

671119

INTERIM ENGINEERING REPORT

RACING RIVER MINES LTD..

Chordhill  
Copper  
Mining  
Co Ltd  
94K/11

May 18, 1967

Tuchodi Lakes properties,  
Liard Mining District,  
Fort Nelson, B.C..

Racing River Mines Ltd.,  
48 - 845 Hornby St.,  
Vancouver, B.C..

Dear Sirs;

The Racing River Mines properties at Fort Nelson were visited recently by one of the Company's Directors and by the writer. One week was spent on the properties. An additional geological examination and the samples were taken by the writer from the massive copper bearing sulphides which are exposed in the Creek over a distance of 400 feet and strikes N 30 E. One strong EM anomaly is present nearby this sulphides showing within Kid No. 3 mineral claim. The sulphides were injected into the zone of strongly faulted dark grey Palaeozoic limestone nearby the contact with the Cambrian quartzite.

The samples were assayed by J.R. Williams & Son Laboratory in Vancouver.

The assay returned from these samples shown in average 39% of sulphur, plus some values in copper, gold, silver, Moly and iron.

It is extremely interesting to note that above assayed sulphides contain also a good commercial grade of sulphur as by-product of these copper deposits.

The high grade copper mineralization is existing in the vicinities of the similar geophysical anomalies from where assay returned shown 4.43% of copper.

One of such type anomaly extends into the area of the above described sulphides showing. This an impressive anomaly is located only 600 feet southwest from this copper bearing sulphides showing.

Another gasson has been found recently at a distance about 100 feet northeast from the same sulphides showing.

The writer is estimated that there are 310,000 tons of the visible and a potential 10 - 15 million tons of a commercial grade of sulphur as by-product of these copper bearing sulphides deposits discovered at the property examined.

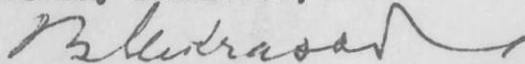
The price of sulphur is at all time high and this trend has a good chance to continue. A new effective method of extraction of sulphur actually is already established.

Four independent engineers and geologists recommended a large exploration program on the properties recently examined by the writer.

A favourable geological structure and the assays are indicative of a good copper and sulphur mineralization that might will be improve at depth.

An initial drilling program has been outlined to test the anomalies and to further determine the grade, size and tonnage of the known copper - sulphur zones of mineralization.

Respectfully submitted,



By: Boris A. Nekrasov, D. Sc., MCIM.,  
Member of the Engineering Institute of Canada,  
Consulting Geological Engineer.  
P.O. Box 491, Stn. A, Vancouver 1, B.C..

For: RACING RIVER MINES LTD.,  
Vancouver, B.C..

## RACING RIVER FORTUNES .IN SULPHUR??

We are particularly interested and pleased to bring to your attention some important news concerning the sulphur potential at RACING RIVER MINES LTD. We have received an interim engineering report from their consulting geologist to the effect that there is a potential 10 - 15 million tons of a commercial grade of sulphur as a by-product of the copper bearing sulphide deposit at the property examined (Kid and Nanny groups of mineral claims). There was a 39% average sulphur content for the samples assayed. We understand that a 20% sulphur content is considered to be an economic deposit. Sulphur is at an all-time high and the current boom in the sulphur industry shows no signs of abating. The regular price is approximately \$35.00 per ton, although because of the acute shortages there is understood to be a "black market" price in some quarters considerably in excess of \$55.00 per ton. The company consultant also writes that there is an estimated visible 310,000 tons of sulphur (over and above the potential multi-million tonnage of ore) which suggests a gross valuation in the order of some \$10,000,000.00. It could well be that the sulphur by-product is capable of producing more dollars than the copper content. In any event, the two combined certainly looks really attractive to us. A feasibility study of this situation should turn up some mighty interesting figures.

Over and above the information taken from the consultants report, we quote his closing four paragraphs:

"The price of sulphur is at all time high and this trend has a good chance to continue. A new effective method of extraction of sulphur actually is already established.

Four independent engineers and geologists recommended a large exploration program on the properties recently examined by the writer.

A favorable geological structure and the assays are indicative of a good copper and sulphur mineralization that might well be improved at depth.

An initial drilling program has been outlined to test the anomalies and to further determine the grade, size and tonnage of the known copper - sulphur zones of mineralization."

## GEOLOGY

### PHYSIOGRAPHY:

The creek bottoms which on the Racing River reach an elevation of about 2000 feet near the Alcan Highway are filled with gravel and some slide material. These streams, which are aggrading, show braided drainage in some areas.

The mountain peaks, which attain a height of almost 8000 feet, are capped with glaciers. They are also dissected by cirques, which are divided by serrated ridges. Many of these cirques contain tarn lakes and piles of rock slide material.

The general terrain is alpine in aspect with many sheer walls on the mountain sides, which is typical of erosion on uplifted sedimentary rocks. On the face of many of these scarps are traced the bedding planes, which are flat, or nearly so, in some instances. In other instances, they show complicated folding in the shape of monoclines. The more competent rocks, such as the quartzites and dolomites, are broken up in blocky shapes by normal faulting.

### LITHOLOGY:

#### Summit Lake and Toad Areas

Age	Formation Name	Description
Middle Triassic	Liard	Crystallized Limestone Limestone and shale Sandstone and shale

#### Unconformity

Cretaceous	Garbett	Ferrous and siliceous shale Soft black shale with clay nodules
Mississippian	Kindle	Sandstone and shale
Upper Devonian	Ramparts	Dark fine-grained limestone interbedded chert Contains stromatoperoids, brachiopods and corals
Lower Devonian	Fort Creek	Black shale weathered with yellow stain
	Muncho	Quartzitic sandstone with quartzite
	McConnel	quartzite
Silurian	Ronning	Dark grey siliceous dolomite with some black shale. Contains stromatoperoids
Cambrian or Precambrian		Quartzite

The Precambrian quartzite provides a durable platform on which the softer dissected sandstones and shales exist as outliers. The rampart limestones stand out on the higher peaks as characteristic scarps of a dull grey color. The younger series such as the Garbett are found at the higher elevations in the southern part of this area.

### Mineralization

The mineralization is controlled by the presence of the more resistant diabase dikes and sequential or preliminary faulting. Most of these areas are capped by a gossan composed mostly of iron carbonates. The dikes are schistose and contorted at these locations and greatly altered with pyrite replacement. The other sulphide minerals present are usually bornite and calcopyrite. A characteristic bloom may accompany the alteration and is white or saffron in color.

### Structural Geology:

At least three regional faults extend through the area in northwest to southeast direction. These faults are nearly vertical in attitude. These are transcurrent faults of regional nature and are adjustments to the more competent rocks which have been upthrust and folded into the Rocky Mountain ranges.

There is subsidiary faulting of a more local nature which is north-south, or nearly so, in direction. These are nearly vertical in attitude.

Thrust faults are also present in the area with large movements. They have a lower attitude than the other faulting.

In the less competent rocks folding has taken place forming prominent monoclinical structures. Synclinal and anticlinal folding is present in the northern part of the area.

The contact between the older precambrian quartzites and the younger paleozoic sandstones, shales and limestones can be followed for many miles through the area. It is most prominently displayed along the Racing and Delano Creeks.

### Property Geology:

#### 1. BILLY GROUP

The Billy Group is traversed by a transcurrent fault and is on the east limb of a synclinal fold. Quartzite sediments dip from 14° West to 31° East. One E.M. Anomaly was located here.

#### 2. GANG GROUP

The Gang Group lies near a transcurrent fault.

#### 3. KID GROUP

The Kid Group is traversed by a transcurrent fault and is on the contact between old quartzites and younger paleozoic rocks. (See map page 30).

There is subsidiary shearing, much alteration and a basic dike extending northeast to southwest with a dip of 15 degrees toward the northwest. Mineralization consists of massive pyrite and disseminated calcopyrite and bornite. The stratigraphy below the mineralized location is obscure because of vegetation and talus material, but consists of tightly folded limestones and sandstones abutting on a vertical fault. The gossan is well exposed in the stream running down the mountainside. An E.M. anomaly was located here.

#### 4. GOAT GROUP

The Goat Group contains subsidiary faulting with diabase dikes. It is situated on the west limb of an anticlinal structure. The two E.M. anomalies located here are also on strike with the Lemjay showings, which contain economic deposits of copper ore. These are in a monoclinical fold in quartzite sediments.

#### 5. MOOSE GROUP

The Moose Group which is part of the Goat and Paul Groups has an E.M. Anomaly. There are limestone sediments overlying a disconformity with underlying quartzites.

6. PAUL GROUP

The Paul Group contains slightly folded quartzite sediments with a gossan clearly shown; this coincides with an E.M. anomaly.

7. NANNY GROUP

The Nanny Group has two E.M. anomalies in a diabase dike. The sedimentary series consists of quartzites dipping 30 degrees southwest. There is also a steep dipping fault with limestone sediments overthrust toward the west. A gossan is prominently displayed in this group.

8. GORDON GROUP

The Gordon Group is traversed by a transverse fault and two subsidiary shear zones.

9. SAM GROUP

The Sam Group is traversed by a transverse fault and a subsidiary shear zone. The sedimentary rocks consist of flat lying shales with a gossan at the site of an E.M. anomaly.

10. The site of the Churchill Mine, which produced an E.M. anomaly has shales dipping 29' toward the east.

11. GO GROUP

The Go Group is underlain by 38 degree west dipping sandstones with some diabase dikes present. There is also some overthrust folded structures in dolomite and quartzite.

12. MILLER GROUP

The Miller Group is underlain by sandstones dipping 44 degrees toward the west. Some diabase dikes are also present.

**Mineralization:**

The copper mineralization occurs in competent rocks that have been sheared and impregnated by diabase dikes. These basic green dikes are intimately related with quartz carbonate vein structures. These consist for the most part of fissure veins which contain calcopyrite. Float of this type was picked up on the Nanny Group which assayed 5% copper. Massive calcocite-bornite float picked up on the Kid Group assayed 57.47% copper.

**RECOMMENDATIONS**

The Kid Group which is most accessible should be diamond drilled first. While this is being done the Nanny Group can be prospected for mineralization in shattered quartzites subsequent to diamond drilling. The other groups may then in turn be further prospected and drilled.



6 PAUL GROUP

The Paul Group contains slightly lobbed quartzite sediments with a gossan clearly shown; this coincides with an E.M. anomaly.

The proposed budget for this work would be:

7 NANNY GROUP

The Nanny Group has two E.M. anomalies in a diabase dike. The sedimentary series consists of quartzites dipping 30 degrees southwest. The steep dipping fault with limestone sediments over-thrust toward the west. A gossan is prominently displayed in this group.

**STAGE I**

**Kid Group**

Diamond Drilling 4,000 feet at \$12.50 per foot	\$50,000.00
Access Roads	20,000.00
Transportation during operation	5,000.00
Food and Lodging allowance (\$7.00 per day)	7,000.00
Assaying Au. Ag Cu.	2,000.00
	\$84,000.00

**STAGE II**

**Nanny Group**

Diamond Drilling—4,000 feet at \$12.50 per foot	50,000.00
Access Road	19,000.00
Transportation during operation	5,000.00
Food and Lodging (\$7.00 per day)	7,000.00
Assaying Au. Ag Cu.	2,000.00
	\$83,000.00

**TOTAL EXPENSES** **\$167,000.00**

RECOMMENDATIONS

The Kid Group which is most accessible should be diamond drilled first. While this is being done the Nanny Group can be prepared for mineralization in lighted quartzites subsequent to diamond drilling. The other groups may then in turn be further prospecting and drilled.

## SUMMARY

The original staking included the Gordon, Sam, Nick, Abe, Gert, Go, Miller and Walter Groups. These comprised a total of 300 claims. An additional 47 claims were staked to tie on the Sam Group and are called the Ram Group. Only one E.M. anomaly was discovered in regard to this staking. Other staking was carried out on the basis of other E.M. anomalies and favourable geological structures. These groups are called the Nanny, Kid, Goat, Paul, Moose and Billy Groups. These comprise in all a total of 142 claims.

These claims, which have access from the Alcan Highway by way of the Racing Creek road, are located between 58° 15' and 58° 45' latitude, 125° 00' and 125° 15' longitude. Not all groups are accessible by road at present, but could be made so with some preliminary work.

At present, aside from the air support E.M. survey and geological reconnaissance, some preliminary exploration has been done on claims 3 and 4 of the Kid Group. This has consisted of drilling and blasting out the slide material on a Gossan location. Some sulphide mineralization occurs here as well as some of the other surveyed locations. The principal metal expected to be found is copper.

A budget of \$300,000.00 has been set to further explore the claim groups that have been recently staked. These will be assessed underground and at the surface with diamond drilling to find economic values that will be in sufficient quantity to warrant mining for copper ore.

## LOCATION OF THE PROPERTY

The property under consideration consists of claims staked and recorded in the Liard Mining District and along Racing River. The claim groups are south of Mile Post 420, which is 120 miles west of Fort Nelson, British Columbia, at Latitude 58°N and Longitude 124°W.

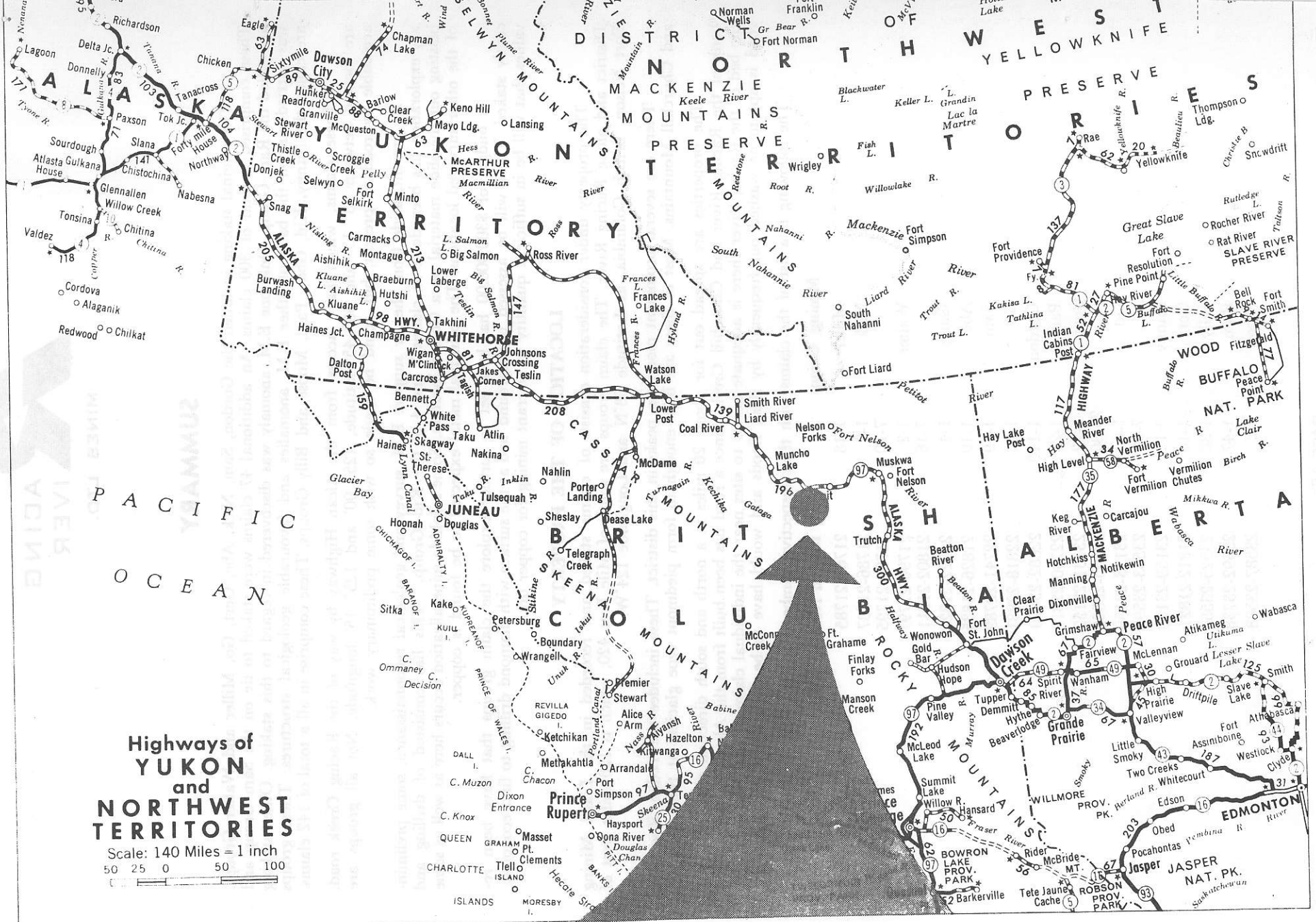
There are several prominent mountain peaks in this district. These include the Yedhe, Roosevelt and Churchill Mountains. Most of these are high enough to form piedmont type glaciers at their peaks.

The properties are spread out for about 20 miles in a north and south direction along the west bank of the Racing River and Churchill Creek. Since a road has been built from the Alcan Highway along the bed of the Racing River there is adequate access to sites near the individual claim groups. However, this road is apt to be washed out frequently by flash floods and would have to be maintained continuously.

The following is a list of the claims with their respective numbers:

Mining Group		Record Nos.
Miller	1-18	21768-21785
Nick	1-2	21786-21787
	7-10	21792-21795
Walter	1-2	21796-21797
	7-16	21802-21811
Gang	1-4	21822-21825
Abe	1-10	21826-21835
Sam	1-49	22741-22789
Go	1-63	22818-22881
Gordon	1-140	22882-23020
Paul	1-28	22790-22817
Goat	1-22	23131-23152
	23-30	23555-23562
Kid	1-6	23153-23158
	7-30	23563-23595
Nanny	1-12	23159-23170
Gert	1-10	21812-21821
Billy	1-30	23525-23554
Ram	1-47	23692-23738
Moose	1-2	23587-23588

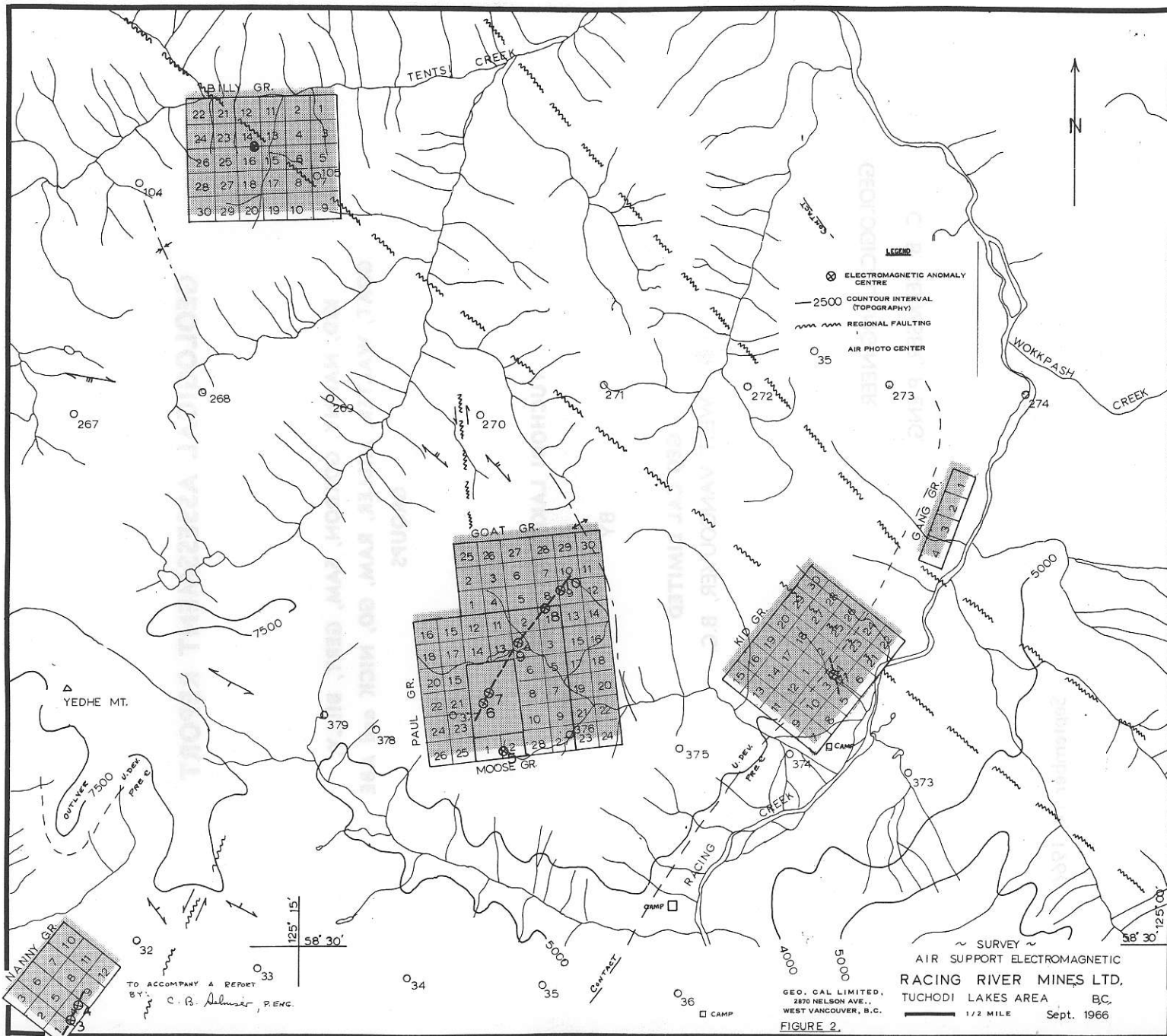




**Highways of  
YUKON  
and  
NORTHWEST  
TERRITORIES**

Scale: 140 Miles = 1 inch  
50 25 0 50 100

**RACING RIVER MINES LTD.**



**GEOLOGICAL ASSESSMENT REPORT**

**KID, NANNY, GORDON, SAM, GERT, BILLY,  
GOAT, WALTER, MILLER, RAM, GO, NICK and ABE  
GROUPS**

**TUCHODI LAKES DISTRICT, B.C.**

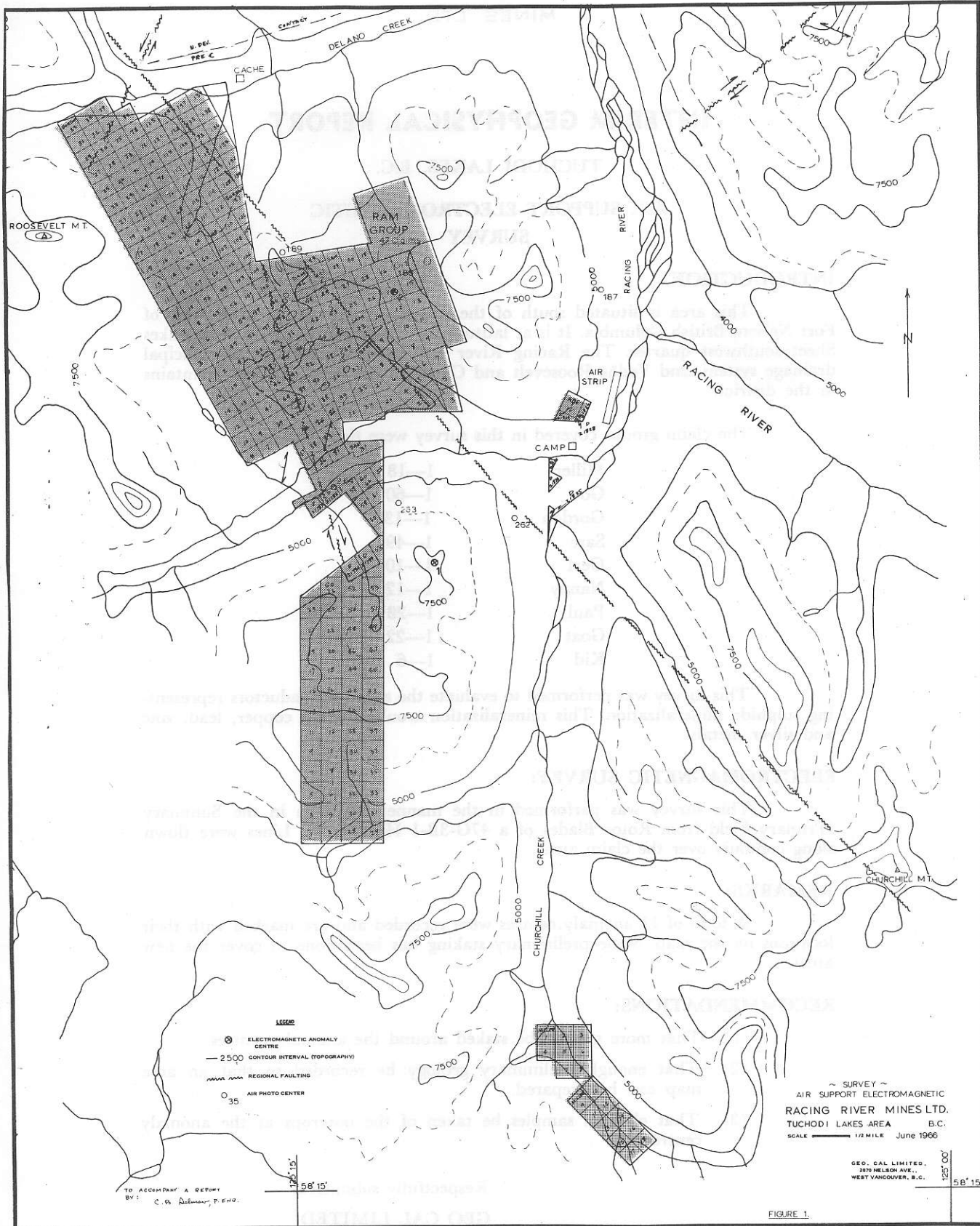
**BY**

**GEO CAL LIMITED  
WEST VANCOUVER, B.C.**

**GEOLOGICAL ENGINEER**

**C. B. SELMSER, P.ENG.**

**September 14, 1966**



## **INTERIM GEOPHYSICAL REPORT**

**TUCHODI LAKES, B.C.**

### **AIR SUPPORT ELECTROMAGNETIC SURVEY**

#### **INTRODUCTION**

This area is situated south of the Alaskan Highway, 90 miles west of Fort Nelson, British Columbia. It is at latitude 58°, longitude 124°, Tuchodi Lakes Sheet southwest quarter. The Racing River and Delano Creek is the principal drainage system, and Yedhe Roosevelt and Churchill are the principal mountains in the district.

The claim groups covered in this survey were the following:

Miller	1—18
Go	1—60
Gordon	1—139
Sam	1—49
Gert	1—10
Nanny	1—12
Paul	1—28
Goat	1—22
Kid	1—6

This survey was performed to evaluate the area for conductors representing sulphide mineralization. This mineralization would include copper, lead, zinc and silver metals.

#### **ELECTROMAGNETIC SURVEY:**

This survey was performed in the manner set forth in the Summary (Primary Field from Rotor Blades of a 47G-3B-1 Helicopter). Lines were flown along contours over the claim areas.

#### **REMARKS:**

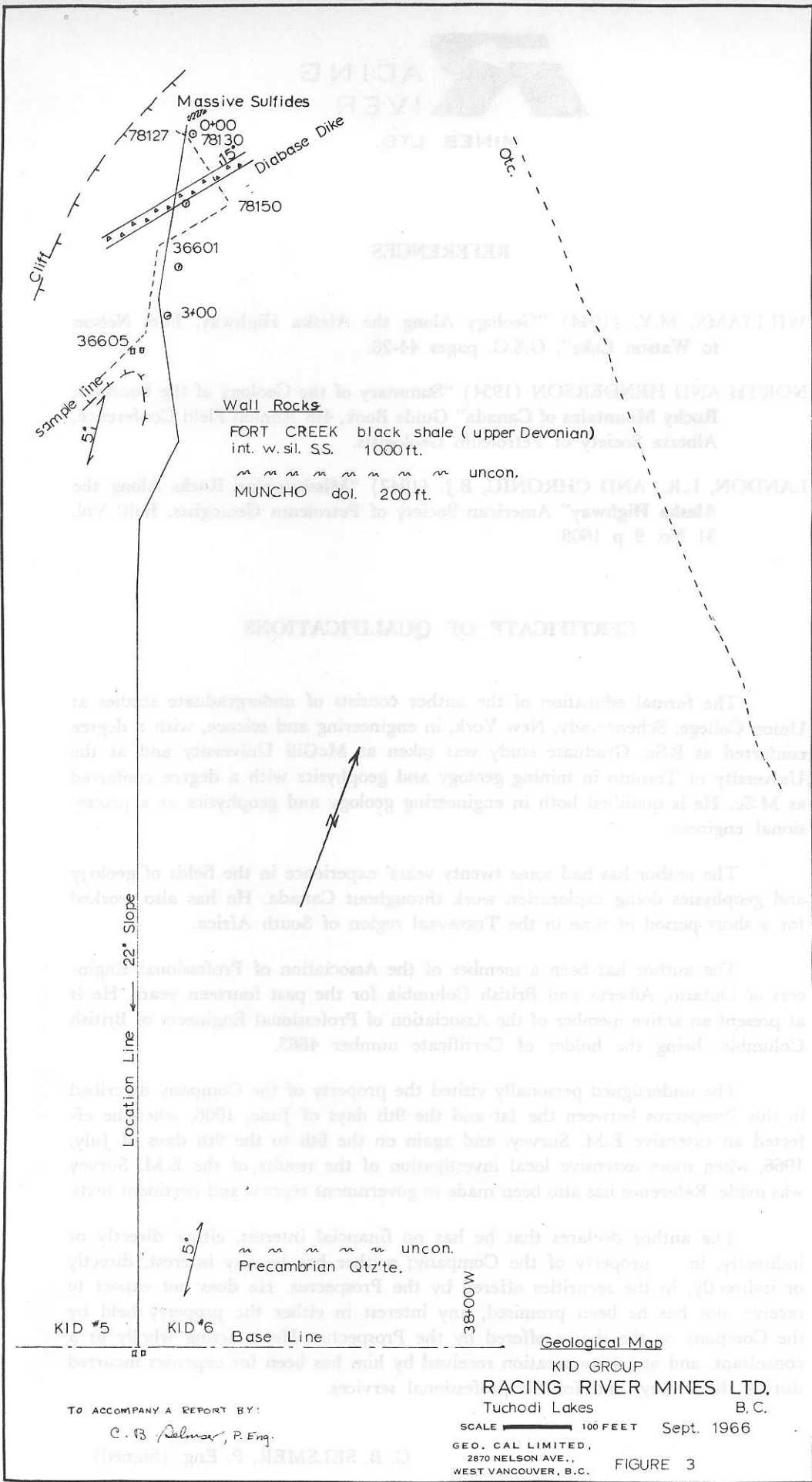
A total of 11 anomaly centres were recorded and are marked with their locations on the map. Some preliminary staking has been done to cover the new areas.

#### **RECOMMENDATIONS:**

- (1) That more ground be staked around the anomaly centres.
- (2) That enough preliminary geology be recorded so that an area map can be prepared.
- (3) That channel samples be taken of the outcrops at the anomaly centres.

Respectfully submitted,  
**GEO CAL LIMITED**

C. B. Selmser, P. Eng. (Signed)



Wall Rocks  
 FORT CREEK black shale ( upper Devonian)  
 int. w. sil. SS. 1000ft.  
 ~ ~ ~ ~ ~ uncon.  
 MUNCHO dol. 200 ft.

KID #5

KID #6

Base Line

36+00 W

Geological Map

TO ACCOMPANY A REPORT BY:  
 C. B. Selmer, P. Eng.

KID GROUP  
 RACING RIVER MINES LTD.  
 Tuchodi Lakes B.C.  
 SCALE 100 FEET Sept. 1966  
 GEO. CAL LIMITED,  
 2870 NELSON AVE.,  
 WEST VANCOUVER, B.C. FIGURE 3

#### REFERENCES

- WILLIAMS, M.Y. (1944) "Geology Along the Alaska Highway, Fort. Nelson to Watson Lake", G.S.C. pages 44-28.
- NORTH AND HENDERSON (1954) "Summary of the Geology of the Southern Rocky Mountains of Canada" Guide Book, 4th Annual Field Conference, Alberta Society of Petroleum Geologists.
- LANDON, L.R., AND CHRONIC, B.J. (1947) "Mississippian Rocks Along the Alaska Highway" American Society of Petroleum Geologists. Bull. Vol. 31 No. 9 p 1608.

#### CERTIFICATE OF QUALIFICATIONS

The formal education of the author consists of undergraduate studies at Union College, Schenectady, New York, in engineering and science, with a degree conferred as B.Sc. Graduate study was taken at McGill University and at the University of Toronto in mining geology and geophysics with a degree conferred as M.Sc. He is qualified both in engineering geology and geophysics as a professional engineer.

The author has had some twenty years' experience in the fields of geology and geophysics doing exploration work throughout Canada. He has also worked for a short period of time in the Transvaal region of South Africa.

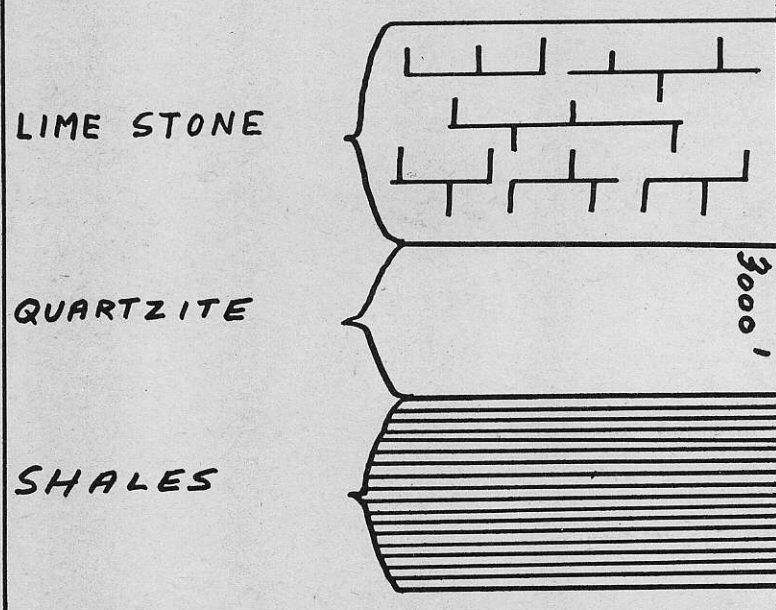
The author has been a member of the Association of Professional Engineers of Ontario, Alberta and British Columbia for the past fourteen years. He is at present an active member of the Association of Professional Engineers of British Columbia, being the holder of Certificate number 4683.

The undersigned personally visited the property of the Company described in this Prospectus between the 1st and the 9th days of June, 1966, when he effected an extensive E.M. Survey, and again on the 6th to the 9th days of July, 1966, when more extensive local investigation of the results of the E.M. Survey was made. Reference has also been made to government reports and pertinent texts.

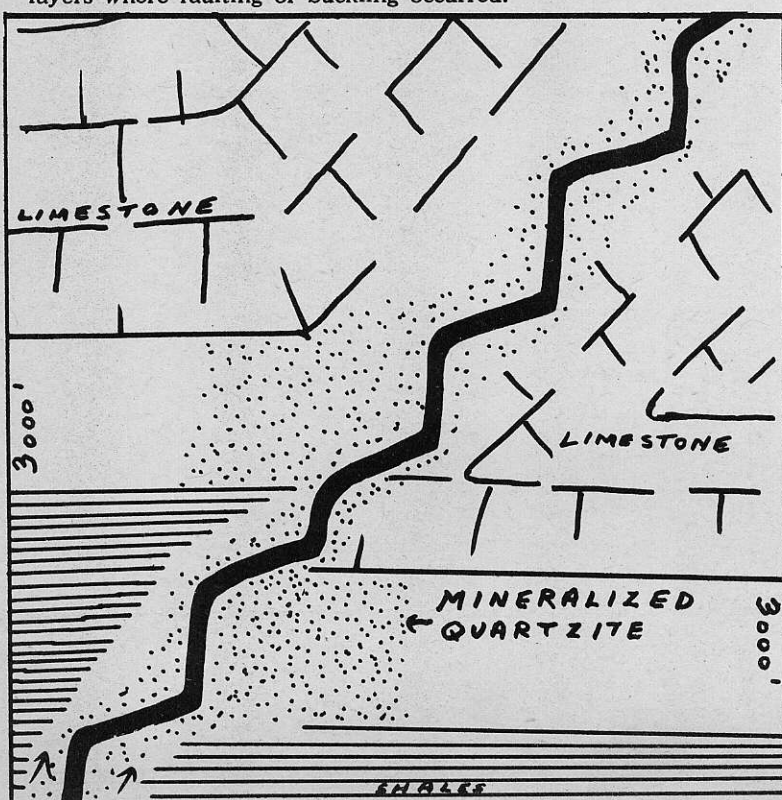
The author declares that he has no financial interest, either directly or indirectly, in property of the Company; neither has he any interest, directly or indirectly, in the securities offered by the Prospectus. He does not expect to receive, nor has he been promised, any interest in either the property held by the Company or the shares offered by the Prospectus. He is acting wholly as a consultant, and any remuneration received by him has been for expenses incurred during the survey, and for his professional services.

C. B. SELSMER, P. Eng. (Signed)

## ORIGINALLY UNDISTURBED BEDS



THIS DIAGRAM illustrates a cross-section view of the earth layers where faulting or buckling occurred.



HERE THE FAULTING has occurred shattering the 3,000-foot deep band of quartzite and dispersing the mineral-bearing lava throughout it. The shattering may extend in the band 200 to 500 feet from the fault.

## RACING RIVER WORKS ON GEOLOGIC THEORY

A geologic theory that has proved true in some of the world's largest copper mines is the basis for the diamond drilling program planned by Racing River Mines Ltd. on its copper prospect 120 miles west of Fort Nelson, B.C.

The theory is illustrated in the adjoining diagrams showing cross-sections of earth layers before and after faulting.

The soft limestones fold and buckle during faulting, shooting upwards to form mountains. The quartzites underlying the limestone are extremely hard

and brittle. During faulting the quartzites shatter leaving it extremely porous. They often protrude to the surface.

The theory is that the mineral bearing lava which caused the buckling works its way through the fault solidifying in the air pockets of the highly fractured quartzites.

This procedure has appeared to have taken place in many of the world's larger copper deposits. All have several basic external characteristics.

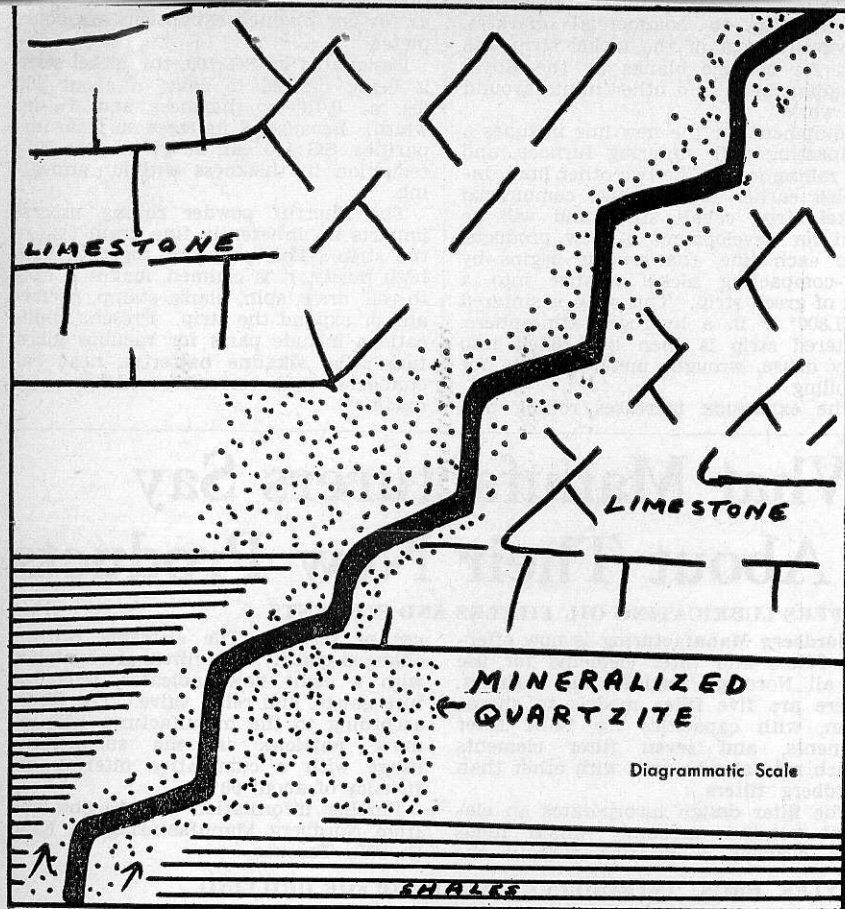
The Kid Group of claims of Racing River Mines has a situation which contains the needed characteristics, namely high-grade copper showings and certain geologic features of the terrain.

The band of quartzites on the Kid Group have been observed to be 3,000 feet in depth.

Samples have been taken from the property showing copper values up to 50 percent. A surface strike length of 850 feet has been exposed indicating that an open pit operation would be feasible if mineralization persists to depth.

The company has estimated that the mineralized band will be 400 to 1,000 feet wide according to the fracture theory.





A contract has been let to Cameron McCutcheon Drilling Limited for a minimum of 8,000 feet of deep drilling in at least four holes at its Kid group of claims, 120 miles west of Fort Nelson, B.C. The work will commence, weather permitting, ~~in~~ this year and will test a possible fault structure. This fault structure appears to be upthrust from the southwest in at least two sections.

At this locality Precambrian quartzites are closely associated with Upper Devonian black shales. This could mean a vertical displacement of at least 3,000 feet and would provide a junction point for deep lying mineralizing solutions to localize and deposit sulphide minerals such as chalcopyrite. Massive deposits of sulphides have already been exposed at the location by blasting operations.

At about the same time that the faulting took place diabase in a molten condition was squeezed into the location to form a complicated system of dikes. Since the dike contains no sulphide, it may have been intruded just after the mineralization. Also the quartzites being more brittle than the shales would shatter with the faulting movement and provide better porosity for the deposition of sulphide mineralization.

The Consultant Geologist for Racing River Mines Ltd. endorses this theory, from his experience in other copper mining operations throughout the world. Mr. C. B. Selmser, P.Eng., who has been consulting on this property in its initial stages, and has followed the development on the Kid group to its present stage, advises that deep drilling may uncover satellitic bodies of sulphides of copper with considerable economic importance.

The exploration in this general area, which has provided float samples of high secondary mineralization with as much as 57.47% copper and primary chalcopyrite with 5% copper, has associated this mineralization with the diabase dikes which traverse this region.

Since the Kid group is accessible from the road to the Alaska Highway the mining operation would be carried out using open cast or bench excavation. With a low cost mining operation and high values of copper, any high transportation costs could be discounted.

The executive office of Racing River Mines Ltd. is located at  
**ROOM 48, 845 HORNBY STREET, VANCOUVER 1, B.C.**

W. E. Kleinhout - Geophysicist - Report September 5th, 1966.

"Pertinent quotes in part" - Full Report on File.

Recently I was made aware of a report by John Randolph Vail "Geology of the Racing River area" - that covers our locality extensively. It was a pleasant surprise to find that others had arrived at the same conclusion about the mine-making potential of the quartzites in that area ----- It is apparent that Racing River Mines properties have a better than average chance to turn into producers ----- Quartzites, even more competent, and thus more fractured than dark dykes occur in great thicknesses and ought to be better hosts for sizable deposits. ----- Thus the recognition of this major feature is of importance economically and might be regarded as a large scale regional ore control ----- The Kid Group should be drilled as soon as possible. This group is easily accessible and the indications are such that a major copper find could be anticipated.

---

Mr. Boris A. Nekrasov - M.E.I.C. Report - February 11th, 1967

"Pertinent quotes in part" - Full Report on File.

A total of eleven (11) anomalies were recorded within the Kid, Goat, Nanny and Sam groups ----- These anomalies are closely related to the structural feature within the mineralized zones of the reversed major faults ----- it is partly explained by visible evidences such as the outcrop of the copper bearing iron sulphides and topographical variation which is clearly distinguished on the air photos under stereoscope ----- without doubt the most interesting feature revealed by W. E. Kleinhout was the evidence of the existence of these steep dipping faults crossing the area roughly transversally from Northwest to Southwest ----- The geophysical work completed on these claims shows that the property has interesting possibilities ----- sulphides occur in form of fracture fillings in the quartzites within the zones of the subsidiary shearing ----- the mineralization consists of chalcopyrite, bornite, some chalcocite, pyrite and minor galena ----- that in the writer's opinion the mineralization exposed on the property looks sufficiently interesting to warrant the hope that further work will result in the development of a commercial grade producer of copper.

---

C. B. Selsmer, P. Eng. Report - October 1966 - Prospectus

"Pertinent information attached in part"

# NATURAL RESOU

## Magnum Makes Production Plans For Former Property

An exploration program designed to put Churchill Copper Corporation's "Magnum" property in norther B.C. into production was announced Monday by Magnum Consolidated Mining Co. Ltd.

The announcement followed the purchase by Magnum of 300,000 capital shares of Churchill, giving Magnum a major interest in Churchill, whose shareholders approved the sale at a special meeting.

Magnum president, Mervin E.

Davis said proceeds will be used to finance Churchill's 1967 exploration program.

This will comprise driving an adit and laying tracks 2,000 feet into the mountain and drifting.

The Magnum deposit is located at level of 5,500 feet, 20 miles south of Mile 420 on the Alaska

Highway, about 120 miles west of Fort Nelson. Magnum Consolidated was formed in 1958 to explore the deposits and completed a diamond drilling program in 1959. Churchill acquired it in 1965, built a jeep road, and then did some trenching and drilling in 1966.

Consultant Dr. Douglas D. Campbell, in a report dated March 23, 1967, made this reserve calculation: Proven and probable ore reserves are placed at 630,000 tons of 4.7 percent copper; possible additional ore is estimated at 3,500,000 tons of 4.7 percent copper; potential ore is estimated to be 10-15 million tons of undetermined grade.

Mr. Davis, who attended the Churchill meeting with other Magnum directors, said the company hopes to be able to mine as much as 1,000 tons a day from the 4,130,000 tons of proven and probable ore within the confines of the work done to date.

"That's a lot of money when converted into dollars," he said.

"We feel that the high grades of copper established to date would pay off a 1000-ton mill in two years."

Davis said Magnum was owned by Canex and that last year control was taken over by the present Vancouver group, which has already made it an active company.

Monday's 300,000 share purchase gives Magnum approximately 700,000 shares of the 1,400,000 Churchill shares outstanding.

"We looked at every property Magnum was involved with, and decided the Churchill property needed developing," Davis said. "Perhaps it wasn't big enough for Canex at this time, but it looks big enough to support a 1000-ton mill if the property proves up."

**Churchill Copper Corp. properties are within a radius of 5 to 15 miles from Racing River Mines properties.**