

22 JUL 1969

NO.161(1969)
JULY 21, 1969

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- S. S. Holland
- E. W. Grove
- A. Sutherland Brown
- J. W. McCammon
- G.E.P. Eastwood
- J. T. Fyles
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.161(1969)
JULY 21, 1969

YEAR TO JUNE 30:

Income
General Expenses
Write-down Securities
Prov. for Income Taxes
Minority Interest
Net Income
Net Realized Appreciation on Inv. Sold
Total

\$1,

\$-

\$

Index pages

associated companies. Various heavy equipment used by facilities of Vaneco and uses heavy logging trucks and group is favourably placed to supply essentially and related services required by the natural resources industries. area, field work has commenced on a large scale ground geophysical properties of Coppermine River Ltd., Teshierpi Mines Ltd. and Northville Explorations Ltd.

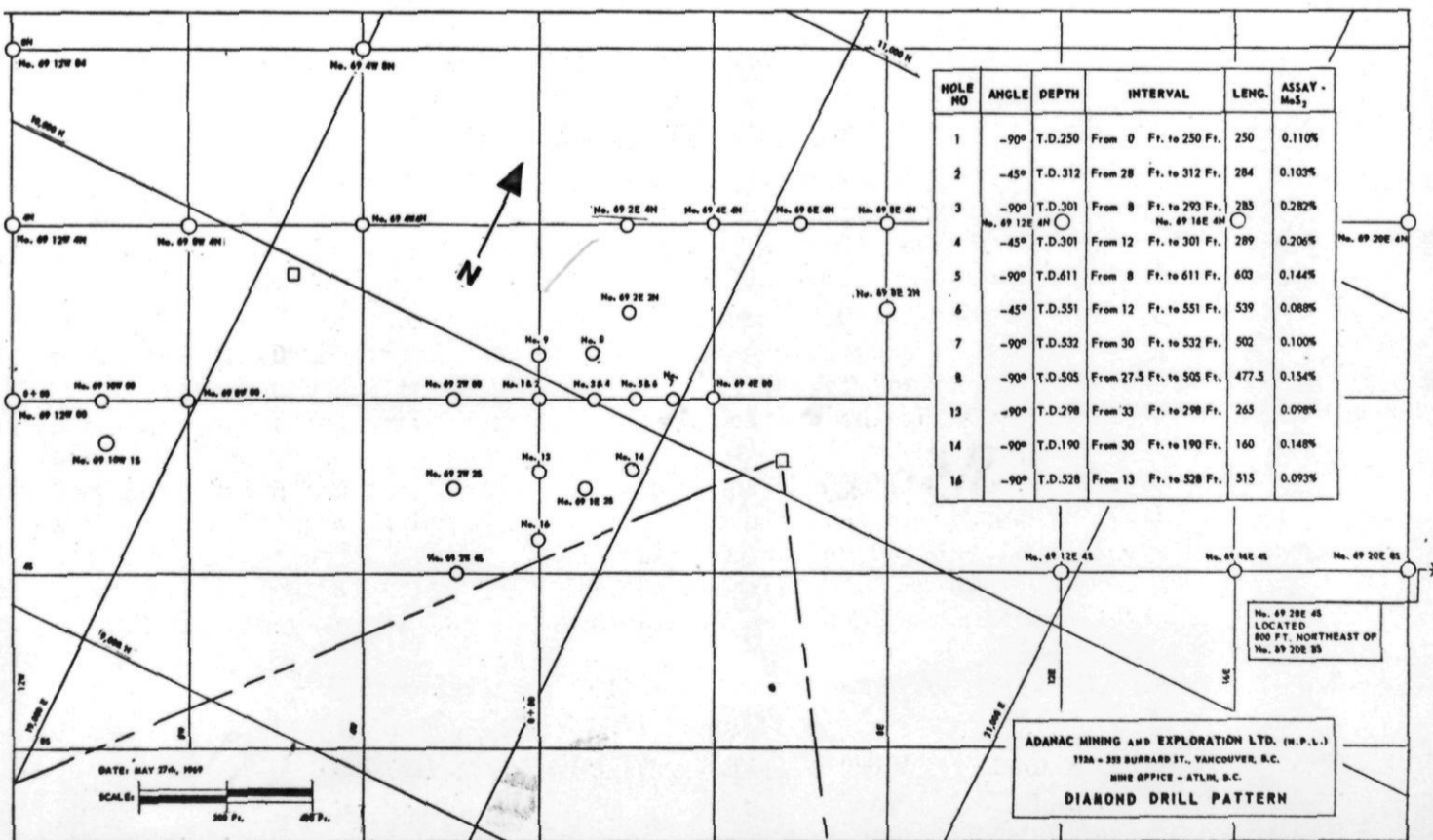
the net assets of including market-values, amounted per share, which or \$8.54 per share current value of the rather severe decline during the month Newconex acquired common shares of Ltd. (Vaneco) and of several lines of s. Through the npany which manufact-ort, the Newconex vey equipment, parts the Coppermine River

In the Pine Point area, diamond drilling and geophysical work will be done this year on the property of Buffalo River Exploration Ltd. to bring further sections of this large property to lease and to complete the outlining of the ore body, which is presently estimated to contain approximately 1,350,000 tons of ore grading 13% combined lead-zinc.

ADANAC MINING & EXPLORATION LTD.

MOLYBDENUM GRADES HOLDING UP IN GRID DRILLING- CHAPMAN, WOOD RETAINED AS CONSULTANTS NOW

R.F.J. Newsom, president of Adanac Mining & Exploration Ltd. has reported in a letter dated July 18, 1969, to shareholders that 37 holes have been completed to date on the molybdenum property located near Atlin, B.C. Three drilling machines are working on a 400 foot grid, producing about four completed holes in five days, with each hole about 500 feet deep. The drilling has been over an area of 3,200 feet east-west and 1,200 feet north-south, as indicated on the map below. Mr. Newsom stated that, while the assay results are slow in coming through, the results of the most recent 20 holes have been very similar to those reported in the table below, i.e. in the range of 0.15 to 0.19% MoS₂. He stated that while Chapman, Wood and Griswold Ltd., consulting geologists, have been retained to carry out a two year \$3,000,000 exploration program to the end of a detailed feasibility and any decision as to the viability of production on the property will await completion of the program it is safe to state that the results to date have indicated the tonnage and grade for a large tonnage operation. Negotiations for a major participant have been undertaken. Winslow Bennett and Perry V. Eakin have been elected directors of Adanac.



PROPERTY FILE 104N057-03

GCNL #102 28MAY84

FOR THE RECORD

104N/11W (104N 052)

ADANAC MINING AND EXPLORATION LTD. (ADN-V,T) had a working capital deficit of \$27,755 at 31Mar84. However, on 2April, the major shareholder, Conwest Exploration Company Limited, completed a subscription for 500,000 shares at 55¢ per share. This allows the company adequate time to seek a long-term solution to preserving their important asset, the Ruby Creek molybdenum deposit in Atlin mining division, NW B.C., says president J.C. Lamacraft.

NMINER
7APR1986

B.C. moly prospect long term asset for Adanac Mining

Due to weak molybdenum prices, the sole major asset of Adanac Mining and Exploration, the company continues to bide its time until prices take and maintain an upward trend.

At the company's annual meeting, The Northern Miner learned that there will be no significant expenditures during the year on the company's Ruby Creek molybdenum property, located about 23 miles northeast of Atlin, B.C. The company regards the property as a long-term mineral inventory asset, says Colin C. Coolican, executive vice-president of Conwest Exploration, which holds 42% of Adanac.

The property was previously held under option by Placer Development. Placer gave up the option in early 1983 when the bottom fell out of the molybdenum market. But before doing so, Placer spent more than \$4 million on development of the property.

Molybdenum prices were more than \$30(US) per pound in late 1979. In 1983, they plunged to \$4 due to a combination of record-high inventories of the base metal, used primarily as an agent to harden steel, increased competition from government-subsidized Third World producers and the recession. Today, prices stand at approximately \$2.75 per pound.

The property has reserves of 201 million tonnes grading 0.098% molybdenum with a waste-to-ore ratio of 1.56:1.

The cost of bringing the property to production, says Mr Coolican, is about \$240 million based on figures computed in 1980.

For the year ended Sept 31, 1985, Adanac records cash and commercial paper at \$245,814, up from \$244,235 in 1984.

104N/11W (104N 052)

NMINER
5 APR 1984

104N/11W (104N 052)

Share sale approval keeps Adanac afloat

A \$275,000 sale of shares of **Conwest Explorations** will let **Adanac Mining and Exploration** maintain control over its Ruby Creek molybdenum property in British Columbia.

Sale of the 500,000 share has been approved by The Toronto Stock Exchange and the Vancouver Stock Exchange. The sale increases Conwest's control from 33-42%.

The move allows Adanac to keep its molybdenum property intact until markets warrant bringing it into production, something Conwest president and Adanac director John Lamacraft doesn't expect will happen for at least five years.

After Adanac's annual meeting, Mr. Lamacraft told The Northern Miner that the company is looking at the long term since Placer Development dropped its option on the property early in 1983.

"It costs about \$25,000-\$50,000 per annum to maintain the property," Mr. Lamacraft said explaining that it would be put on hold for the immediate future.

"I do think it has its place sometime in the 1990s." The property, about 23 miles northeast of Atlin, B.C., has reserves of about 201,000,000 tonnes grading 0.098% molybdenum. It is Adanac's only major asset and termination of Placer's option removed Adanac's only source of revenue.

Placer spent more than \$4 million on developing the property, but

by 1983 the bottom had fallen out of the molybdenum market.

Prices reached about \$US4 per pound, where it stands today, from more than \$30 in late 1979. Record-high inventories of the base metal, used primarily as an agent to harden steel, increased competition from government-subsidized Third World producers, and the recession accounted for the fall.

Adanac ended its 1983 fiscal year Sept. 30 with a working capital deficiency of \$3,526 from a positive working capital of \$86,924 the year before. Unaudited first quarter results for 1984 show a further decrease in working capital to \$11,774 at Dec. 31.

GCNL #84 1 MAY 1984

ADANAC MINING AND EXPLORATION LTD. (ADN-V) have placed privately 500,000 common shares at 55¢ each with Conwest Exploration Company Limited. The funds are to be used to maintain Adanac's interest in the Ruby Creek deposit, Atlin district in NW B.C.

104N/11W (104N 052)

NMINER 17 MAY 1984

In an article on page three of the Apr. 5, 1984 issue of t, you quote ore reserves of 201,000,000 tons with a grade of .098 molybdenum on Adanac's Ruby Creek molybdenum property in British Columbia. I was not aware that the grade was this high. In your 1983-84 issue of the *Canadian Mines Handbook* (page 23), you quote the grade as being .059 for the same tonnage. Could you please let me know which is the correct grade?

Our apologies for the confusion. We did, indeed, err in our Apr. 5 issue.

The confusion arises from estimates of molybdenum sulphide, called molybdenite, from which molybdenum is derived. On **Adanac Mining and Exploration's** Ruby Creek property, there is 201 million tonnes of ore with an average grade of 0.098% molybdenite, but that means a lower grade of molybdenum.

J.G., Sault Ste. Marie, Ont.

Adanac Vice-President J. A. Campbell told The Northern Miner that the British Columbia property has 201 million tonnes of ore with a molybdenum average grade of 0.059% using a cutoff grade of 0.03%, adding that there is a high grade core that averages 0.108% molybdenum.

In other words, The *Canadian Mines Handbook* is correct.

104N/11W (104N 052)

GCL #192 6 OCT 82 ADANAC MINING AND EXPLORATION LTD. 104N/11W 104N 052

PERMIT APPLICATION PROCEEDS - Winslow W. Bennett, president of Adanac Mining and Exploration Ltd., states in an interim report, "The approvals process for the Adanac project was initiated by Placer Development nearly three years ago, in early 1979. In July 1982 notification was received from the Metal Mines Steering Committee that the Stage II requirements of the Metal Mine Guideline Review Process have been satisfied." Now the plan is being considered by the Environment and Land Use Technical Committee."

The Adanac project is to bring to production the company's molybdenum-gold deposit near Atlin in NW B.C.

At 30Jun82, Adanac Mining had working capital of \$120,993.

RUBY CREEK MOLY

MINER 15 MARCH 84
Adanac selling shares to maintain interest in B.C. moly prospect

Seeking funds with which to maintain its interest in the Ruby Creek, B.C. molybdenum property, Adanac Mining and Exploration says it plans to sell Conwest Exploration 500,000 shares of Adanac, at 55¢ a share.

The deal is subject to regulatory approvals. J. C. Lamacraft, president of Adanac, says the company's only source of revenue was eliminated by the termination in 1983 of the option held by Placer Development on the B.C. property.

He notes that Adanac currently has a working capital deficiency, but that issuance of the treasury shares to Conwest will provide funding to allow the company adequate time to seek a long-term solution to maintaining its interest in the Ruby Creek deposit.

It has reserves of 201,000,000 tonnes grading 0.098% molybdenite.

MINER 22 MARCH 1984

Conwest Exploration has agreed to subscribe to 500,000 shares of Adanac Mining and Exploration to assist the company in maintaining its ownership of the Ruby Creek molybdenum property near Atlin, B.C. The property was previously held under option by Placer Development which terminated the agreement in January, 1983, after spending more than \$4 million on exploration and development. A dramatic

deterioration in molybdenum markets forced Placer to reconsider its participation in the venture which Adanac feels must now be "viewed in a much longer time frame."

Termination of the option also removed Adanac's only source of revenue and the share placement is designed to "resolve the company's current funding requirements."

Describing the events of 1983 as a "serious setback," Adanac President John C. Lamacraft claims the share issue "allows the company adequate time to seek a long-term solution" to preserve the Ruby Creek molybdenum deposit. The property has reserves of approximately 201 million tons at an average grade of 0.098% molybdenite.

NMINER 13MAY82

Placer looks to gold and silver to lessen impact of base metals

VANCOUVER — Judging from remarks made by Placer Development at the annual meeting, precious metals will impact more and more on the company's earnings in the foreseeable future.

C. Allen Born, president of this country's largest molybdenum producer, said precious metals "should appreciably add to Placer's revenues and lessen our reliance on copper and molybdenum."

Highlighting the Real De Angeles mine in Mexico, which is scheduled to come on stream this month, Mr. Born said "this property will be one of the world's largest silver mines and will make Placer one of the eight most significant producers of mined silver in the western world."

Closer to home, Placer subsidiary Equity Silver (70% interest) was the only real bright spot in its mineral portfolio this quarter with net earnings of \$2.9 million, virtually identical to its parent company's consolidated loss (the first in 49 years) for the same period. Equity's profits are expected to remain relatively stable over the next three quarters, he told The Northern Miner earlier this month. Even Gibraltar Mines lost \$1 million in the quarter and should copper prices drop further, the possibility of a shutdown there would have to be considered.

Bringing Equity into production contributed significantly to increasing Placer's consolidated term debt by 44% to \$230.8 million in 1981.

According to Mr. Born, "additional outside financing will be needed in the months ahead for development of the Golden Sunlight mine" in Montana. The \$88 million open pit operation should produce its first gold in mid-1983.

Responding to a question on whether the timing was correct with gold prices falling, Mr. Born admitted that even though the operation "may be marginal now" gold prices were expected to improve in the not too distant future.

Another shareholder queried the reasoning behind holding on to the Adanac molybdenum prospect near Atlin, B.C. and Mr. Born replied that even though demand and price for molybdenum was flat, Adanac

still stands a good chance" of becoming a viable mine.

As for timing, however, it could be near the end of this decade or even later, he cautioned.

Citing a 26% increase in revenues from the oil and gas division (Placer CEGO) in 1981, Mr. Born was careful to note that earnings after taxes actually fell about 60% because of the National Energy Program. As a result 75% of this year's oil and gas exploration funds will be heading to the U.S., he said. Recent changes to the Alberta government's oil and gas royalty structure are expected to have a "positive effect on Placer CEGO's earnings in 1982," however, and he added the company plans to "increase activity" in this sector in the future.

093L 001
093L/146SLY
SAM CEGO

104N/11W
104N 052
Ruby Creek Moly
Adanac

Nobody is saying when Adanac Mining & Exploration's Ruby Creek molybdenum property near Atlin, B.C., will be put into production. But it's conceivable it may be later than Dec. 31, 1986, by which date Placer Development must make a production decision to earn a 70% interest, with Adanac retaining the balance. That date is already a 3-year extension granted recently because of the current soft market and molybdenum glut that has forced established producers, including Placer, at Endako Mines, to cut back production.

Adanac president Winslow Bennett talked of "an overhang of unsold inventory in producers' hands for several years to come" at the company's annual meeting. But he said Adanac "isn't considering moving its eggs into a different basket though we've been tempted." He also said Adanac and Placer are "good friends," indicating the joint venture will likely continue even if a production decision isn't reached by December, 1986. "It's all a matter of timing," he told The Northern Miner.

At the moment, the timing is wrong. When Placer optioned the property in December, 1978, the price of molybdenum was rising. It peaked at \$US32.50 a lb. on the dealer's market in 1979, but is now holding at about \$US7 a pound for molybdic oxide. "Adverse world economic conditions have reduced molybdenum consumption . . . at a time when several new mines have been coming into production or have been committed to construction," Mr. Bennett said.

Further aggravating the situation is talk of a production decision by U.S. Borax at its Quartz Hill, Alaska, prospect, considered the world's largest and richest molybdenum deposit that could become the lowest cost producer. The decision isn't expected until around 1987, but Lawrence Adie, Placer's vice-president of exploration conceded at the meeting that "If Alaska comes on stream, large tonnage, low grade deposits (like Adanac's) will have to take a back seat."

If there should be delays at Quartz Hill (which is adjacent to a National Park), possibly over tailings disposal, Adanac's timing could move up, Mr. Adie said.

In the meantime, approval by the B.C. government on the Stage Two environmental and social impact study is expected soon, Mr. Bennett said, with a "generally positive response from the Metals Mines Steering Committee."

He said the sewage and radiation issues (because of uranium in the tailings) have been resolved, with the Atlin community "won over" by Placer's study under the guidance of Terry Allen. He said Environment Canada has also commended the venture for defining the radiology issue.

NMINER
4 MAR 82

Placer has spent approximately \$3.7 million on the property through to Sept. 30, 1981. Technical work on the project is now complete. Movable reserves total 201 million tonnes grading 0.098% MoS₂ at a waste-to-ore ratio of 1.56 to 1. Higher grade core is available from within this volume for mining in the early years, Mr. Bennett said.

Adanac has now reached agreement with Johns-Manville Canada to extend the lease option for a similar period on whose land a minor portion of the deposits occurs. Placer has paid Adanac \$295,000 and will pay an additional \$889,000 before Dec. 31, 1985, to maintain the option on the property.

104N 11W
104N 052

NMNER 11 FEB 82

Adanac grants Placer 3-year extension

Adanac Mining and Exploration has granted Placer Development a 3-year extension to the option agreement on their Atlin molybdenum property. In order to earn a 70% interest Placer would have to make a production decision by Dec. 31, 1986.

Separately, Adanac is negotiating with Johns-Manville Canada, which owns a minor portion of the property, to extend that option for a similar period.

Placer won't conduct a final feasibility study until approval in principal has been received from the provincial government, says Adanac President Winslow W. Bennett. And he notes that molybdenum markets are currently under great pressure and drastic production cutbacks (including Placer's Endako Mines division, Canada's largest moly producer) have been announced.

Only geologic investigation of an exploration nature is planned for the project this year, he said.

RUBY CREEK MOLY
104N111W 104N 052

NMNER 4 MAR 82

Placer exploration same level as 1981

The Placer Development exploration program for 1982 will be approximately the same as last year's, which amounted to roughly \$18,000,000 (exclusive of joint ventures). In addition to the broadly based search for mineral prospects in the U.S., Canada, Australasia and other areas, it will involve continuation of work on a number of properties in advanced stages of exploration:

- The 100%-owned Kidston gold property in northeastern Queensland, Australia. Ore reserves are estimated in excess of 39,000,000 tonnes, proven and probable, at an average grade of 1.76 g gold and 2.06 g silver.

- In the U.S., the Golden Sunlight gold property was announced for development in 1981 and will commence production in 1983. On the Beluga coal project in Alaska, marketing and engineering studies are continuing.

- In western Canada, metallurgical tests will be continued on drill samples from the Howard's Pass lead-zinc property on the Yukon-Northwest Territories border. The B.C. government is expected to respond shortly to the Stage II Social, Economic and Environmental Impact Study dealing with the molybdenum property near Atlin, B.C. held under option from Adanac Mining and Exploration.

In addition, exploration will be continued on wholly-owned gold claims in northern Quebec and several gold and base metal properties in the Timmins mining district. Further exploration is also planned on prospects in New Guinea, including the Porgera gold property and on other prospects in Chile, Argentina and Colombia.

RUBY CREEK MOLY
104N111W
104N 052

2 N MINER
APRIL 81

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Expenditures of \$2 million spent on Adanac's Ruby Creek by Placer

VANCOUVER — Adanac Mining and Exploration's president Winslow Bennett reports that exploration expenditures totalled \$2 million during 1980 on the company's Ruby Creek molybdenum prospect 39 km from Atlin, B.C. A breakdown of that figure includes \$1.1 million for environmental studies and \$900,000 for geological drilling and other engineering work.

In the company's annual report, Mr. Bennett said the exploration program improved the definition of the existing ore zone, but it did not expand the previously determined minable reserves of 201 million tonnes grading 0.059% molybdenum. Approximately 270 million tonnes at a lower grade of 0.053% are classified as "geologic" reserves.

A stage-two environmental study, involving nine groups of consultants, should be completed and submitted for regulatory approval in March and a government study relating to tailings disposal and townsite construction will take another 3-4 months, he said.

Mr. Bennett believes the project is firmly supported by most segments of Atlin's population although he does admit some opposition still exists to the mine development. Much of the opposition relates to minute quantities of uranium which will be contained in tailings.

In December, 1978, Adanac optioned the Ruby Creek property to Placer Development, giving it the right to acquire a 70% interest in the prospect. Placer has spent over \$2.5

million on Ruby Creek since that time.

Adanac had a working capital of \$201,350 as of Dec. 31, 1980, compared to \$175,888 a year earlier.

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N MINER
5 MARCH 81

Placer drills Adanac

Placer Development's exploration staff of 60, is centred in Vancouver and administered by Vice-President, Exploration L. (Joe) Adie.

Diamond drilling and engineering studies continued on the molybdenum property of **Adanac Mining and Exploration** near Atlin, British Columbia. A total of 4,858 m of diamond drilling was completed in 27 holes in the area of mineralization.

Underground exploration commenced on the XY Central Zone at the Howard's Pass lead zinc property on the Yukon-Northwest Territories border. An adit was advanced 580 m. The mineralized zone was intersected 367 m from the portal and was continuous to the end of the tunnel. The underground program will be continued in 1981.

A program of wide-spaced diamond drilling on the **Highwood Resources** property in the Yellowknife area of the Northwest Territories has indicated a large tonnage of very fine grained columbium tantalum mineralization. Metallurgical testing is in progress.

In U.S. exploration emphasized molybdenum, tungsten, coal and precious metals. Work continued on the 100%-owned Golden Sunlight gold prospect in Montana. A final feasibility study is in progress.

Further drilling has established additional tonnages of low sulphur, sub-bituminous coal amenable to surface mining on the Beluga coal prospect in Alaska. Market investigations and technical studies on ways of utilizing the coal are continuing.

At the 51%-owned Aurora uranium property in Oregon, the environmental baseline study was completed and further metallurgical and plant site engineering was suspended pending an improvement in the uranium market.

In Chile, exploration activities have been carried on since 1976 under a joint venture agreement with Cia. Electro Metalurgica S.A.

Diamond drilling continues on the 100%-owned Kidston Gold prospect in northeastern Queensland, Australia. Preliminary calculations indicate that geological reserves exceed 60,000,000 tonnes. Recalculation of minable open pit reserves and a final feasibility study are under way.

In Papua New Guinea, 14,800 m of diamond drilling was carried out on the Porgera gold prospect in which Placer holds a 33% interest. Most of this work was concentrated in the Waruwari zone which has now been drilled on a 60-m grid. Minor values in zinc and lead occur with pyrite throughout the deposit. The Papua New Guinea Government has an option to take up to a 10% participating interest in the venture.

Also in Papua New Guinea, Placer completed a five-hole diamond drill program together with extensive surface sampling on its 47½% interest Misima Island gold/silver prospect.

RUBY CREEK

104N/11W
104N 052

GCN L #30 12-02-80 ADANAC MINING AND EXPLORATION LTD. 104N 052 104N/11W

PRODUCTION DECISION MAY - Adanac Mining and Exploration Ltd.'s annual meeting has been called BE MADE THIS MONTH for 6Mar80 at 10 a.m. in the Holiday Inn, Harbourside, Vancouver.

Nominees for election as directors are: Winslow W. Bennett, president and treasurer, owning 75,000 shares; Perry V. Eakin 225,000; Thomas E. Congdon, nil shs.; Martin P. Connell, nil shs.; John C. Lamacraft, nil shs.; John L. Nichol 10,000; William E. Whittall 100,000 - all currently serving - and Jas. S. A. MacDonald, nil shares - who is not a director at present.

As at 14Jan80, Adanac had 3,595,002 shares outstanding, of which the only holder of more than 10% was Conwest Exploration Company Limited with 775,506, being about 21.57% of those outstanding.

Mr. Bennett reports that, during 1979, a substantial work program was undertaken by Placer Development Limited on Adanac's Ruby Creek molybdenum property some 39 km by road from Atlin, NW B.C. F

In accordance with their 21Dec78 option agreement Placer paid Adanac \$100,000 in December 1979, to preserve the option through 1980 and spent \$1,396,550 on the property, more than sufficient to meet Placer's work requirements for 1979 and 1980.

Placer drilled 6,000 meters in 1979 in the Stage 1 pit area, the tailings area and the plant site. Environmental studies, community impact studies and investigation into the hydroelectric potential in the vicinity of Atlin were completed. Marketing discussions are in progress with major customers. Mr. Bennett says demand for molybdenum production from Adanac appears to be strong. Evaluation studies are now in progress with completion scheduled for February. A production rate of 14,000 metric tons of ore per day is presently envisioned.

Should Placer announce their intention to develop Ruby Creek into a mine, they will have earned 70% interest in the property. Adanac would then retain 30% interest by joint venture.

GCN L #172 05-09-80 ADANAC MINING AND EXPLORATION LTD. 104N/11W 104N 052

MOLYBDENUM DRILL PROGRAM CONTINUING - Adanac Mining and Exploration Ltd. president W.W.

Bennett states in the report for the 9 months ended 30Jun80 that the Ruby Creek molybdenum property at Atlin, B.C., under joint venture option to Placer Development, has undergone intensive work during the past several months. F

Over half of a 15,000-foot diamond drilling program to test the limits of mineralization is complete. The objective of the program is to obtain assay data for estimating accurate tonnages and grades for further economic evaluation studies. Results have provided a comprehensive understanding of the geology of the deposits, including some patterns of faulting which were previously unknown. A program of test pits and drill holes is under way to test the footings for a tailing dam.

A public participation program has begun in the community and is designed to present the Adanac project to the people of Atlin.

During the period the company spent \$64,247 on administration and ended the period with working capital of \$130,655.

N. Miner Jan. 4/79 p8

Placer options Adanac's moly

VANCOUVER — Placer Development has taken an option to acquire a 70% interest in Adanac Mining and Exploration's Ruby Creek molybdenum property near Atlin, B.C. 104N/11W; 1620

If the option is exercised, Placer will manage, and arrange financing for, the joint development of the property.

Under the agreement, Placer has paid Adanac \$80,000 and must fulfill a 1979 work commitment on the property of \$300,000. If Placer decides to maintain its option through 1980, it will pay Adanac \$100,000 and carry out another \$300,000 worth of work. The company will have earned a 70% interest at this point if it makes a production decision.

Placer may maintain its option and defer any production commitment before the end of 1982 by paying Adanac \$125,000 before 1981, \$125,000 before 1982 and \$150,000 before 1983.

On Nov. 10, 1978, Adanac estimated Ruby Creek's reserves in the range of from 60.6 million tons averaging 0.129% molybdenum disulphide to 104.2 million tons grading 0.16%.

104N-52

GCN 45 JAN. 9/78 ADANAC MINING AND EXPLORATION LTD. *just file 104N/11W*
JOINT VENTURE OFFER RECEIVED FROM PLACER - Adanac Mining and Exploration Ltd. president
DEVELOPMENT ON MOLYBDENUM PROPERTY Winslow W. Bennett has reported that the company has received an offer from Placer Development Limited relating to possible Joint Venture development of Adanac's Ruby Creek molybdenum property at Atlin, B.C. *104N/11W*

The Placer proposal contemplates payment of a modest sum to Adanac for an option expiring next month, during which internal studies will be carried out. Terms of the option include the earning by Placer of a 70% undivided interest in the property by means of a Joint Venture type of association with Adanac. If Placer Development Ltd. elects to proceed after February it will undertake to spend on exploration and development work the sum of \$300,000 by February 1979, and will provide an \$80,000 cash payment to Adanac. The option can be continued to February 1980 by Placer paying Adanac \$100,000 and committing to an additional \$300,000 of exploration and development on the property.

Effective at the opening 9Jan78, the shares of Adanac Mining and Exploration Ltd. will be reinstated for trading on the Resource and Development Board of the Vancouver Stock Exchange.

GCN # 220 16-NOV-78 ADANAC MINING AND EXPLORATION LTD. *104N/11W*
RIGHTS OFFERING DETAILED - W.W. Bennett, president of Adanac Mining and Exploration Ltd. says in a 10Nov78 report that the export producer price for molybdenum has risen from the Dec77 price of approximately \$4.50(US) per pound of molybdenum contained in the oxide form to approximately \$5.80(US) per pound of molybdenum contained in the oxide form in Oct./78. This current strength in the price of molybdenum contrasts with the \$1.92(US) level which existed in 1970/71 at the time of the Kerr Addison feasibility study on the company's Ruby Creek molybdenum property near Atlin, B.C. As a result, this property continues to be an attractive candidate for further work. Current estimates of the mineralized material reserves on this property range from 66,594,000 tons of 0.129% MoS₂ to 104,234,000 tons of 0.16% MoS₂.

He says that to ensure that the company has adequate funds to enable it to hold the Ruby Creek molybdenum property and to meet its commitments in respect thereof, it is offering to each of its shareholders of record on 10Nov78, the right to subscribe for 1 common share at 30¢ (Canadian currency) for each 8 common shares owned until 1Dec78. Total number of shares offered is 399,450. ~~Comwest~~ Exploration Company Limited has agreed to purchase at a price of 30¢ per common share, all of the common shares so offered that are not subscribed. Estimated net proceeds are \$109,835.

In the nine months ended 30Jun78 the company received \$20,000 in new funds, spent \$40,088 on exploration and administration and ended the period with a working capital deficit of \$14,841 when there were 3,191,602 shares issued.

ADANAC MINING AND EXPLORATION LTD. *104N/11W* PLACER DEVELOPMENT LIMITED *104N-52*

GCN # 247 27-Dec-78
DEAL STRUCK ON - Adanac Mining and Exploration Limited report the sale of an option for 70% MOLY PROPERTY interest in their Ruby Creek molybdenum property near Atlin, in NW B.C. to Placer Development Limited.

Under the agreement, Placer has paid Adanac \$80,000 and must conduct a \$300,000 commitment on the property in 1979. To maintain the option through 1980, Placer is to pay Adanac \$100,000 and spend another \$300,000 on the property. At this point, should Placer announce its intention to develop the property into a mine, it will have earned 70% interest. Placer may maintain its option and defer production commitment prior to the end of 1983 by paying Adanac additional sums of \$115,000 before 1981, \$132,250 before 1982 and \$152,000 before 1983.

On 10Nov78, Adanac estimated Ruby Creek's reserves of mineralized material in a range of 66,600,000 tons (60,400,000 metric tonnes) at 0.129% molybdenum disulphide to 104,200,000 tons (94,500,000 metric tonnes) at 0.16%.

NTS 104 N

N. Miner April 13th 1976

Norex to option Adanac Mining moly property *JK*

VANCOUVER - Adanac Mining and Exploration plans to grant Noranda Exploration Co. (Norex), subsidiary of Noranda Mines, an option to purchase its Ruby Creek molybdenum property near Atlin, B.C.

The two companies have reached an agreement on the deal which is subject to the approval of Adanac shareholders.

Under the agreement Norex has the option to purchase the property at any time within three years for a price of \$2,000,000. To maintain the option, Norex must spend \$35,000 on the property for the first year and a total of \$535,000 for the first two years. Norex also must pay Adanac \$25,000 a year and \$10,000 a year to Canadian Johns-Manville Co. in respect of option payments on claims owned by it in the Ruby Creek property.

If Norex exercises the option it must pay Adanac \$2,000,000 on exercise in which case it is not committed to place the property into production, or pay \$500,000 a year over four years, but is committed to put the property into production. In the event of production, Adanac will be entitled to royalty of 25% of net proceeds of production after payment of capital and operating costs and after provision by Norex for working capital.

NTS 104 N

GEORGE CROSS NEWS LETTER LTD. NO.117(1976) (Page Two)

JUNE 18,1976

ADANAC MINING AND EXPLORATION LTD.

PROPERTY AGREEMENT DETAILED - Adanac Mining and Exploration Ltd. president Winslow W. Bennett, has reported that, on 21Apr76, an extraordinary general meeting of shareholders approved an agreement with Noranda Exploration Company Ltd. of an option to purchase the company's Ruby Creek molybdenum property for a carried net profits interest of 25% and cash payments amounting to \$2,000,000. The option is on a staged basis whereby Noranda Exploration will make annual sustaining payments of \$25,000 and maintain the property in good standing during each year the option is effective. During the first stage of the option, \$35,000 will be spent in the first year on development work. In the second stage of the option during the second year, aggregate expenditures on development work are to be \$535,000. Development work expenditures are unspecified for the third and final option year. If the option is not exercised within three years, the property reverts to Adanac.

A detailed letter of intent has been executed, accompanied by the first sustaining payment by Noranda to Adanac.

Work by Noranda on the Ruby Creek property is scheduled for this summer. Further geologic work is involved, accompanied by the extraction of a bulk sample of ore which will be processed by Noranda in a Toronto facility.

In the six months ended 31Mar76, Adanac received no new funds, spent \$16,609 and ended the period with a working capital deficit of \$14,973.

(2)

ADANAC MINING AND EXPLORATION LTD.

NTS 104 N

NEW MAJOR COMPANY EXPLORATION - Winslow W. Bennett, president of Adanac Mining and Exploration
CONTRACT EXPECTED IN FEW WEEKS Ltd., told the annual meeting that farmout negotiations are
GCNL # 44 (1976) MARCH 4th well underway with a major mining company for the Ruby
Creek molybdenum property in the Atlin area, NW B.C. A new partner for the property has
been sought since the ground was returned by Climax last December.

Mr. Bennett said that directors are satisfied with the basic terms of this deal as set forth in the draft agreement. It will be described in detail when the transaction is firm. The contracts could be in a final form and the detail announcement made in the next few weeks.

Logically, ongoing development of the Ruby Creek deposit seems to belong to a major company, rather than by the company undertaking the project alone. Reasons for the need for a major are several. The physical plant will probably be a fairly capital intensive operation and will likely entail an end-product stage, namely roasting of concentrate to produce molybdic oxide for use in steelmaking. The marketing aspect thus becomes important, requiring the ability of a partner to market to steel mills and ferro alloy producers on a world wide basis, he said.

The Ruby Creek deposit requires revamping and updating of the Kerr Addison feasibility study, which was completed five years ago. The conclusions of this study were that the declining price of molybdenum together with high power and transportation costs in the Atlin area combined to make the property uneconomic at that time. Conditions have improved for molybdenum since 1971. Prices have risen considerably. One receives a distinct impression that molybdenum remains a growth metal and faces an excellent future in rapidly growing markets within the steel industry.

The meeting elected directors and approved the changes in the Memorandum and Articles as outlined in GCNL No. 28 (Feb. 11, 1976)

NTS 104 N

59-137 NE

GEORGE CROSS NEWS LETTER LTD. NO. 60 (1976) (Page Two)

MARCH 26, 1976

ADANAC MINING AND EXPLORATION LTD.

DEAL MADE ON ATLIN - As noted briefly in GCNL 59(76), Adanac Mining and Exploration Ltd. has
MOLYBDENUM CLAIMS reached agreement with Noranda Exploration Company Ltd. relating to
development of Adanac's Ruby Creek molybdenum property near Atlin, B.C. *Canadian deal*

The agreement, which is subject to the approval of Adanac's shareholders, provides for the grant to Noranda of an option to buy the Ruby Creek property at any time within three years after shareholder approval of the agreement for a price of \$2,000,000, provided that the option is then still in force. In order to maintain the option, expenditures on the property by Noranda shall be not less than \$35,000 for the first year, and not less than \$535,000 in total for the first two years, and Noranda must pay \$25,000 per annum to Adanac, and also \$10,000 per annum to Canadian Johns-Manville Co. Ltd. in respect of option payments on claims owned by it in the Ruby Creek property.

If Noranda exercises the option it must either pay Adanac \$2,000,000 upon exercise in which case it need not commit to place the property in production or pay \$500,000 per annum over four years, but commit to place the property into production.

If the property is placed in production, Adanac will be entitled to a royalty of 25% of net proceeds of production after repayment to Noranda of all capital costs (including preproduction expenses), operating expenses, and interest on such costs and expenses accruing from three years prior to start of production and after provision by Noranda for working capital.

An extraordinary general meeting of shareholders of Adanac will be held on 21 Apr 76 to approve the agreement.

GCNL #249 (Dec. 31/75)

ADANAC MINING AND EXPLORATION LTD.

NEW FINANCING SOUGHT FOLLOWING - Adanac Mining and Exploration Ltd. advise that discussion
RETURN OF PROPERTY BY CLIMAX with Climax Molybdenum Corporation of B.C. concerning
possible extension of their agreement covering Adanac's
Ruby Creek molybdenite deposit near Atlin, B.C., has been ended. Under this agreement
Climax is required to give production notice by Dec. 31, 1975 or return the property to
Adanac. Climax has stated that it will choose the latter course. Negotiations to secure
interim financing for Adanac are underway.

ADANAC MINING AND EXPLORATION LTD.

GCNL #28 Feb 11/76

ANNUAL REPORT REVIEWS - Negotiations are in progress concerning terms under which Adanac
STATUS OF MoS₂ PROPERTY Mining and Exploration Ltd. could farm out their Ruby Creek moly-
bdenite deposit in Atlin area, NW B.C. In reporting this, Winslow
W. Bennett, president, says directors feel that it would be desirable to have work continue
toward a production commitment at the earliest time that circumstances permit. He says, "We
desire partnership with a major operating company which has not only the capability to handle
long-term molybdenum marketing arrangements, but also would make a good partner." Should the
negotiations not produce an acceptable deal, an arrangement is available to provide financing
to Adanac through private sale of treasury shares. This would enable Adanac to hold the claims
and to pay administrative costs during an intermediate waiting period.

Currently, says Mr. Winslow, it is intended that Adanac do no further work on Ruby Creek
toward definition of grade correlation as this more logically needs doing by a major company
in the process of revamping and updating the Kerr Addison feasibility study which was com-
pleted in early 1972. The Kerr study concluded that, in view of high transportation and power
costs and the declining world price for molybdenum, the return on investment was insufficient.
Since then, capital and operating costs have escalated but so have molybdenum prices, thanks
to a strong market for this metal.

As reported in late December, discussions had been discontinued between Adanac and Climax
concerning a possible extension of their agreement that required Climax to give production
notice by the end of 1975 or return the property to Adanac. Directors of Adanac felt that the
Climax proposal for an extension was not indicative of a real need by Climax for additional
molybdenum reserves.

Mr. Winslow notes that, cash reserves being low, the directors' decision whether to
finance and hold for the time being a 100% interest, or whether to recommend acceptance of
another farmout will be made soon.

At the annual meeting on 3Mar76 at 10:30 a.m. in Holiday Inn Harbourside, Vancouver,
proposals will be considered to convert from a specially limited to a limited company with
updated Memorandum that deletes restrictions on the types of business the company can conduct.

Management nominees for election as directors are the president, Mr. Bennett, owning
30,000 shares; John D. Pelletier, v. pres., 1,000; Perry V. Eakin, 260,000; Thos. E. Congdon, nil
shs. and Martin P. Connell, 10,000 -all of whom are currently serving and John C. Lamacraft, nil
shs. -who has not served before.

Adanac received \$1,496 in new funds in the year to 30Sep75. Applied were \$24,617 on
administration chiefly \$12,000 management fees to Equity Mining Capital Limited. Working
capital was \$1,637 at 30Sep75 when 3,195,602 shares were outstanding, unchanged at 15Jan76.