

# George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

NO.104(1959)

JUNE 1, 1959

COWICHAN COPPER COMPANY LIMITED

\$2,500,000 WON TO DATE CAME - Underground  
FROM FRACTION OF KNOWN ZONE work and sur-  
face expos-

ures at Cowichan Copper Mine, Vancouver Is-  
land, have indicated that the main mineral-  
ized zone has a length of 3500 feet.

Since milling started in January 1958,  
mining from within only 20% of the zone as  
shown on the accompanying map has yielded  
copper concentrates to gross value of  
\$2,245,745.

This is the gross value of 13,835 dry  
short tons actually shipped to Japanese metal  
buyers, calculated at the New York export  
price on date of delivery.

Proceeds of shipments have put the company  
well on the road to financial independence,  
says O.G.MacDonald, president. Earnings have  
paid for close to \$600,000 in capital assets,  
\$200,000 for mine development and \$300,000  
for a deep sea dock and potential revenue  
waterfront property. The only obligation  
outstanding other than current operating  
accounts is about \$60,000 still to pay off  
on the loan incurred to build the wharf.

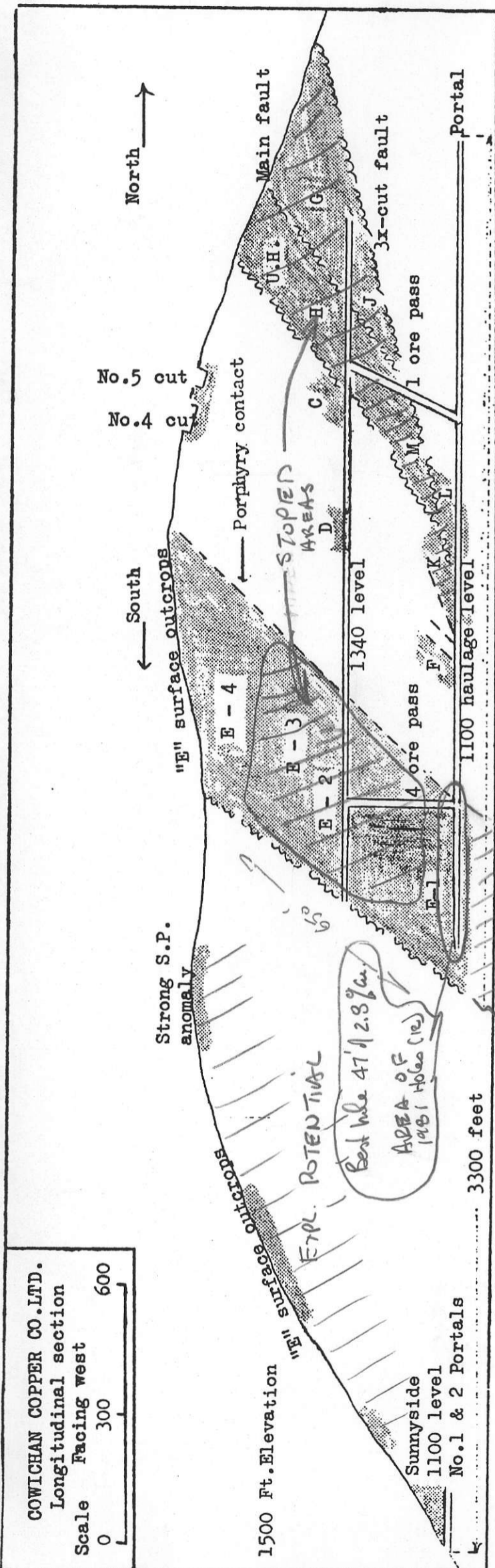
Mr.MacDonald says that the emphasis must  
continue to be on underground development  
and exploration because this work was ser-  
iously curtailed during the year devoted to  
mill installation and the subsequent year  
which was the initial production period.

It was necessary to give priority to pay-  
ing off heavy financial commitments incur-  
red at a time when equity financing was in-  
advisable because of a prolonged decline in  
the price of copper which, fortunately,  
proved to be temporary.

Working capital needs were met by an ar-  
rangement with the buyers of concentrates  
whereby they made cash advances against  
future shipments. This arrangement was ter-  
minated on March 15, 1959. Now on the verge  
of financial independence, Cowichan also  
has 1,000,000 unissued shares in its treas-  
ury. The president says negotiations with  
Japanese interests for possible participa-  
tion in other developments in the area in  
association with Cowichan are being active-  
ly pursued.

An appreciation of the ore potential re-  
maining to be developed in the ore zone  
which has furnished all the ore to date may  
be gained by study of the accompanying long-  
itudinal section, facing west. It will be  
noted that from north to south, underground  
work and surface exposures have indicated  
a mineralized zone 3500 ft. long. With the  
one exception of the "L" orebody, all ore  
developed so far has been above No. 3-X-cut  
fault (shown by wavy line at extreme right.)

Continued on Page 2



COWICHAN COPPER CO. LTD.  
Longitudinal section  
Scale Facing west  
0 300 600