



## High grade tungsten discovery sparks heavy staking in B.C.

By M. R. Brown

Demonstrating that the individual prospector still has a chance of "striking it rich" in this country, three B.C. mine seekers have come up with a high grade tungsten find just 20 miles north of Revelstoke. It looks important, and has sparked heavy staking in that area as well as spirited bidding for the find itself, including substantial cash offers from a number of major companies.

"This is an outstanding discovery," says W. Paul Hammond, a well-known mining geologist who has spent many years in the exploration business. After four months of what he describes as "intensive negotiations," he has acquired it for his **Andaurex Resources Inc.** The deal

calls for 225,000 treasury shares and a 2½% retained royalty (Andaurex shares trade on the VSE in the \$3-4 range).

The original find of this hard-to-identify mineral (scheelite) was made in a rock out of a new road being built to the Mica Dam project. Five separate showings have since been picked up in a flat-lying altered sedimentary horizon over a length of 750 ft. Thickness has not yet been established but it looks like at least 10 ft., with assays running from 1% over 15% WO<sub>3</sub>.

The stratigraphic control (a bedded deposit) suggests that it should have continuity. Geologist Hammond points out, noting that con-

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## American Pyramid gets \$4.4 million from Royal Bank for Nevada mine

By David Duval

VANCOUVER — Pyramid power and a multi-million-dollar loan from the Royal Bank of Canada may lead to the development of an important gold-silver mine near Fallon, Nev., by a Vancouver junior.

American Pyramid Resources appears to have a tiger by the tail and has just completed a \$US4.4-million financing through the Royal Bank to bring its Bell Mountain property into production at 250 tons per day initially.

All production is subject to a 5% net smelter return based on a 500-ton-daily mill rate until a maximum payment of \$US600,000 has been made. Company consultant Dr. Anthony Payne, a highly respected American geologist, teacher and author, has recommended payment of that sum immediately.

Originally, the claims were assigned-

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tion, produced a super-pellet of 69.8% Fe and

port urges further drill-tailed feasibility study en immediately. The estimated that the project ultimately require an of up to \$580 million and oy 300 workers at the ne.

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Three B.C. prospectors, (left to right) John Campbell, Fran Jenkins and Bill Cameron, examining their high

grade tungsten discovery near Revelstoke which has stirred much attention in that area.

## High grade tungsten find

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siderable mineralized float has been picked up both to the east of the main showings and up hill from them, suggesting extensions.

This find, unquestionably, is a credit to the local prospectors (see photo) who had enrolled in the B.C. prospectors' course and who subsequently formed a private prospecting company. As implied above, they turned down a number of large cash offers for their 56-claim group, choosing instead a deal that gives them a direct royalty interest plus a share interest in the company.

The Andaurex company is capitalized at 5,000,000 shares of which 2,250,000 shares are issued (750,000). It has approximately \$600,000 cash on hand, and will receive a further \$580,000 if and when outstanding warrants are exercised.

A contract has already been let for cutting control lines prior to a geophysical survey, trenching and sampling. Drilling, which will follow, will consist of a grid of vertical holes.

"But we don't want to start drilling until we get a good handle on the situation," says Mr. Hammond.

(The Northern Miner was shown a number of hand specimens taken from the showings. Viewed under an ultra-violet light, they look quite impressive and would run as high as 20% WO<sub>3</sub>).

## Rio Algom

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director and officer of Rio Algom this month. It is intended that Mr. Albino will succeed him as chairman and chief executive officer, while retaining his present position.

Earnings from the Elliot Lake uranium operations declined in 1980, primarily reflecting problems during the start-up of the Panel mine and mill. Panel is now said to be operating well, having reached its design capacity of 3,300 tons per day during the fourth quarter.

Also during 1980, Rio Algom secured new contracts covering 8.1 million lb. of U<sub>3</sub>O<sub>8</sub>. A further four million lb. will be sold to **Westinghouse Electric Corp.** under the recent settlement agreement with that company (N.M., Mar. 19/81). Rio Algom says the settlements with Westinghouse and **Tennessee Valley Authority**, which are still subject to certain approvals, will remove major constraints on its business interests in the United States.

Production of uranium oxide at Elliot Lake amounted to 6,783,000 lb. in 1980 (5,688,000 lb. in 1979).

Tungsten enjoys a strong market with its long-term demand expected to grow, particularly in the area of tungsten-carbide drill bits for oil and gas exploration and sub-surface coal mining as the search for new energy source grows. Other major growth markets for tungsten are in metal cutting, catalysts and superalloys.

from 273,000 tons or 751 tons daily in 1979. Average recovery was 42 (3.7) lb. per ton, or 94.5% (93.6%). Production amounted to 1,099,000 (994,000) lb. of uranium oxide, while deliveries totalled 940,000 (1,200,000) lb.

The Lisbon operation had a successful year, primarily because of the higher average grade of ore milled. At Dec. 31, some 1.2 million lb. of uranium oxide remained to be delivered under the present contract; it is estimated that an additional 1.1 million lb. can be recovered from defined ore.

### Minerals exploration

Exploration expenditures by Rio Algom and its subsidiaries were \$10.7 million in 1980, compared with \$9.1 million in 1979. This included the costs of intensified efforts to bring the 60%-owned Sage Creek coal property in southeastern British Columbia into production.

Numerous properties were investigated by **Riocanex**, the company's Canadian exploration arm. A preliminary feasibility study is under way for the Cape Ray gold property

New owner

New Denver  
John Anderson

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2485

Sandy  
Harris

Name  
New Den

837-  
4127

Bill  
Cameron

Phone  
Sandy