



# KENDAL

MINING AND EXPLORATION CO. LTD. (N.P.L.)

*Rec'd Oct 24/72*

*mail.*

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*Kleanza  
Mines*

QUARTERLY REPORT TO                      SEPTEMBER 30th, 1972  
DIRECTORS AND OFFICERS OF THE COMPANY

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C O N F I D E N T I A L

This is the first quarterly report to Directors and Officers of the Company. This reporting was discontinued when the company, then called Kleanza Mines Ltd. (npl) became short of funds to carry on exploration programs.

Major events since last report are;

1. Nittessu Mining Company of Japan conducted a two season program on the companys 'Croesus' property consisting of geological mapping, followed by some 15,000 lineal feet of bulldozer trenching, in turn followed by some 3,500 feet of Induced Polarization survey centered roughly on the major 'Croesus zone'. It should be pointed out here, as has the companys consulting Geological Engineer, Mr. W.M. Sharp, P.Eng., that this survey of such limited size does little to improve the exploration target situation on the property. The survey did, however, outline one strong anomaly and one weaker, both of interesting size, and apparently continuing to depth. As the area of the anomalies is covered by overburden, there remains either drilling or trenching to discover what makes the anomaly.
2. Rock blasting has been done on the road serving the 'Gem' workings which, you will recall are high grade GOLD occurrences. The BC Department of Mines has contributed funds towards this road improvement program and, indications show, they will contribute additional funds next season.
3. Americal Smelting and Refining Company Limited have completed a 40 hole drilling program on a property lying next to the companys Hope Silver property. This drilling, although encountering only low grades of Molybdenite in several holes, which were all drilled to 200 foot depth, does indicate the attitude of an intrusive body which was suspected to underlie the Hope Silver mineral structure. As there are similar mineralized structures on the neighbouring property, which were not explored by the drilling, there is some epeculation as to continuity of the 'Hope Silver' structure in that direction.

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DATED SEPTEMBER 30, 1972

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4. Recently, the company has entered negotiations to acquire a new Mining Property which is already under option to Hanna Mining Company of Cleavland Ohio.  
The agreement of acquisition has been submitted to the Vancouver Stock Exchange for approval. This is expected soon.  
Full details, which may change prior to approval, will be advised in due course
5. The company has received \$60,000.00 through issuance of 200,000 shares of treasury stock.  
with accounts payable on completion of the underwriting at about \$18,000.00 the company is now about \$40,000.00 credit at the Bank.  
An additional and higher priced underwriting is being discussed with underwriters.  
When considering underwriting price, we must take into account the fact that the company is in a very strong property position, its shares are closely held, and stock market conditions are not currently good, although a reversal could occur after the Canada election.
6. The company has acquired its own magnetometer which will allow more of this type of work to be done as time permits.  
In addition, the work need not be conducted on a continuing basis, there being no rush to return the instrument to its owner, as has been the case in the past.
7. Mr. W.M. Sharp, P.Eng., has recommended exploration programs on both the 'Gem' (Croesus) and 'Hope Silver' properties, as outlined on the recent statement of material facts.
8. Quarterly reports have been filed regularly with the BC Securities Commission through the period of non-trading. We are therefore in good standing with the regulatory body.
9. The books of accounts of the company have continued to be audited as required thorough to the present day. Even though this represented some considerable cost when bank loans were required to do so. These loan were backed by the writer and John Carlson, now of Vancouver.

Respectfully submitted

*Richard H. Bates*

R H Bates  
president