

PLACER DEVELOPMENT LIMITED

FULL PRODUCTION TO RESUME JUNE 1, 1973 - The Endako molybdenum mine located 100 miles west of Prince George, B.C., will resume full production by June 1, it was announced by the parent company, Placer Development Limited of Vancouver.

Placer stated that the mine's inventory of molybdenum is approaching more acceptable levels as a result of recent higher demand in world markets from alloy steel manufacturers. Production, which was reduced in 1971 and 1972, is expected to reach an annual rate of 15 million pounds of molybdenum contained in molybdenite concentrate and molybdic oxide.

It is estimated that an additional 70 jobs will be created through this production increase. Endako will commence hiring, largely in operating and tradesmen categories, in April and expects to have a total of 415 employees on the payroll by June 1. By that date the mine will be operating on a three-shift, seven-day-per-week basis and it is expected that the concentrator will be processing 28,000 tons of ore per day.

Placer said that it is completing plans to purchase \$4 million in new equipment to increase ore production, improve metallurgical recovery and increase oxide roasting capacity. This program will be carried out during the period 1973 to 1975.

RADIATION DEVELOPMENT CO. LTD.

FURTHER MILL SCALE TEST AND SALES CAMPAIGN TO START - Radiation Development Co. Ltd. reports that it has agreed to conduct additional mill-scale testing of its process at the Toledo, Oregon mill of Georgia-Pacific to determine the extent by which the processing reduces deterioration in wood chips stored outdoors.

Radiation Development says that from the two mill scale tests run at Toledo last September and December and from parallel laboratory work of the past year, positive advantages have been proven in pulping of irradiated chips. From all this the company has concluded that its process is viable on a commercial basis.

Noting that adoption of the process would entail a major financial commitment by a pulp maker, the company points out two factors affecting Georgia-Pacific's judgement of results to date. First, their interpretation of the data is more conservative and they consider a further mill test is needed to reach a final conclusion. Second, the initial reason for G-P's interest in Radiation's process was reduction of losses in outdoor storage of wood chips. A large quantity of wood chips has been in storage at Toledo, Oregon since December 1972 and by the time of the upcoming mill-scale trial enough time will have passed for there to be a clear and positive indication of irradiation benefits. Radiation says the question to be answered is not whether there is a commercial savings but how and to what degree these savings relate to the profitability of the mill at Toledo.

Believing that the economic value of its process has been substantiated and that it has sufficient data to demonstrate this fact to the pulp and paper industry, the company is now offering its process to other companies besides Georgia-Pacific. Radiation says interest has been established with major pulp and paper producers on both the east and west coasts of North America and in Scandinavia and Japan. Certain of these companies have shown interest in applying Radiation's process to other pulping methods. This development could broaden the company's potential.

CHAPPARAL MINES LTD.

GAS/OIL DRILLING RESUMES - E.B. Baker, president of Chapparral Mines Ltd., reports that starting 24Mar73 it will drill a well to a total depth of 2,950 feet to test the White Specs formation and earn 25% working interest in a 66,000-acre parcel of land 30 miles SE of Swift Current in Saskatchewan. This parcel adjoins to the east a 100,000-acre parcel in which the company had previously earned 25% interest by drilling. Target is gas.

By 1Apr73, Chapparral expects to start drilling to a depth of about 3,000 feet to test the Sunburst formation on an 8-section parcel in East Hays field some 15 miles SE of Hays, Alberta (about 40 miles N of Medicine Hat). Target is oil.

Chapparral is negotiating to drill one well to earn 50% interest in 99,000 acres in Shaunovan area, SE Saskatchewan.

Chapparral has approximately \$400,000 in working capital and is arranging to secure additional funds as may be needed by way of debenture loan.

Chapparral has interests in several parcels of land in Medicine Hat area: 25% in one of 3 sections, one of 16 and one of 8, 33 1/3% in one of 18 and 45% in one of 7 1/2 sections all in Alberta; and 10% interest in one of 24 sections of which 13 are in Alberta and 11 in Saskatchewan.

Chapparral has established an office in Calgary at 1270 Aquitaine Tower, 540 5th Ave., S.W.; phone 261-8763. Its Vancouver office remains 328-470 Granville St.; phone 681-8521.

FOR THE RECORD

Acheron Mines Ltd. received \$519,307 in the 14 months to 31Jan73 (being \$502,000 by sale of 800,000 shares and \$17,307 interest earned). Applied were \$149,178 (being \$82,984 exploration, \$25,393 admin., \$30,000 investment in shares of Abadon Holdings N.L. and \$10,800 advances to Abadon). The \$370,130 excess received, increased working capital to \$376,282 at 31Jan73. As at that date, 2,517,502 shares were issued, including 420,000 in escrow and 67,500 issued during the period for mineral claims. Acheron increased its holding in Abadon during the period from 90 to 470,100 shares.

Microsystems International Limited shares were listed 23Mar73 on Vancouver Stock Exchange symbol MSI. Of 8,000,000 common shares without par value authorized, 5,050,009 are issued. Transfer agent is Montreal Trust Co.

CYPRUS EXPLORATION CORP. LTD.
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 NO. 57 (1968)
 MARCH 21, 1968
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WESTERN CANADIAN INVESTMENTS ENDAKO MINES LTD.

PERIOD ENDED	12 MOS. DEC. 31	8 MOS. DEC. 31
Gross Income	\$26,189,819	\$15,995,081
Cost of production	10,367,335	5,465,666
Admin. selling expense.	770,478	502,329
Bank loan interest....	423,664	482,089
Write-offs	3,190,561	2,099,944
Write-off of assets sold to Fraser Lake Village.	320,699	---
NET PROFIT.....	\$11,136,049	\$7,451,864
Earnings per share	\$1.43	\$0.96
Current assets	7,990,916	6,049,122
Preprod. & dev. exp.nses	1,372,414	2,792,031
Current liabilities	9,167,910	8,890,476
Pref. dividends paid	862,465	---
Tons ore milled	6,778,000	3,913,000
Average grade MoS ₂	0.212%	0.237%
MoS ₂ Recovery	83.31%	81.50%
Salable Molybdenum produced in pounds		
- in Molybdenite	9,885,313	6,615,207
- in Molybdic Oxide	4,403,044	2,376,775
Aver. price/lb of Moly		
- as Molybdenite	\$1.75	\$1.67
- as Molybdic Oxide	\$1.88	\$1.97

T.H. McClelland, president of Endako Mines Ltd., in the report for the year ended December 31, 1967, states that ore reserves were increased by 86 million to 239 million tons at December 31, 1967 of approximately the same grade (0.155% MoS₂). The increase was the result of improved definition of the orebody by geological mapping and projection, diamond drilling, and refinements in the method of calculation of ore reserves available for open pit mining. All reserves have been calculated using a cut-off grade of 0.08% MoS₂. Concerning world markets, Mr. McClelland comments that in the fall of 1967, a softening of molybdenum demand became evident in Europe and Japan. This was a reflection of inventory accumulation in the hands of the users and an increase in productive capacity of molybdenum, which has risen from 75 million pounds of molybdenum per year in 1964 to an annual rate of 140 million pounds per year at the end of 1967.

The outlook for 1968 is uncertain due to unstable world economic and political conditions. Endako's position in the market remains secure by virtue of its long term contracts and the ability to supply a product of high molybdenum content and a low level of impurities.

During the first part of the year, all ore mined was drawn from the western higher-grade section of the open pit. As a result, the grade of ore treated was above the average grade of the ore reserves. During the latter part of the year, mining was extended into the eastern portion of the open pit after a preliminary period of overburden removal and open pit preparation. Commencing in the last quarter of 1967, selective mining and milling of the higher grade ore above 0.12% MoS₂ was discontinued because of increasing waste to ore ratios and by the end of the year all ore grading in excess of 0.08% MoS₂ was being mined and milled at a waste to ore ratio of 0.49:1. In the future, the grade of ore treated should approximate the average of ore reserves of 0.15% MoS₂. The increase in concentrator capacity was completed in November and was phased in with only minor interruption of existing operations. During the year, \$7,268,373 was expended on new assets. For the month of December, daily mill throughput averaged 25,400 tons with a molybdenum recovery of 83.7%. While minor improvements in this performance may be attained with operating experience at the increased mill capacity, no increase in mill throughput above the 25,500 to 26,000 ton per day level is anticipated without major changes and additions to the plant. The cash received during the year from the sale of concentrate was used mainly to cover operating costs and the cost of additions to fixed assets, additions of which were \$7,268,373 including \$6,025,423 for mill expansion.

BETHLEHEM COPPER CORPORATION LTD.

YEAR ENDED FEBRUARY 28:	1968	1967
Mill feed (dry) aver./day Tons	11,301	8,984
Grade of ore - copper %	0.58	0.61
Recovery- %	83.52	81.73
Average grade of tailings % ..	0.096	0.110
Concentrate grade - %	33.28	31.57
Copper produced - pounds.....	40,143,527	32,255,986
Aver. Copper price/lb. (U.S.)	\$0.491	\$0.511
Market value of Production..	\$21,668,638	\$16,332,439
Prod.admin.trans.mark. costs	11,409,514	9,237,119
Deprec. expl. deb. interest.	1,492,793	878,076
Profit before taxes	8,766,331	6,217,244
Prov. for mining & inc. tax	3,225,000	505,000
NET INCOME.....	\$5,541,331	\$5,712,244
Shares issued	5,261,250	5,261,250
Earnings per share	\$1.05	\$1.09

P.M. Reynolds, president of Bethlehem Copper Corporation Ltd., states in the report for the year ended February 28, 1968, that new records were set in daily average tonnage of ore treated, in pounds of copper produced and in gross sales, in the fiscal quarter ended Feb. 29, 1968. These factors, combined with favourable copper prices, resulted in record after tax profits. The mill stabilization program commenced in mid-1966 was completed in Nov, 1967 contributing in large measure to the reduction in unit costs.

INTER OFFICE MEMO

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**CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE**

Date: January 5, 1971

To: M. Seery

From: J. G. Simpson

Subject: Annual Reports : PLACER and ENDAKO

I enclose the 1969 Annual Reports of the above named companies, which may be of interest for your comparison figures.

Placer, who are the largest shareholders in Endako are very aggressive in Western Canada, and although they would barely fit into any of your tables, certainly bear out your general conclusions.

JGS:dwk
Encl.

J. G. Simpson
JGS
5/1/70

CYPRUS EXPLORATION CORP. LTD.
VANCOUVER, B. C.

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WESTERN CANADIAN INVESTMENTS

ENDAKO MINES LTD.

+ Consequences of Increased Provincial Mining Tax To Be Far Reaching

+ President Slams Increased Tax Rate - Direct and Indirect Contributions Not Considered

T.H. McClelland, president of Placer Development Limited and of Endako Mines Ltd. told the annual meeting of Endako that, "Recent legislation approved amendments to the B.C. Mining Tax Act to increase the tax on mining profits from 10% to 15% and to make other changes significantly increasing the tax burden on mining companies in British Columbia. The actual consequences to Endako cannot be determined at this time because of uncertainty in interpretation and dependence on Ministerial discretion. There is no doubt, however, that the effect on the mining industry is to make it subject to the highest level of Provincial mining taxes of any province in Canada.

"It is submitted that this increase in tax burden fails to make allowance for the contribution of the mining industry to the province of British Columbia.

"Briefly, using Endako as an example, Endako created new employment for over 450 people earning over \$4,000,000 a year. Most of these people and their families live in Fraser Lake, a new, modern and thriving community in the northern interior, created largely by the efforts of Endako.

"Endako spends approximately \$7,000,000 a year for operating supplies, most of it in the Province and indirectly generates new employment. One example will suffice: Endako presently purchases 5,000 steel barrels a month from out of the Province. A new steel barrel plant will soon be completed in the lower-mainland, the large volume of Endako business will contribute greatly to the success of this new plant.

"It is to be hoped that in future the government will give more thought to the direct and indirect contribution of the mining industry to the well-being of this province before adding to the tax burden with no thought to the consequences of a decline in mineral exploration and development."

COMPANY OPERATIONS REVIEWED FOR MEETING

Mr. McClelland told the annual meeting that, during 1967, the company reduced its debts from \$13,000,000 to \$7,850,000 and, at the same time, spent \$6,000,000 on plant expansion. Since the first of the year, the company further reduced debts by \$2,750,000 and the balance of the debt should be paid by the end of 1968. Dividends will be considered by the year end. The company will pay dividends as soon as it is prudent.

The expansion program to increase the capacity of the concentrator and develop a second tailings pond was completed ahead of schedule and at a saving of approximately \$540,000 from the estimated cost. The new facilities came on stream at the beginning of November and are operating satisfactorily. Operating experience has shown the mill to have an actual capacity of between 25,000 and 26,000 tons per day.

The exploration program is being continued in 1968.

During the three months to March 31, 1968, the total tons of ore milled was 2,295,000 with an average grade of 0.165% MOS2. The recovery rate of 86.2%, a total of 3,887,895 pounds of saleable molybdenum, was produced during the quarter. The estimated net profit after writeoffs is \$2,900,000, equivalent to 37¢ per share. Mill throughput for the quarter averaged 25,220 tons per calendar day and represents full scale operations of the expanded plant. The grade of ore treated during the quarter exceeded the ore reserve grade of 0.15% MOS2. Although the grade of ore will vary from quarter to quarter, the average grade over the year should approximate the ore reserve grade.

The three year tax free period ends June 30, 1968, but capital cost allowance will defer repayment of federal income taxes until 1969.

The collective agreement between the company and the International Steelworkers of America expires June 30, 1968 and negotiations for a new agreement may be started anytime now.

FOR THE RECORD

B.C. Sugar Refinery Ltd. will pay 25¢ on the preferred shares and 50¢ on the common shares

April 30, record April 12, 1968. The company paid the first 50¢ dividend in January 1968, and paid 45¢ for the four previous quarters and 35¢ before that

Trans Mountain Oil Pipe Line Company has reported total deliveries of petroleum for March 1968, averaged 244,121 barrels per day compared to 244,371 barrels per day during the same period in 1967. Deliveries through the system for April 1968, are expected to average 211,000 barrels per day.

Idaho Silver Mines Ltd. president, Peter Malach, has reported that an early start has been made on the electro-magnetic survey program on its Atlin, B.C., property which is under the direction of Archer & Cathro Associates, consulting geologists.

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WESTERN CANADIAN INVESTMENTS

PLACER DEVELOPMENT LIMITED

MARCOPPER MINING CORPORATION

- + Production Announced For 100,000,000 Tons of 0.8% Copper in Philippines
- + Placer Holds 40% in 15,000 Tons Per Day Operation Under Construction.

Marcopper Mining Corporation, a Philippine corporation in which one of Placer's wholly-owned subsidiaries holds a 40% interest announces: "Marcopper Mining Corporation announces that it has arranged with a group of U.S. banks for the necessary financing to bring into production its copper property situated on Marinduque Island.

"The mine will be an open pit operation with a milling rate of 15,000 tons per day and will cost in excess of \$39,000,000 (U.S.) to place in production. Production should commence in early 1970.

"Contracts for the initial phases of construction are being negotiated and work will start in the immediate future.

"This project will result in substantial expenditures being made in the Philippines for labour, supplies and services. A work force of approximately 1,500 will be required at the mine site during construction period.

"A firm commitment for sale of the copper concentrate has been finalized for a period of ten years with Nippon Mining Company. The operation of this mine will result in a continuing and substantial inflow of dollar exchange for a period of at least twenty years." Previously stated, Marcopper had indicated ore res. one hundred million tons 0.8% copper.

ENDAKO MINES LTD.

T.H. McClelland, President of Endako Mines Ltd., reports for the twelve months ended December 31, 1967, that the company had an estimated net profit of \$11,086,000 or \$1.43 per share. This net profit was after the deduction of a non-recurring extraordinary write-off of \$321,000 being the net book value of the water system, sewer system and roads, sold to the village of Fraser Lake at a nominal price.

The expansion programme was completed on schedule and within the budget estimates. The new facilities became operational at the beginning of December with production for the month averaging 25,000 tons per day.

TWELVE MONTHS ENDED DECEMBER 31, 1967:

Tons Milled	6,778,000	Cost of molybdenum concentrate.	\$10,417,000
Grade MoS2	0.212%	Admins, selling & gen. expenses	805,000
MoS2 recovery	83.31%	Interest on bank loans	424,000
Molybdenum contained in		Depreciation	1,962,000
concentrate produced		Preprod., expl. dev. exp. w/o .	1,194,000
Molybdenite	9,885,313 lbs.	Estimated Net Profit	\$11,407,000
Molydic Oxide	4,403,044 lbs.	Extraordinary write-off.....	321,000
Total saleable molybdenum prod.	14,288,357 lbs.	Estimated earnings per com. sh.re	\$1.43

DUNDEE MINES LIMITED

FINANCING ARRANGED FOR NINE MONTH PROGRAM TO ESTABLISH SIZE OF MILL TO BUILD - S.W. Welsh, president of Dundee Mines Limited, told the annual meeting that the company's antimony property in Australia is a mine now in that there are sufficient reserves to justify an operation. The program currently underway of additional drifting, deep drilling and metallurgical testing will take between six and nine months to complete and is expected to give the answers as to the size of a plant the property will justify.

The meeting was told that the present reserves are between 400,000 and 500,000 tons and that the work is expected to perhaps double these reserves. This expectation is supported to some extent by the fact that one deep hole did cut good grade material.

Test work has not proceeded far enough to determine if the mercury content of the ore will be a problem in recovery but the company will consider smelting its concentrate at the site if necessary.

The Australian Government is assisting the company in its exploration and development program not only by providing a percentage of the exploration funds but also in technical recommendations.

A number of investigations have been made into the possibility of obtaining long term antimony sales contract and it has been determined that the company will be able to secure such contract at such time as the ore reserve calculations and metallurgical tests are completed.

The company has a letter of intent which will provide the underwriting of sufficient shares to give the funds to complete the current program. Financing details are expected soon.

AMERICAN METAL CLIMAX, INC.

→
VERY LARGE ORE RESERVE - In the American Metal Climax, Inc. report for the third quarter, OF MOLYBDENUM INCREASED a new estimate of ore reserves at the Henderson project is given as follows.

"Additional diamond drilling at the Henderson Project has significantly increased the previous estimates of molybdenum ore reserves made public in December, 1966. The new total of proven and probable reserves is 303 million tons at a grade of 0.49% MoS₂, compared with 235 million tons grading of 0.45%. Drilling continues with good possibilities that tonnage estimates may be increased further. Because of the depth and location of the deposit, considerable time and expense will be involved in determining the mining methods to be employed. While final plans must await completion of engineering studies, the company has already allocated over \$20,000,000 for the initial development phase of the project.

About the Urad, Colorado, the AMEX nine month statement reports, "On September 14, the company dedicates its new molybdenum mine at Urad, Colorado. This property, developed at a cost of \$30,000,000, is one of only two primary molybdenum mines established in the United States since the original Climax mine was put into operation in 1918. It will operate at the rate of 5,000 tons of ore per day to give an annual production of about 7,000,000 pounds of molybdenum."

KENNECOTT COPPER CORPORATIONBRITISH COLUMBIA MOLYBDENUM LIMITED

ALICE ARM, B.C. MOLYBDENUM - Kennecott Copper Corporation has reported that its subsidiary PRODUCTION NOW UNDERWAY British Columbia Molybdenum Limited has started operation. The 6,000 ton per day plant was estimated to cost some \$25,000,000 to production, including working capital, and was estimated to be in production by the first of October. The company has reported that the actual costs are running higher than original estimates and that, while production is now underway, full production is not anticipated before January 1968. The mine is expected to produce between 4,000,000 and 5,000,000 pounds of molybdenum per year. Ore reserves for the mine have been given as 40,173,700 tons of estimated reasonably assured tons grading 0.23% MoS₂.

ENDAKO MINES LTD.

FOR COMPARISON - Just to compare the size of the big British Columbia molybdenum mine with the Amex Henderson Project the following figures on Endako are given: Ore reserves, as at December 31, 1966, were 153,628,000 tons grading 0.155% MoS₂. daily production is 16,000 tons for an annual production in 1966 of approximately 9,000,000 pounds of molybdenum with the plant having cost some \$20,000,000.

CICADA MINES LTD.

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GEOLOGIST GIVES REVIEW - Cicada Mines Ltd. has received an Oct. 23, 1967, report from OF MONTANA COPPER PROPERTY Robert Steiner, P. Geol., who has been retained to manage the exploration program on the company's recently acquired copper property, located 15 miles southeast of White Sulphur Springs, Montana.

The following is extracted from Mr. Steiner's report. Present work includes a transit survey, geological mapping, and diamond drilling on the Belle of the Castle claim to explore a quartz porphyry structure carrying copper mineralization. A near by surface cut opened 85 feet of copper oxide in a zone estimated to be 750 feet deep and 500 feet long.

It is reported that ore from the Belle of the Castle claim ran well over 5% copper. Some 250 tons of siliceous copper oxide from the upper cut, that ran 2.75% copper, 17% iron, 7% non-reactive lime, no arsenic or alamina was shipped several years ago by a leasor. As soon as possible, this zone will be bulk sampled and assayed.

Briefly stated, the copper showings are believed to lie between a granite stock to the west, a quartz diorite body to the north-east, and a series of highly folded and metamorphosed sediments, ranging from Pre-Cambrian to Middle Cretaceous. The igneous rocks appear to be tertiary. Quartz porphyry and quartz diorite dykes, sheets and sills have invaded the sediments. These intrusions appear to have been the main mineralizers of the area.

Not all the copper mineralization thus far observed appears to be oxidized, since chalcopryite is present at various points. Therefore, at a depth of about 300 feet, the oxide zone should cease, and a rich sulphide zone begin.

Mr. Steiner states: "The Copper Cup cut, and other cuts on adits in the area suggest the presence of a very large and deep deposit of copper. Since the writer has just begun examination, no valid estimate of tonnage can be given. However, visible evidence indicates at least one zone (highly sheared) at 85 x 500 x 750 feet. This would indicate a potential of about 2,975,000 tons. The reported grade of 2.75% copper should certainly persist to a depth of 750 feet. It is probable that the oxide zone is mainly vertical. Thus, this deposit can be compared to Butte. Characteristics of both areas are similar, both geologically and mineralogically."

"The Castle Mountains area was at one time a prolific producer of lead, zinc, and silver. Since 1900, little attention has been paid to the copper deposits of the area. What copper was mined was very rich, was probably hand picked, and when lower grade ore was encountered, was abandoned." ... "The writer considers the lead-zinc-silver properties as fringe benefits to a much richer copper production potential." NO. 217(1967) Nov. 8/67 GEORGE CROSS NEWS LETTER.

SILVERQUICK DEVELOPMENT COMPANY (B.C.) LIMITED

ORE RESERVES ESTIMATE EXPECTED - Since September 12, 1967, the Silverquick Development Company (B.C.) Limited property, 26 miles from Gold Bridge, B.C., has completed the tunnel 2B to a distance of 170 feet into the mountain in mercury ore all the way. The tunnel intersected the two holes drilled in the fall of 1966 and encountered ore. The depth of the vertical drill hole was 80 feet at the point of intersection.

At 170 feet, the tunnel was turned to the left and east to run parallel with the contour of the mountain aiming for a shalebed indicated by one of the drillholes and upon contact it was found that the shale also carried mercury.

Subsequently, a horizontal hole was drilled at the turn in the tunnel in an almost lineal extension of the tunnel into the mountain to a distance of 112 feet and again ore was indicated.

About 200 yards southeast from the main open pit area 2A another potential ore body was uncovered after a 25 foot section of an existing trench was deepened. A 6 foot high shale wall was uncovered carrying considerable mercury.

A preliminary report on grades and tonnages encountered will be available soon.

Meanwhile, several tons of low grade ore have been shipped for tests to establish the best method of beneficiating this ore prior to furnacing.

The findings to date on the property have been encouraging enough for the management to take initial steps towards providing funds to finance the company into production in the not too far distant future.

THE GRANBY MINING COMPANY LIMITED

To September 30:	3 Months		Nine Months	
	1967	1967	1967	1966
Gross Mining & other income..	\$1,525,000	\$4,683,000	\$4,605,000	
Prod, expl. & admin. expenses	1,086,000	2,942,000	2,509,000	
Operating Profit	439,000	1,741,000	2,096,000	
Writeoffs	138,000	378,000	343,000	
Income Taxes	122,000	534,000	694,000	
NET INCOME	\$179,000	\$829,000	\$1,059,000	
Earnings per share	\$0.37	\$1.74	\$2.23	

L.T. Postle, president of The Granby Mining Co. in an October 26 letter to shareholders, stated that drilling at Granby's Copper Mountain property is continuing and presently three diamond

drills and a percussion drill are being used to determine the size and copper content of a potential ore body. Results to date have been encouraging and the ore being outlined may be sufficient to justify putting this property into production. Expenditures on the property, amounting to \$201,000 for the first nine months of 1967, have been charged to operations and are included in the costs of \$2,942,000 as shown above.

It is probable that the ore bodies at Jedway Iron Ore Limited, an unconsolidated subsidiary, will be exhausted about the end of the year. Investigation is being made of the possibility of obtaining ore from other sources which can be treated by the Jedway plant. By the end of 1967, it should be possible to make a fair evaluation of the situation and to determine Granby's position with respect to its investment in Jedway.

BUTTLE LAKE MINING LTD.

TEXAS GULF SULPHUR COMPANY

TROJAN CONSOLIDATED MINES LTD.

MORRISON LAKE PROGRAMME COMPLETED FOR SEASON - Texas Gulf Sulphur Company has reported to the Tro-Buttle Mines Ltd. management that diamond drilling on the Morrison Lake property currently under option to Texas Gulf Sulphur Co. will

be discontinued on completion of the two holes currently in progress. A total of 12 holes will have been completed by this time. All of the men and equipment will be removed from the property and the information accumulated to date will be thoroughly evaluated during the winter months.

On August 9, 1967, it was announced that Texas Gulf Sulphur Company had optioned the Morrison Lake properties, 45 miles northeast of Smithers, B.C., involving an initial payment of \$100,000 to Buttle Lake and Trojan and subsequent optional aggregate payments of \$200,000 and optional work commitments totalling \$500,000 prior to December 31, 1970.

ENDAKO MINES LTD.

NINE MONTHS RESULTS - T.H. McClelland, president of Endako Mines Ltd., has reported an estimated net profit for the three months to Sept. 30, 1967 of \$3,081,000 or 40¢ per share.

He states that construction of facilities to expand the capacity of the mill to 22,000 tons per day is now 90% complete. All major items of equipment have been installed and the new tailings pond is in use. The expansion of the mill is expected to be under operational test during November and be fully operational by January 1, 1968.

The company recently changed its fiscal year and comparative figures are not reported.

Operating results for the three months to Sept. 30, 1967, are: tons milled 1,649,000 grade 0.224% MoS₂, MoS₂ recovery 84.99%, molybdenum contained in concentrate production molybdenite 2,671,988, molybdic oxide 1,083,570 pounds for a total saleable molybdenum produced of 3,770,729 pounds.

Revenue in the three months was \$6,856,000 and in the nine months \$19,426,000.

Estimated net profit for the nine months is shown as \$8,908,000 or \$1.15 per share.

TORWEST RESOURCES (1962) LTD.ENDAKO MINES LTD.

EXPLORATION AGREEMENT - Torwest Resources (1962) Ltd. has entered an exploration agreement with Endako Mines Ltd. covering a block of 12 claims held by Torwest. The claims are to the east of the Endako Mines Ltd. operating mine, located 110 miles east of Prince George, B.C. Under the terms of the agreement, which is dated October 21, 1967, Endako Mines Ltd. has undertaken to carryout an exploration program on the Torwest claims in the amount of a minimum of 2,500 feet of diamond drilling in the period ended March 31, 1968, and a further 2,500 feet of diamond drilling in the year April 1, 1968, March 31, 1969.

Endako has the option of spending \$50,000 per year on further exploration in each of the following three years namely, April 1, 1969 to March 31, 1970; April 1, 1970 to March 31, 1971; and April 1, 1971 to March 31, 1972. To continue the agreement beyond March 31, 1972, Endako must commit to production and must attain production within two years, that is by March 31, 1974. If a decision is taken to place the property in production, then Torwest is to receive 750,000 shares in a new 3,000,000 share company and Endako can purchase up to 2,250,000 shares in the new company at 10¢ per share for funds spent on exploration and development. In addition, Endako is to provide the funds to production.

The agreement provides that: "Provided Endako is not in default under the terms of this agreement and if any one report issued by the independent consultant is negative, Torwest covenants and agrees to give its consent and approval to the transfer to Endako from the Crown of the surface rights covering the claims or any portion thereof for and in consideration of Endako paying to Torwest the sum of \$500 per each claim over which surface rights are acquired by Endako as set out....."

LAKELAND BASE METALS LTD.

WASHINGTON STATE PROPERTY - On October 10, 1967, the 1,440,004 issued shares of Lakeland Exploration Prime Target Base Metals Ltd. were listed for trading on the Vancouver Stock Exchange. In the statement of material facts accompanying the listing, there is contained the summary of a recent report from Dr. A.C. Skerl, company consultant. With regard to the Washington property, the consultant states;

"In the Sultan Basin, Washington, an area of approximately 28 square miles containing numerous old properties, is being prospected for deposits of copper and molybdenite.

"The most important result so far has been at the Sunrise prospect where the first deep hole into a mineralized breccia pipe shows that it has a vertical range of at least 1,500 feet. The intersection was 605 feet long and averaged 0.66% copper and 0.053% MoS₂.

"A second hole on a parallel section at 160 feet to the north is now being drilled. Preparations are being made for underground exploration.

"The old Hick's tunnel has been re-opened for the sampling of the copper and molybdenum vein.

"Prospecting has found several interesting new areas of mineralization. A geochemical survey indicated several strong anomalies of copper and molybdenum that should be investigated."

Dr. Skerl's recommendations consist of a tunnel at an estimated cost of \$250,000 and 40,000 feet of drilling at an estimated cost of \$160,000.

Lakeland Base Metals Ltd. holds a 25% interest in the property with the balance of the interest held 25% by BrenMac Mines Ltd. and a 50% interest held by Century Exploration & Resources Ltd.

Lakeland Base Metals Ltd. also holds a 25% interest in 53 claims in the Mazama area of the state of Washington, a 50% interest in nine blocks of claims totalling 348 claims in the Athabaska Lake area of Saskatchewan, a 50% interest in 168 claims in the Babine Lake area, and 72 claims in the Fulton Lake area, a 50% interest in 465 claims in the Horsefly area, an 80% interest in 21 claims and a 100% interest in 39 claims in the Pine Point area, a 100% interest in 124 claims in the Munroe Lake area, Omineca, and a total of 94 claims in the general Brenda Lake area of B.C.

Directors of Lakeland Base Metals Ltd. are: Isaac Shulman, Leonard N. Udell, C.M. Edie, A.E. Smith, and Donald A.S. Lanskaill.

The source and application of funds statement for the 14 months, May 27, 1966 to July 31, 1967, show a total of \$158,126 provided with \$154,002 of this provided by the sale of shares and the balance from equipment rental, road grant and interest earned. The applications of funds totalled \$158,689 for a deficit of \$562 at the end of the period. Of the applications, \$81,928 was spent on property exploration and development, \$19,962 of the Lakeland portion of the Washington State property programs, \$31,847 for property acquisitions, \$10,500 for a bulldozer purchase, and \$8,486 on administration.

At July 31, 1967, the company had current assets \$32,773, and current liabilities \$33,336.

At the date of the listing on the Vancouver Stock Exchange, West Coast Securities Ltd., on its own behalf and on behalf of clients, has underwritten 200,000 shares of Lakeland Base Metals at 45¢ per share and received options on 200,000 shares at 55¢ due January 9, 1968, and 200,000 shares at 65¢ due April 8, 1968.

ENDAKO MINES LTD.

* Net Cash Income in First Half 1967 Estimated at \$7,402,000

* Expansion of Mill Capacity to 22,000 Tons Daily 40% complete by June 30

Endako Mines nipped a further \$5,000,000 off the outstanding preferred shares which must be redeemed before dividends can be considered. In addition to this during first half of 1967, Endako spent \$1,988,000 on purchase of fixed assets. Expansion of the mill to a capacity of 22,000 tons per day started April 15,1967, and, at June 30, was 40% complete, says T.H.McClelland, president.

Other factors in an addition of \$561,000 to working capital deficit were the setting aside of \$168,000 as special refundable tax and \$863,000 in dividends on the preference shares outstanding.

It will be recalled that at the annual meeting April 6,1967, the president said the \$7,000,000 estimated as the requirement for mill expansion would result in a substantial benefit to shareholders over the long term because it would permit Endako to process a much greater tonnage of ore to a lower cut-off grade while satisfying minimum market requirements of 12,000,000 lb. of molybdenum per year. He added that with these commitments and the company's large working capital requirements directors did not expect to be able to consider a dividend policy before the last quarter of 1968.

Increased costs in the second quarter 1967 over the first quarter were incurred in expanding the pit both to the east and west in preparation for a higher mining rate which will be required by the increase in mill capacity.

In the second quarter 1,606,000 tons were milled vs 1,533,000 tons in the first quarter and grade of MoS2 was 0.220% vs 0.233%. Recovery was 81.58% in the quarter under review. Total saleable molybdenum produced was 3,447,006 lb. vs 3,509,347 lb. in the first quarter.

<u>Operating Statistics</u>			<u>Source and Application of Funds</u>	
	<u>2nd Quar.</u>	<u>First Half</u>		
Tons Milled	1,606,000	3,139,000	Working cap.deficit,Dec.31,1966	\$2,841,000
Grade MoS2- %	0.220	0.227	Source:	
MoS2 Recovery - %	81.58	81.93	Net profit June 30, 1967	5,827,000
MoS2 in Concentrate			Add: Depreciation	978,000
Molybdenite - lbs.	2,360,130	4,846,980	Preproduction w/o	597,000
Molybdic Oxide "	1,086,936	2,109,435		7,402,000
Total Mos2 produced	<u>3,447,006</u>	<u>6,956,415</u>	Decrease mortg. receiv.	25,000
			Sale of fixed assets	31,000
				7,458,000
<u>Revenue:</u>			Application:	
MoS2 produc'n value \$	6,187,000	\$12,570,000	Purchase of fixed assets	1,988,000
Interest income	5,000	10,000	Special refundable tax	168,000
	<u>6,192,000</u>	<u>12,580,000</u>	Redemption of pref. shares	5,000,000
<u>Expenses:</u>			Dividends paid pref. shares	863,000
Production cost	2,514,000	4,574,000		8,019,000
Overhead	224,000	520,000	Increase - working capital defic.	561,000
Bank loans interest	22,000	84,000	Working cap. deficit,June 30/67	\$ 3,402,000
Depreciation	489,000	978,000		
Preproduction w/o	298,000	597,000		
	<u>3,547,000</u>	<u>6,753,000</u>		
Estimated net profit	<u>2,645,000</u>	<u>5,837,000</u>		
Earnings per share	\$ 0.34	\$ 0.75		

These figures are subject to year-end audit and adjustments.

WESTLAND MINES LTD.

+ Significant Sections of Molybdenite Intersected in Several Diamond Drill Holes

Following the listing of the shares of Westland Mines Ltd. on the Vancouver Stock Exchange, July 31,1967, the company issued the following statement.

Diamond drilling, surface pitting and trenching have been underway at the Middle Fork property since the first of April,1967. The property is in the Snoqualmie River area, King County, Washington, about 100 miles east of Seattle. The 25 man crew has completed nine diamond drill holes plus several hundred pits and trenches with encouraging results. Assays have been received from portions of several of the holes and from a number of the pits and trenches. Significant sections of molybdenite were intersected in several of the diamond drill holes. An interpretation of the assays will be reported as soon as sufficient results are received. There are three diamond drilling machines on the property and a helicopter is under six months lease to provide optimum transportation. Work to date has included, soil sampling to augment previous results, along with magnetometer, and resistivity surveys. Geological mapping and bulk sampling have been completed over much of the present prime target area.

Widespread copper mineralization has been indicated by the work to date over a complex structural belt having a strike length of approximately six miles and a width varying from 500 to 1500 feet. Molybdenum mineralization is present along the structure in more localized areas than the copper which appears to be almost continuous.

(Continued on Page Three)

George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

APRIL 7, 1967
NO. 68(1967)

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SELKIRK HOLDINGS LIMITED

INCREASE IN BROADCASTING INTERESTS - AND COLOR T.V. REFLECTED IN PROFITS - Net cash income of Selkirk Holdings Limited in 1966 was more than $2\frac{1}{2}$ times that of 1965 and the company increased its per share dividend by 50% from 20¢ to 30¢. J.S. MacKay, president, says the improved performance resulted from gains in broadcast operations together with the acquisitions of All-Canada Radio and Television Limited, Castleton Investments Limited in 1965 and CKWK Radio Ltd. in 1966. During the year, all television stations in which Selkirk owns an interest were converted to color and radio stations continued to make improvements. On Nov. 1, 1966, all the outstanding shares of 50,000-watt CKWK Radio Ltd., Vancouver, were acquired for \$545,667 and the issue of 67,620 Cl. "A" non-voting shares with payments extending over 5 years.

Two Year Performance Summary

Year to Dec. 31,	1966	1965
Gross income ...	\$ 887,249	\$ 332,537
Net cash income	511,923	222,872
NET INCOME ...	424,142	159,254
PER SHARE ...	59.4¢	24.6¢
PAID PER SHARE	30.0¢	20.0¢
Shares issued	714,302	646,682
Working capital	\$ 65,898	\$ 353,441
Trade investments	2,516,505	2,225,055
Fixed assets, cost	*2,186,340	1,234,207
*(Accum. depreciat'n	1,472,048	889,731)
Term notes payable	147,333	-
Minority int. liab.	208,494	213,251
Retained earnings	829,274	604,210

During 1966, additional shares were acquired in B.C. Television Broadcasting System Ltd. for \$86,250, increasing Selkirk's interest in this company to 26%. Arrangements are under way to acquire a 30% interest in Ottawa Cablevision Limited, a private company which has a franchise to cable the western half of the city.

Funds for these acquisitions came from depletion of working capital and by issue of 67,620 "A" shares plus a bank loan.

of working capital and by issue of 67,620 "A" shares plus a bank loan.

file → **ENDAKO MINES LTD.**

- + First Dividends to be Considered in the Last Quarter of 1968
- + First Quarter Earnings 40¢ per Share on 0.233% MoS₂ at 17,033 Tons Per Day

Following is the text of the remarks by T.H. McClelland, president of Endako Mines Ltd., to the annual meeting.

"Concentrator throughput during the first quarter of the 1967 fiscal year was maintained at an average of 17,033 tons per day. Metallurgical performance continues to improve gradually. A short spell of extremely cold weather in January caused some operating difficulty and a reduction of mill throughput because of the problems of handling frozen ore.

"An estimate of profit and earnings per share for three months ended March 31, 1967. The total of ore milled was 1,533,000 with an average grade of 0.233% MoS₂. At a recovery rate of 82.27% a total of 3,509,347 pounds of saleable molybdenum was produced during the quarter. The estimated net profit after write-offs is \$3,100,000, which is equivalent to 40¢ per share.

"On March 15 a payment of \$2,626,000 was made on the term bank loan leaving a balance outstanding of \$1,662,000. This balance will be eliminated entirely on the next payment which is scheduled for June.

"Preparations for the expansion of the concentrator are well advanced. All design work is complete and virtually all the items of major equipment have been ordered. The contract has been awarded to a consortium composed of Commonwealth Construction Co. Ltd. and Hume & Rumble Limited. Construction is scheduled to commence April 24, 1967."

As to the start of dividend payments the president stated, an investment of approximately \$22,000,000 was required to equip the mine for production. Of this amount \$5,000,000 was from redeemable preference shares and \$17,000,000 from the bank. When the bank loan is paid off the funds will be used to pay the accrued dividends on the preferred, in the amount of \$801,000 at March 31, 1967, and the redemption of the preference shares.

The mill expansion to 22,000 tons per day and the second tailings pond will cost about \$7,000,000. The president expects to generate these funds from operations although some short term loans may be necessary. He stated, "This large expenditure now for increased capacity will result in a substantial benefit to the shareholders over the long term because it will permit us to process a much greater tonnage of ore to a lower cut-off grade while satisfying minimum market requirements of 12,000,000 pounds of molybdenum per year. With these commitments and with the company's large working capital requirements we do not expect to be able to consider a dividend policy before the last quarter of 1968."

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