

GLEN LAKE SILVER MINES LIMITED

B.C. FIRMS HAVE LARGE INTERESTS IN EXPANDED PROGRAM IN COBALT AREA - On production of 276,448 ounces of silver from its mines in the Cobalt area, Ontario, in the 3 months to 31Oct69, Glen Lake Silver Mines Limited reports revenue from metal sales was \$592,026, less smelter, royalty and marketing costs of \$68,599 and \$434,868 for operating and administrative expenses. This left operating profit before writeoffs of \$88,559. The statement allows \$84,342 for writeoffs and \$2,522 for outside exploration leaving a net profit of \$1,595. As preproduction expenses and capital cost allowance suffice to offset profits no provision for income taxes was made.

As noted in GCNL No. 276(1969) and GCNL No. 277 and GCNL No. 7(1970), British Columbia companies have a substantial interest in this project in the Cobalt silver camp. The B.C. firms in the picture are: Consolidated Skeena Mines Ltd., Consolidated Van-Tor Resources Ltd. and Madrona Explorations Co. Ltd.

James P. Arnott, president, in commenting on the tonnage milled in the 1969 quarter of 60,224 tons vs 24,365 tons in the like 3 months of 1968, points out that the increase reflects treatment of tailings at the United Cobalt Mill which was not operated in the 1968 period. Writing under date of 18Dec69, he states that the grade has improved substantially since the quarter under review with ore around 25 oz. silver per ton being treated. He calls attention to Glen Lake's improvement in working capital. This was detailed in GCNL No. 7,1970.

M.C. Halstead, mine manager of the 3 operations active in the period, points out that compared with \$1.7292(Can.) per oz. at 1Aug69 the price of silver had risen by 17Nov69 to \$2.077 per oz. Total output of silver from the 3 mines prior to date of acquisition by Glen Lake in 1962 and 1963 he reports at 102,362,113 oz. silver, and since acquisition to 31July69, at 8,101,890 oz. silver.

Mr. Arnott says it is the intention to implement recommendations of W.A.Carter, P.Eng., which are detailed in the report to shareholders.

These recommendations call for an estimated \$345,400 with the advice that a further \$50,000 should be made available for cross-cutting to any new silver zones which the diamond drilling he advises may locate.

The consultant points out that there are some areas contained in the 4 properties(which he describes in some detail)and where the factors considered favorable in the Cobalt area are present. These have not been fully explored. He makes specific recommendations for the following potential areas in order of importance:

1. Nova Scotia claim and east portion of Peterson Lake which embraces an important structural feature considered to be a very favorable factor for ore deposition. This exploration will entail driving of a 1500 ft. crosscut and 12,000 ft. of diamond drilling.
2. Conisil Drive and Columbus Fault-along which several important mines have been developed; 20,000 ft. of diamond drilling advised.
3. Hargrave Claim from which 500,000 oz. silver have been produced- 4,000 ft. of drilling advised.
4. United Cobalt, King Edward and Silver Cliff claims adjacent to the Cross Lake fault; 3,000 ft. of diamond drilling would test favorable ground from the King Edward shaft workings.

HOLBERG MINES LTD.

FUNDS SOUGHT FOR FOLLOW-UP PROGRAM AT PORT HARDY CLAIMS - P.F. Wishart, president, said, in the annual report, that tests and analysis are in progress by 3 geologists of a new discovery of disseminated copper mineralization at the company's 269-claim property in the Port Hardy, B.C., area. This discovery, stated to be similar in type to that of the main workings near the Crackerjack Creek area on Mt. Hansen (was made by geologists during ground examination which followed an airborne magnetometer survey early last year over 170 line miles). He says the encouraging results of this survey over the 148 claims was followed by a detailed analysis by computerization. This revealed additional anomalous areas of interest.

The additional claim groups were staked by the company due to the importance of the new discovery.

On the claims not covered by the survey, Mr. Wishart says part of a diamond drilling program had been done pending the further financing.

Of Holberg's 6,000,000 auth. shs., 750,000 shs. had been issued for properties as at 31Aug69, plus \$825 cash, and 1,629,470 shs. had been issued for \$611,568 net cash. This included 285,714 shs. issued during the year under review to net \$75,000. The company gained \$649 in a tax refund for total new funds of \$75,649 in the year and spent \$81,233. Working capital deficit was \$11,154 at 31Aug69 vs a deficit of \$5,570 at 1Sept68. Administration expenses of \$33,784 included \$6,595 for management services and exploration expenses were \$49,588.

FOR THE RECORD

Coronation Credit Corporation Ltd. has advised that the offer by Cornat Industries Ltd. to acquire the outstanding common shares of Coronation Credit Corporation Limited which was due to expire on 8Jan70, has been extended to 8Jun70.

Centennial Mortgage Corp. Ltd. common and 6% convertible redeemable preferred shares suspended from trading on 8Nov68 were removed from the list of the Canadian Stock Exchange on 8Jan70.