

673151
TAKLA

Aug 13 68



ANCHOR MINES LTD. [N.P.L.]

1111 - 409 GRANVILLE STREET, VANCOUVER 2, B.C. • TELEPHONE 685-4535

NEW COMPANY TO DEVELOP TAKLA SILVER-ZINC PROPERTY

Aggressive exploration and development of Takla Silver Mines' silver-base metals known orebodies near Manson Creek in the Omineca Mining Division of B.C. is being undertaken by a newly-incorporated holding company named Anchor-Takla Mines Ltd. (N.P.L.).

Sole shareholders in the new company are Anchor Mines Ltd. (N.P.L.), which is also currently exploring its copper claims in the Copper Mountain area near Princeton, and Takla Silver Mines Ltd. (N.P.L.).

The existing campsite at the Takla property already is being expanded to accommodate engineering staff and a diamond drilling crew. Drilling will start immediately on No. 1 of the four ore zones on which previous surface and underground exploratory work indicated substantial tonnage potential of both high and low grade silver and zinc. Encouraging showings of gold and lead are also present throughout.

The new controlling company will embark upon the first of a two-stage \$300,000 surface and underground program recommended by Douglas Campbell, P.Eng., Ph.D., of Dolmage, Campbell & Associates, consulting geological and mining engineers. This initial phase calls for expenditure of \$150,000 on camp rehabilitation, surface stripping, sampling, assaying and diamond drilling of No. 1, No. 2 and No. 3 zones, plus 6,000 feet of underground diamond drilling on No. 1 zone. "Success of this stage", the engineer states, "will warrant the further expenditure of at least \$150,000 in underground development of all ore zones as production feasibility development."

Bacon & Crowhurst, prominent consulting engineers of Vancouver, also examined the property for Anchor Mines and supported the program recommended by Dr. Campbell. "Our definite conclusion is that the property amply warrants an aggressive exploration and development program, with particular initial attention being directed to the silver bearing structures," stated J. J. Crowhurst, P.Eng.

Under former option holders, including Leta Exploration Ltd., (subsidiary of Leitch Gold Mines Ltd.), and Bralorne Mines Ltd., the Takla property underwent extensive surface exploration and underground development during the 1940s and 1950s. In 1964 Takla Silver

Mines Ltd. was organized to develop the showings on the property and over the next two years it carried out considerable underground drifting and drilling as well as surface bulldozer trenching and diamond drilling.

"In view of today's silver and zinc prices, plus the P.G.E. rail extension to Takla Lake recently announced by Premier W.A.C. Bennett, the property now offers an exciting potential for a highly profitable operation", states Harold E. Jacques, Anchor's president. Jacques is also president of Alwin Mining Company Ltd., presently developing its high-grade copper discovery in the Highland Valley. Anchor may purchase a 55% shareholding in Anchor-Takla Mines Ltd., plus holding options which could increase its ownership to 70%.

Under terms of the agreement signed on July 22nd, 1968, Anchor is acquiring 100,000 shares of the holding company for payment of \$50,000 into the treasury. Anchor's options provide for further financing over the next six months, for a total of \$300,000, to cover the two-stage program recommended by the consulting engineers. Any additional future financing required beyond this would be on a pro rata basis between the two shareholders, Anchor Mines Ltd. and Takla Silver Mines Ltd. Should Anchor fail to exercise its rights, Takla may elect to assume them and thus increase its initial 45% position up to 60%. Anchor will have three nominees on the five-man board of directors and will be the operating managers.

OREBODIES AND RESERVES

In his report dated August 1st, prepared for Anchor Mines Ltd., Dr. Campbell noted that on the limited work done to date on No. 1 zone, three separate ore shoots, of approximately five to seven foot average widths, are indicated on the surface. Using surface assay averages, he calculated "probable ore" as follows:

21,700 tons with average assay value of 0.13 oz. gold per ton, 23.4 oz. silver per ton, and 2.0% lead.

Gross value per ton - \$66.17 (Gold -\$37 per oz., Silver -\$2.40 per oz., Lead - 13¢ per lb.).

Total gross value - \$1,436,000.

No. 1 zone has been exposed on surface by scattered hand and bulldozer trenches for a length of about 3,000 feet. It has been confirmed to a depth below surface of 200 feet by a crosscut from the adit as well as by 10 surface diamond drill holes. No. 2 zone is exposed on surface by four bulldozer trenches for a strike length of 400 feet but it has not been drilled. "It is evident", reported Dr. Campbell, "from the available exposures, both on surface and underground, that the shear structures which are the hosts to the ores are persistent for at least thousands of feet on strike but

that the orebodies are separate lenses along these structures.... earlier workers have reported the identification of andorite, freibergite and native silver, all of which would contribute to the high silver values in the ore. Free gold has also been identified in material from surface cuts..."

On No. 2 zone five samples from three bulldozer trenches, spaced over 200 feet of strike length, returned assays of 3 to 20 oz. silver per ton, 3 to 12% lead and 1 to 3% zinc across widths from 2 to 6 feet.

Assays available from prior work on the No. 3 zone indicate values in gold, silver, lead and zinc totalling \$10 to \$20 per ton gross at present metal prices, although more work is required to properly establish the grade. Drilling and trenching have indicated a possible tonnage potential of at least 1,000,000 tons of this material, mostly as oxide, with the zone open to the south, and possibly the north, and at depth. Dr. Campbell considers the No. 3 zone would add reserves to the No. 4 zone, being essentially similar in character of ore.

The report states that while data on No. 4 zone is fragmentary, it appears evident that the zone is consistently high in zinc with low but significant values in silver. The zone would appear to extend for at least 600 feet laterally and 100 feet in depth, open in all directions, for an average width of 10 feet with an average zinc content of about 7% or better. "Using these figures", said Dr. Campbell, "we derive a probable 50,000 tons with a gross value of approximately \$20 per ton, with good potential for more of the same material".

Remainder of the Takla property, he reported, warrants additional careful prospecting and study. In 1967 a noteworthy occurrence of molybdenite was found in a road cut 1,000 feet northwest of No. 4 zone and it is recommended that this be further investigated since it occurs within a granodiorite dike-like body.

In his conclusions, Dr. Campbell stated that the No. 1 zone itself "holds the potential of containing enough reserves to support a small concentrator", while No. 3 and No. 4 zones "comprise good potential sources of considerable tonnages of complex but good grade zinc-(silver) ore".

Directors of Anchor-Takla Mines Ltd. (N.P.L.) are:

H. E. Jacques; J. A. C. Ross, B.Sc., P.Eng., consulting engineer; Douglas N. Cameron, mining executive; George Davenport, President of Bralorne Mines Ltd.; and John O'Reagan, prospector and director of Takla Silver Mines Ltd.

August 13, 1968.