457

DEPUTY MINISTER M. & P. R.		
REC'D JAN 15 79 F		
REFERRED TO	DATE	INITIAL
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A.D.P.		
A.S.		
M.R.		
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FYI  
 January 11, 1979

ASSISTANT DEPUTY MINISTER MINERAL RESOURCES		
REC'D JAN 16 79		
REFERRED TO	DATE	INITIAL

Mr. J.S. Hunter  
 Inspector of Mines  
 Court House  
 Prince Rupert, B.C.

Dear Mr. Hunter,

In a telephone call to your office on January 9, 1979 Mr. R.W. Burton outlined an inquiry now underway to see if it is possible to revive production from one or more of the silver properties north of Alice Arm, B.C.

Briefly, known ore sources are being investigated to determine if there is a quantity and grade of ore sufficient to support an operation of 150 tons per day. One of several points for investigation is the road connecting the village of Alice Arm with the former Torbrit Camp. We understand that several wooden bridges on this road are in need of repair or replacement, and some sections of the road are washed out.

As a preliminary enquiry, we would like to know if the Department of Mines and/or the Department of Highways - would be prepared to restore this road, provided there is good expectation of continuous mineral production for a minimum period of five years.

Formerly, Torbrit Silver Mines Ltd. produced approximately 19,000,000 ounces of silver over a span of 10 years. Its facilities included a milling plant less than one mile south of the mine, and a hydro-electric power plant five miles north of the mine. The hydro-electric plant was destroyed in 1978.

As a tentative plan we are looking at a mining operation through the summer and fall, averaging six months per year, at a mine production rate of 300 tons of ore per day, with the ore trucked approximately 17 miles to a millsite just north of Alice Arm. There a stock pile of ore would be built up during the mining and trucking season, to allow year round operations of the mill at 150 tons per day. In other words, the road from the millsite to mine would not be kept open during the period of heavy snowfall and spring run-off.

Preliminary talks are under way with B.C. Hydro, exploring possibilities for obtaining power to the millsite from a branched

PROPERTY FILE  
 103P188

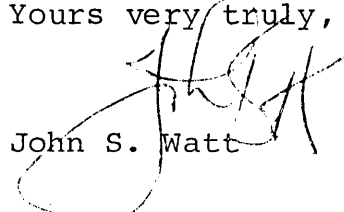


transmission line from that serving Climax Molybdenum of B.C.

At present our feasibility study is in the early stages of investigation. We will appreciate any guidance as to the information we must provide, and to what authorities, for steps to be taken to restore use of this road.

On your suggestion, copies of this letter are forwarded to Dr. J.T. Fyles and Mr. P. Olsen, at the Department of Mines in Victoria.

Yours very truly,

  
John S. Watt

JSW/jk

DVR

cc: Dr. J.T. Fyles  
P. Olsen, P. Eng.  
R.W. Burton, P. Eng.