

VALNICLA COPPER MINE LTD.

FINANCIAL STATEMENT - Valnicla Copper Mine Ltd., incorporated in B.C. in March 1965, has issued an audited statement as at May 31, 1967, showing current assets at \$5,303, fixed assets at \$3,596 (after \$2,759 for depreciation); deferred expenses \$105,192; current liabilities \$11,811; advances from shareholders \$2,128. Of 5,000,000 shares authorized, 1,450,005 were issued, including 700,005 to net \$125,002.50 cash and 750,000 for property.

The current statement shows that in the 7 months to May 31, 1967, Valnicla spent \$19,839 on exploration and development and \$5,933 on administrative costs. New funds accrued during this period totalled \$5,520 of which \$5,000 was a payment by Midwest Oil Corporation as the latter's initial commitment under an agreement whereby Midwest agreed to make certain minimum expenditures on Valnicla's claims to maintain its option. This option will terminate if Midwest fails to elect to place the claims in production by June 30, 1968. Valnicla is entitled to a royalty of 7½% of net income from production from any or all of its properties so optioned until Midwest has recovered its development costs and 30% thereafter. On termination of the option agreement, Midwest is entitled to 4 shares of Valnicla capital stock for each dollar of development costs not recovered up to a maximum of 800,000.

Valnicla's holdings at date of the agreement included 4 groups of claims in the Merritt, B.C., area, and 36 claims in the Pine Point area, N.W.T.

Annual meeting of Valnicla will be held in Hotel Georgia, Vancouver, July 25, at 10 A.M.

BLACK GIANT MINES LTD.

ANNUAL REPORT - Black Giant Mines Ltd. reports current assets at Apr. 30, 1967 at \$64,569 and current liabilities nil. This was after expenditure in the 16 months to Apr. 30, 1967 of \$139,601 (net after crediting interest income of \$3,483.) Of the outlay, \$115,308 was for exploration and development, \$27,777 for administration. Of 5,000,000 shares authorized, 1,550,003 were issued for \$445,003 cash and 750,000 for mining properties. To date, in addition to the 750,000 shares, the company has made a cash payment of \$80,000 for mining properties. Deficit at end of the period is shown at \$176,181, including \$91,597 for expenditures on abandoned properties written off during the period under review.

Notes to the audited statement bring out that, as part consideration for the sale of mining claims, the company is entitled to receive 150,000 shares of Slocan Ottawa Mines Ltd., subject to certain conditions being fulfilled. On March 21, 1966, auth. capital was increased from 1,000,000 common shares, no par, to 5,000,000 common shares, no par. With effect from April 14, 1966, the name of the company was changed from West Point Mines Limited to Black Giant Mines Ltd. During the year ended Dec. 31, 1966, the following shares were issued: 800,000 to Bayshore Investments Ltd. for \$160,000; 150,000 shares to Bayshore Investments Ltd. for a total cash consideration of \$135,000; and 750,000 as consideration for purchase of mineral claims.

John L. Black, president, advises shareholders that last year ECO Explorations Co. Ltd., Winnipeg, contracted to carry out an exploration program on Black Giant's 185 claim silver-copper property in the Sustut River area, 135 miles north of Smithers, B.C. After carrying out the initial phase of the proposed program with disappointing results, the board elected not to continue the program. Assessment work was recorded on the 40 claims that had any showings or trenches.

Mr. Black adds that, since early spring 1967, Black Giant has had an active prospecting and geological crew in the field endeavoring to come up with a mine. Although no work was done on the Pine Point claims in 1966, they were restaked and will be kept in good standing throughout 1967.

PURE SILVER MINES LIMITED

ADDITIONAL FUNDS ARRANGED TO COMPLETE PLANNED WORK - Under date of July 10, Pure Silver Mines Limited advised shareholders that, subject to acceptance for filing by the Securities Commissions of Ontario, Alberta and British Columbia, a further underwriting has been arranged to produce \$120,000 for 300,000 treasury shares. This follows an underwriting early this year (GCNL No. 43(1967) of 400,000 shares at 25¢ per share. The additional funds, says W.H. Gross, vice-president, should suffice to complete the program of drifting and crosscutting recommended to date at the company's gold-silver property in Yukon, 10 miles north of Mile 757 on Alaska Highway.

After being suspended for spring break-up, underground work on 5100 ft. adit resumed early in July. It is the intention to start another adit on the 5400 ft. elevation as soon as a portal can be prepared on the mountain slope. Also, 300 ft. more drifting and crosscutting is planned on 5100 ft. level and 800 to 1000 ft. on 5400 level. This should partially develop veins No. 4, 5, 6 and 7. On completion of this work a diamond drilling program can be designed to test the ground between the levels to determine continuity of the veins and investigate the immediate area.

The report points out that if the work proves up a body of ore, the drifts will be used for mining operations. During the period this spring when work had to be suspended, supplies and equipment were moved in, adequate to support and expand the development program.