

WELLDWOOD OF CANADA LIMITED

(Continued from Page 1)

upswing in residential building in North America in the second half of the year.

Near capacity operations of softwood plywood plants resulted in the last 8 months of the year, and along with resumption of vigorous economic growth in several Western European countries and Japan, created a strong demand for lumber and restored profitable prices for softwood logs. The demand for hardwood lumber and veneer weakened.

Working capital increased by \$3.4 million to \$20.6 million.

Bank and other short term borrowings were reduced by \$12.3 million to \$8.4 million at yearend. At the same time long term debt was reduced by \$4 million to \$16.4 million.

SOUTH SEAS MINING LIMITEDPHELPS DODGE CORPORATION OF CANADA+ Major Highland Valley Exploration Agreement Made on 50-50 Basis

A basic 50-50 deal has been made between Phelps Dodge Corporation of Canada, Limited and South Seas Mining Limited on the Trojan property in the Highland Valley area of B.C. In order for the agreement to be maintained in good standing, the following expenditures are to be made on exploration of the property by the following dates: \$30,000 by June 30, 1968; \$160,000 by June 30, 1969 \$160,000 by June 30, 1970 \$200,000 by June 30, 1971 \$200,000 by June 30, 1972 \$250,000 by June 30, 1973.

The contract and expenditures give Phelps Dodge an option to enter into a joint venture with South Seas at any time during the contract with respect to placing the property in production. South Seas is not required to participate in the production financing.

"If Phelps Dodge undertakes the joint venture it will be the operator. It then has the right to secure financing to bring the mine into production or to keep the property in good standing until it deems commercial production practicable, or to engage in further exploration, both of the latter at its expense. If Phelps Dodge should choose not to enter into commercial production, South Seas retains the right to be the operator of the joint venture or to find a third party that will.

If Phelps Dodge chooses to mine and sell the ore before the milling stage, revenues will go 90% to repayment of loans and 5% to each of the partners, thereafter 80% to reimbursement of prior investment by South Seas and Phelps Dodge and 10% to each of the partners and thereafter 50% to each. There is over \$1,000,000 repayable to South Seas.

On Aug. 1, 1967, ore reserves were estimated at 17,422,000 tons grading 0.75% copper. In addition, there is a possible 10,000,000 tons of ore that has not been included owing to lack of precise information.

NATIONAL NICKEL LTD.

- + Preliminary Report Gives - Underground & Open Pit Reserves - In Two Zones of 12,796,000
- + East Zone - Open Pit - 5,446,000 tons of 0.37% Nickel 0.20% Copper
- + West Zone 7,350,000 tons of 0.21% Nickel and 0.15% Copper

Stan Paulson, president of National Nickel Co. Ltd., has reported the results of an April 8, 1968, progress report from Dr. D. D. Campbell, on the Nemeiben Lake, property in northeastern Saskatchewan.

The Dr. Campbell report states that the work to date has established that the property would support a mining operation. He also states that only about 10% of the 2.5 miles of favourable structure has been tested and that the balance should be tested before any decision as to production is taken. A 10,000 foot contract for diamond drilling on the property has been let and is to be completed by the end of July 1968. This work will be followed by a further 20,000 feet of drilling if results warrant.

There is as yet no indication of the limits of the known ore nor of the ore potential of the property.

Ore reserves are broken down into - underground ore - proven, probable, possible, 1,553,800 tons of 0.81% nickel and 0.42% copper. Open pit ore in the east zone is proven and probable 5,446,000 tons grading 0.37% nickel and 0.20% copper.

At metal prices of 45¢ per pound Canadian for copper and \$1.00 per pound for nickel and at 90% mill recovery, and shipment of concentrate to Fort Saskatchewan, an operation set up on either of the above reserves will be profitable.

In addition to the East Zone, there is the West Zone, a low grade area, possible open pit area containing 7,350,000 tons of 0.21% nickel and 0.15% copper. It is Dr. Campbell's opinion that, if this tonnage can be doubled in the West Zone, a large tonnage low grade operation will definitely be warranted on the property. Geological indications suggest that such a tonnage increase is reasonable to expect, he states.

Preliminary cost studies indicate the following net profits, are likely to be realized after capital repayments: from the East Zone as an open pit at 2,000 tons per day \$4,240,000 from the East Zone as an underground mine @ 350 tons per day \$7.00 per ton \$4,170,000.

The capital investment and preproduction time will be less for the underground operation. If the higher grade ore is mined underground then the East Zone open pit will not be economic.

Mr. Paulson stated that National Nickel has sufficient funds on hand to complete the 10,000 feet of drilling now underway and that, part way through the program, the company's interest, 49% will have been earned and Dunlop Mining, property vendor, which is also controlled by Mr. Paulson, will start to participate in the drilling costs. Dunlop has the funds.

23 Oct / 67

C. J. Covey

Shaft - C.G. development

1.6 Mt. @ 2% Cu

1.2 Mt. @ 1% Cu

on Contract of Geicon + contract Breccia

1. UTAH now on prof. (4500E EL)
2. Mitsui drilled 3 holes last year outside of Bx
3. Do a Big trench for Bulk Sample

June 26/67

B.C.

Kamloops M.D.

Highland Valley Area.

South Seas Property.

Memorandum for File.

The South Seas Highland Valley property, is an old well known ~~the~~ crown granted group of claims a few miles north and west of the Bethlehem Copper Corporation holdings. It has been worked intermittently over the years, with the bulk of the work concentrated in the years since the discovery of commercial ore at Bethlehem.

The geology in the area compares in many instances to that of Bethlehem; i.e., several quartz diorite phases of the Quichon Batholith with some porphyry dykes and associated explosive breccias, all overlain unconformably ~~by Tertiary~~ to the north and west by Tertiary andesite flows. Northerly faulting occurs in proximity to the work area. The best mineralization encountered to date appears to be ~~in~~ globs and small pockets of relatively massive sulphide, chalcopyrite and bornite, scattered around in the rock. The extent of low grade disseminated mineralization is not known. Rumours bandied about the street are to the effect that some 30,000,000 tons of rock grading 0.6% Cu are present.

Consulting geologist, Dr. Pentland, is presently compiling a report on the property from available data. It is said that this is to be made available to the public in a day or so.

Charles L. Lamme

B.C. CROWN PETROLEUM SALE

Notice has been given that a disposition of Crown petroleum and natural gas rights in B.C. will be held on January 24,1968, at room 406, Douglas Building, Victoria, B.C. Applications will be received up to November 23,1967, at room 433 Douglas Building for requests that acreage be offered for sale at that time.

FOR THE RECORD

Inter-City Gas Limited will pay a semi-annual dividend of 62½¢ per 6¼% Series A cumulative redeemable second preference share on October 30, record October 13,1967.

Zinc - American Zinc Institute, Inc. has reported U.S. stocks of zinc, including all primary and secondary zinc of standard grades, in short tons as follows: at smelter September 30,1967: 109,264; at August 31,1967: 116,732; and stock elsewhere at 23,949 tons vs 27,253 tons.

PLATEAU METALS LIMITED

OIL INTEREST ACQUIRED - Plateau Metals Limited has reported acquisition of a substantial holding in Widgeon Oils Limited of Montana. Widgeon Oils is a small, active oil company staffed by experienced geologists. It owns mineral and drilling rights on large tracts in the northern part of Montana. The firm is now in the process of negotiating for more acreage for drilling purposes.

Plateau has paid \$5,000 for the first test well and will provide the funds for completion if it is a successful producer. For providing these funds, Plateau is to acquire a 10% equity interest in Widgeon with further interests under negotiation.

Dr. Riley, president of Plateau Metals, stated that, at present, exploratory work is being concentrated in two separate fields whose structures lend themselves to being tested at relatively shallow depths. Discovery of oil and gas in such fields can be made for reasonably low costs in comparison with normal drilling.

Although its base of operations is located in Montana, Widgeon Oils Limited is a private Canadian company with only 100,000 shares capitalization. Present financing is sufficient to carry out the current series of tests and drilling of the first well will commence the first week in November.

Dr. Riley also reported on the deep drilling program on the Morice Lake-Lucky ship molybdenum property, located 50 miles south of Smithers, B.C. A hole over 3,000 feet in depth is nearing completion. Evidence of molybdenum mineralization has been encountered throughout the drilling and the results will be carefully appraised before further plans are made. This is the fifth year of work on the property by Amax Company. Plateau Metals has an agreement for sale of the claims for \$5,000,000 if the property goes into production.

PLACE GAS & OIL COMPANY LIMITED

LAKE ERIE GAS WELL - Place Gas & Oil Company Limited has obtained commercial gas production in the fourth consecutive successful well drilled in its new offshore gasfield in the Port Dover area of eastern Lake Erie, reports C.R.J. Smith, president of the company.

The new producer, Place-Charlotteville No. 11, obtained a natural open flow of gas in the Red Medina formation of 436,000 cubic feet daily which is expected to be increased substantially by hydro-fracturing treatment of the well. Initial open flow at the three previous wells ranged from 193,000 to 313,000 cubic feet daily, which, after treatment, increased to between 1,000,000 and 1,600,000 cubic feet daily.

Located one-half mile north of the No. 8 well, in line with the three other producers drilled to date, the new well indicates a further northward extension of the gasfield to a point one and one-half miles north of the discovery.

With extension of the company's underwater gas gathering system to the new field now completed, production from the first three wells is expected to be placed on stream momentarily, Mr. Smith said.

FOR THE RECORD

Lakeland Base Metals Ltd. shares were posted for trading on the Vancouver Stock Exchange at the opening Oct. 10,1967. Of the 5,000,000 shares of 50¢ par value authorized, 1,440,004 shares are issued and 750,000 shares are in escrow. Guaranty Trust Co. of Canada is the registrar and the ticker symbol is LBM.

West Coast Securities Ltd., on its own behalf and on behalf of clients, has underwritten 200,000 shares at 45¢ per share and, in consideration, has received options on 200,000 shares at 55¢ due January 9,1968, and 200,000 shares at 65¢ per share due April 8,1968.

South Seas Mining Limited shares were posted for trading on the Vancouver Stock Exchange on Oct. 10,1967. Of the 5,000,000 shares authorized, 3,095,037 shares are issued and 348,630 shares are in escrow. Crown Trust Company is the registrar and the ticker symbol is SUS.

First National Uranium Mines Limited shares were called for trading on Vancouver Stock Exchange on Oct. 10,1967. Of the 5,000,000 shares of \$1.00 par value authorized, 1,125,005 shares are issued. Guaranty Trust Company of Canada is the registrar and the ticker symbol is FNU. This is the successor firm to National Explorations Ltd., shares of which will remain posted for trading until further notice. + GCNL NO.197(OCTOBER 11,1967) +

SOUTH SEAS MINING LIMITED+ Consultant Reports On Potential of South Seas-Trojan Property Highland Valley

Under date of August 3,1967, C.J.Coveney & Associates, consulting geologists, of North Vancouver,B.C.,and former chief geologist with Bethlehem Copper for a number of years, has given his views and recommendations on the South Seas-Trojan property which is located a few miles north of the Bethlehem operation. Mr.Coveney states that he visited the property twice in June and July for a total of six days and studied all of the available information. He states that the property is 30 miles southeast of Ashcroft, B.C.,at an elevation of from 4,800 to 6,200 feet, covers a total of 60 claims, has moderate relief, few rock exposures,and an average of less than 20 feet of overburden.

His report states, "The breccia, from an economic view-point, is the most important rock type as all the mineralization is associated with this rock. Chalcopyrite, the principal copper mineral, is disseminated throughout the breccia matrix as fine particles but more generally as coarse blobs. Locally chalcopyrite occurs as large masses in stringers and faults and as massive replacements of the breccia matrix. The main breccia mass covers an area about 800 to 1,000 feet in width and in excess of 1,500 feet in length.

"Dr.Pentland has suggested that the higher grade part of the deposit is in the form of a letter "U" and has calculated for 3 zones a total of 17,422,000 tons averaging 0.75% copper. Using a copper price of 40¢ per pound, this gives a gross value in excess of \$100,000,000. The shaft section which is more nearly delineated than the other 2 zones is calculated as 1,570,000 tons of 2.17% copper. Again, using a price of 40¢ per pound copper, the gross value for the shaft section is in excess of \$26,000,000.

"In going over the data, I feel that the ore reserves as quoted are on the conservative side for several reasons.

"(1) One hole south of the bottom of the letter "U" showed 937 feet of 0.52% copper. Due to lack of information in the surrounding area, this hole could not be used in calculating tonnage figures.

"(2) Recent trenching to the northeast of the underground workings uncovered a brecciated area well mineralized with chrysocolla, malachite, and chalcopyrite. This zone was not known when Dr. Pentland calculated his tonnages.

"(3) The underground sampling done during the winter of 1966 was car samples and not bulk samples. The irregular scattered blobs of chalcopyrite in the breccia matrix makes sampling difficult and a true representative sample can only be obtained by using the bulk method. I suspect with proper bulk sampling, material now classified as waste or marginal, might become part of the ore reserves.

"(4) The nature of the chalcopyrite distribution also precludes the obtaining of a representative sample by diamond drilling. A more truly representative sample would be obtained from a larger sized hole - either percussion or rotary.

It is interesting to note that all holes drilled by Mitsui Mining and Smelting Co. were vertical holes and many were drilled outside the ore zone.

"A tremendous amount of work has been done on the property but unfortunately there has been lack of continuity of exploration as well as failure to preserve adequate records and maps. Practically all work to date has been concentrated on the known breccia area to the exclusion of other parts of the property, all of which is potential ore ground.

"Much of the South Seas claims are drift covered and very little attempt has been made to explore the ground away from the main breccia zone.

"I would recommend that the exploration program include, geological mapping, trenching, and a geophysical survey. Without detailing the program, I would estimate a cost of about \$60,000." (See also GCNL NO.151, page four, Aug. 4,1967; NO.148, page three, Aug. 1,1967; and NO.141, page four, July 21,1967.)

CONSOLIDATED VAN-TOR RESOURCES LIMITED

HIGH READINGS FROM - The airborne scintillometer survey of the seven claim blocks in the URANIUM SURVEY Uranium City area of Consolidated Van-Tor Resources Limited has been completed with outstanding results. Five major anomalies were found as well as two other areas of small but high radioactive readings. On CBS 492, two zones of strong radioactivity measuring approximately 1,200 feet and 800 feet long were recorded on 400 foot centres along a major fault zone. Also, on a parallel fault zone, there were two more zones each 400 feet long of good radioactive readings. Two ground crews are working on these showings.

On claim block 1184, scintillometer readings recorded an exposure 5,600 feet long on a prominent fault structure and everyone of the scintillometer readings exceeded 2,000 counts per second. On this same fault zone to the south, the instrument indicated strong readings over a distance of 1,200 feet. Also, on CBS 1184, an area measuring about 400 feet wide and 1,000 feet long showed very high background readings. Two crews are investigating these promising radioactive areas.

Ground work is being done in accordance with the recommendations in order to determine the widths of the radioactive showings and also how soon other work including diamond drilling can start.

DIVIDENDS

Husky Oil Canada Ltd. will pay semi-annual dividend of 15¢ on common on Nov.30, record Nov.1,1967. Alberta Natural Gas Co.-25¢ quarterly dividend payable Sept. 30, record Sept. 20,1967.

BOND YIELD AVERAGES

MUNICIPAL YIELD THE SAME - At July 31,1967, the McLeod,Young, Weir 40 Bond Yield Average
 ALL OTHER GROUPS INCREASED was 6.92% an increase of 0.01% during the month. The average
 yield at the end of June was 6.91%. The yields on the,
 provincial, utilities and industrial groups rose 0.03%; 0.03% and 0.01%. the yield on the
 municipal group remained the same.

Five changes were made in the provincial group during July. British Columbia Electric
 5% August 1,1986, were replaced by British Columbia Electric 5 1/2% August 1,1986, New Brunswick
 5 1/2% July 15,1989, were replaced by New Brunswick 6 3/4% August 1,1992; Ontario 5 1/2% October 1,
 1983, were replaced by Ontario 5 3/4% May 1,1987, H.E.P.C. of Ontario 5 1/2% November 15,1983
 were replaced by H.E.P.C. of Ontario 6 1/2% July 5,1987, and Saskatchewan 5% March 1,1979
 were replaced by Saskatchewan 6% March 1,1987.

Also substituted during the month was Canada 6% December 15,1971 with Canada 4 1/2%
 September 1,1972.

	JUNE 29 1966	January 31 1967	June 30 1967	July 31 1967
10 Provincials	6.27%	6.25%	6.67%	6.70%
10 Municipals	6.48	6.51	6.98	6.98
10 Public Utilities	6.35	6.45	6.91	6.94
10 Industrials	6.49	6.65	7.07	7.08
40 Bond Yield Average	6.40	6.45	6.91	6.92
Average Maturity	15 years 5 mos.	16 years -	15 years 7 mos.	15 years 11 1/2 mos.
Government of Canada 4 1/2% September 1,1972	5.91%	5.35%	6.02%	-
Government of Canada 4 1/2% September 1,1983	5.89%	5.57%	5.96%	5.94%
Government of Canada 5 3/4% September 1,1992	-	5.57%	5.83%	5.81%
Government of Canada 6% December 15,1972				6.00%

SOUTH SEAS MINING LIMITED

ANNUAL REPORT - South Seas Mining Limited has called its annual meeting for 10:00 a.m.,
 August 14,1967, at suite 600 - 250 University Ave., Toronto, Ont.

Financial statements covering the 16 months to April 30,1967, are with the notice
 of meeting. During the period the company spent \$225,666 on the Highland Valley property
 including \$6,400 to the company secretary and \$16,000 to its general manager and consultant.
 Of the \$225,666 spent on the property \$183,683 was contract development work and the notes
 to the financial statements bring out that 63,560 treasury shares were issued for services
 including 55,560 shares for contract development and 8,000 for wages, all at a price of
 75¢ per share.

Administrative expenses for the 16 months are shown as \$31,955. At April 30,1967,
 the company had current assets \$21,913 and current liabilities \$42,558 and there were
 2,995,037 shares issued of the 5,000,000 shares authorized.

The notes to the balance sheet also bring out that during the period the company
 issued 380,000 shares to private investors resulting in cash to the treasury of \$205,000
 and that trading in 443,560 shares was restricted subject to acceptance of a prospectus.
 On May 18,1967, the company entered an underwriting agreement covering 100,000 shares at
 \$1.25 per share. In addition the company by a May 17,1967, agreement borrowed \$62,500
 from certain directors and their families on demand notes without interest.

Directors shareholding are reported with the proxy information as follows: Carlton
 Skinner 18,667 shares, Ben H.Swig, 226,372 shares, Ralph D.Rooney 84,771 shares,
 Malvin M.Swig 251,847 shares, Ben L.Lerer 201,803 shares and Clarence B.Conn 14,801 shares.

FAR EAST MINERALS LTD.

HIGHER GRADE VALUES REPORTED - Far East Minerals Ltd. has reported assay values ranging from
 0.05 oz. gold to 0.14 oz. gold; 66.95 oz. silver to 118.70 oz.
 silver and from 59% to 65.8% lead. The assays are reported as from eight samples taken at
 intervals along a mineralized strike zone uncovered by the current stripping program.
 (No dimensions are given in the report to shareholders) Property at Golden,B.C.

An engineer's report is awaited on the company's recently acquired Lac LaRonge claims.
 and An exploration program will be planned as soon as the report is received.

CASTLE TIN MINES LIMITED

MERIT OIL LIMITED

ASBESTOS IN AUSTRALIA - Robert W.Macaulay, president of Castle Tine Mines Ltd. has reported
 TO BE FURTHER TESTED that a shareholders meeting will be called shortly to consider an
 agreement with Merit Oil Limited covering the joint participation
 in the further exploration of the White Asbestos property in Australia which has been
 under exploration by Merit Oil for several years.

SOUTH SEAS MINING LIMITED

CONSULTANT RECOMMENDS FURTHER PROGRAM TO THE AMOUNT OF \$60,000 - A July 26,1967, letter to shareholders of South Seas Mining Limited states that Cecil Coveney, an independent geologist has been retained by the company to review the work on the property which in the past eight months has included 2,700 feet of drifting at a cost of \$220,000. The letter states, "He believes that in addition to the present indicated orebody, there is a far greater potential tonnage to the north. A small amount of trenching recently completed in this area shows favourable results. Mr.Coveney estimates that an expenditure of \$60,000 would go a long way to prove the potential in the property." Dr.A.G.Pentland, company geologist, earlier estimated 17,422,000 tons of 0.75% copper to a depth of 500 feet, with possible additions.

The letter states that with the present indicated tonnage a mill of 5,000 tons per day should be considered. Directors will decide at the next meeting whether to proceed with exploration or to start working towards production.

WESTLAND MINES LTD.

(CONTINUED FROM PAGE TWO)

On the Porter-Hemlock area, where the work has been concentrated, and encouraging block of copper mineralization is being tested by drilling and trenching. The company plans to continue extensive drilling of the Porter area as well as to initiate further exploration to the northeast along favourable structural zones. In addition, work will be designed to test several recently delineated anomalies.

ATLAS EXPLORATIONS LIMITED

SECOND LAKE ERIE WELL - Atlas Lake Erie No.2 well came in over the weekend with a natural open flow of 250,000 cubic feet of gas per day on an initial drill stem test. Sand "fracking" can be expected to increase this flow from six to seven times. After other productive wells have been drilled, candidate wells will be stimulated in this manner to tie in with pipe-line construction and production.

No.2 well hit the Guelph reef formation between 926 and 974 feet depth, 26 feet higher stratigraphically than expected. Located half a mile S.S.E. of No.1, this well adds significant confirmation to field potential because it lies across strike of the reef and is still coming up structure, higher stratigraphically than No.1. This new gas field is therefore open across width to the south, and it is completely open on its longer east-west dimension.

The third well, started July 29,1967, will be completed this week one half mile still farther S.S.E as part of a line of holes at half mile spacing to define width of the field. When No.3, or some successive well on this line shows a 'dry' hole, defining width at this point, development drilling will be started along the length.

At the company's copper leaching operation of Cima Mines Limited, the Chilean subsidiary of Atlas, production of cement copper concentrate grading about 65% copper has reached 5 tons per day and shipments of about 200 tons per month are being initiated, which is expected to repay capital expenditure in one year and to produce a net profit of about \$100,000 U.S. per month.

In the Yukon several new lead-zinc-copper prospects discovered last year are being intensively explored in a \$250,000 program with 40 field personnel. Within the last month, a geochemical anomaly zone 8,800 feet long and 1,200 feet wide has been outlined, and one trench 100 ft. across strike shows mineralization from 1.9% to about 10% zinc with apparent average material assaying 6%. Bulldozer trenching is being started for preliminary indications of grade and continuity. Silver-lead mineralization up to 118 oz. per ton silver is also being trenched on another prospect, other discoveries are being explored, and primary prospecting is continuing.

In Australia various prospects are being examined and drilling is continuing on the Red Hill property 150 miles S.W. of Sydney, where disseminated copper mineralization is being encountered in a zone of geochemical and induced polarization anomalies aggregating 4,000 feet or more in length.

MERRITT COPPER CO.LTD.

DRILLING YIELDS GOOD GRADE COPPER NICKEL FROM NORTH SASKATCHEWAN GROUND - Jarl Aa.B.Whist, president of Merritt Copper Co.Ltd. has reported that the first two holes in the current series on the northeastern Saskatchewan property gave the following results: No.1 hole cut 50 feet of 1.52% nickel-copper, including a five foot section grading 5.35% combined nickel-copper; No.2 hole cut 80 feet grading 0.93% combined nickel-copper. There are a total of thirteen holes completed on the property in the current series and the second diamond drilling machine has been moved on to start deep testing. The ratio of nickel to copper appears to be about 2 to one at present.

The property is located at the east end of Nemeiben Lake, 2½ miles west of the LaRonge - Otter Lake road and 15 miles north-west of the town of La Ronge. The Merritt Copper property is in the same general area as the Scurry-Rainbow nickel find which is currently being drilled.

SOUTH SEAS MINING LIMITED

REVISED ESTIMATE PUTS INDICATED COPPER ORE - Results of 2700 feet of contract work AT 17,422,000 TONS AVERAGING 0.75 PERCENT at the Trojan property, Highland Valley, B.C., of South Seas Mining Limited, referred to in the prospectus which was reviewed in GCNL No. 137(July 17),have been made available.

As advised by H.L.Hill,P.Eng.,the work comprised shaft sinking and drifting to confirm size and grade of the main ore body as indicated by diamond drilling and to determine whether the ore continued down dip. The contract called for 2,000 ft. of drifting. It was extended to cover an additional 700 feet.

A.G.Pentland,P.Eng., in a report dated July 5,1967, says the work proved that diamond drill hole results were misleading, partly due to the positions of the holes, but also because they failed to give a true picture of the grade of ore. An up to date report by an independent consulting geologist not previously associated with the company is in preparation.

Dr.Pentland describes the Trojan Mine as situated in the Guichon Batholith, which consists of a large mass of granodiorite. The zone under exploration,he states, strikes in a general north-south direction through Bethlehem Copper and the Trojan Mine and continues north for several miles. At the Trojan, the zone is 1,000 ft. wide. Chalcopyrite is present throughout the zone but is not uniformly disseminated as it is in many other parts of the valley, but is in rather large grains or masses which may range in size from a pinhead to blobs that are several inches in size. In places,the blobs are fairly widely spaced with rocks showing little or no copper mineralization around them. The chalcopyrite may follow cracks in the rock and be concentrated along them. In a high grade zone close to the shaft, chalcopyrite was seen to make up a considerable part of the cementing material which held individual pieces of breccia together. The higher grade part of the deposit is in the form of the letter "U" . The bottom of the "U" is to the southeast, with one arm striking northwesterly and the other northerly. The other arm ends in the high grade section that was explored by early work from the shaft. The northerly trendary zone is made up of 2 parts separated by fractured but comparatively fresh granodiorite. The western side of this arm terminates in comparatively high grade ore with many assays in the range of one to three percent copper. The eastern side may terminate also in high grade copper ore as is suggested by surface trenches.

Between the 2 arms of the "U" occurs highly brecciated and altered rock with a small amount of chalcopyrite present throughout the mass with assays generally ranging from 0.05 to 0.4%. Old trenches and diamond drill holes suggest that a part of it at least, runs comparatively high in copper. The eastern arm dips towards the western arm so that the amount of rock between the two becomes progressively less at lower elevations.

In his summary of the ore position,Dr.Pentland states:

"The greatest emphasis was placed on the underground samples for the purpose of calculating average grade of ore. Next in order of importance were the samples from surface trenches. In many places, the grade indicated by diamond drill holes was not used. However, it was assumed that ore was present in places where either the core or sludge samples indicated that abundant chalcopyrite was present. In a few places,the diamond drill assays were used but no attempt was made to apply a correction factor. It seems probable that the grade will be higher in these places than the figure indicated by the diamond drill holes.

"A level of 500 ft.below the collar of the shaft was taken as the cut-off level. However, a number of diamond drill holes show that copper mineralization extends below this, and there is very little doubt that ore continues downward a considerable distance.

"No ore was included from the most southerly part. Here, again, the trenches and hole No. 2 strongly indicate that ore may be mined from this part. Also, no ore was included from the northern tip of the eastern half of the eastern zone. Trenches show good copper mineralization in this part and indicate that 4 to 5 million tons of ore of good grade may be expected from here.

"Trenches and diamond drill holes indicate that a fairly large tonnage of low grade ore may be mined from the east side of the high grade section that is situated near the shaft. However, none of these areas have been included although they constitute a definite plus value.

"Indicated ore reserves,as calculated from the date given above,are as follows:

	<u>Tons</u>	<u>Copper %</u>
High grade shaft section	1,570,000	2.17
Northwesterly arm of the "U" ...	1,881,000	1.28
Eastern zone	<u>13,971,000</u>	<u>0.52</u>
T O T A L	<u>17,422,000</u>	<u>0.75</u>

STUMP MINES LTD.

"A" ZONE EXTENDED - In the past 10 days,the "A" zone at the Ketzka River property in Yukon, of Stump Mines Ltd. was extended 200 ft. to give a continuous mineralized length of 800 ft., says Leon La Prairie,P.Eng. He adds that the added 200 ft. has mineralization similar to the 600 feet that assayed 32.6 oz. silver p/t and 27% lead across 4 ft. Samples from the 200 ft. extension are now being assayed.

CONSOLIDATED BUILDING CORPORATION LIMITED

POSITION IMPROVED - Total revenue of \$18,022,651 is reported by Consolidated Building Corporation for the year to Feb. 28, 1967. Cash earnings before writeoffs were \$495,279 and net profit after writeoffs was \$59,269. The company says that consolidation of operations and other economies resulted in a reduction in general, selling and administrative expenses from over \$2,000,000 the year before to \$997,000 for the year under review. Working capital in the new statement is shown at \$1,768,349, mortgages receivable \$1,008,525, investment properties at cost \$11,129,663 against which accumulated writeoffs are \$1,325,189. Liabilities include \$143,825 advances from shareholders due Sept. 10, 1968, mortgages payable in investment properties \$9,756,526, less \$472,437, due within one year, a net of \$9,268,089 and 6 1/2% sinking fund debentures due Feb. 1, 1979, less \$20,000 due within one year and also provided for in current liabilities. Of first preference shares, par \$10, authorized 988,100, 288,100 are issued and of 6,000,000 common shares authorized, 3,669,126 are issued.

In summarizing the position, L. Shankman, president, says bank debt was reduced from \$5,125,000 at Feb. 28, 1966 to \$3,023,347 at Feb. 28, 1967, and that further reductions have been made since the year end. Accounts payable were reduced from \$3,713,262 to \$2,073,279. The company bought for cancellation \$200,000 6 1/2% S.F. debentures. Other long term debt was reduced by \$1,450,000. It was decided to consolidate activities in the general area of Metropolitan Toronto and fringe municipalities. This restricted financing and the lack of mortgage funds contributed to limitation of volume. Sales in the Toronto region totalled 378 housing units, including 184 under construction at March 1, 1967, and 194 new starts during the year under review. Subsequent to the yearend, a 25-acre industrial development was acquired in the Township of Scarborough.

SOUTH SEAS MINING LIMITED

CURRENT PROGRAM TESTING TROJAN'S EASTERN ORE ZONE FOR FULL LENGTH - Nature of the current underground program at former property of Trojan Consolidated Mines Ltd., which South Seas Mining Limited has acquired subject to royalty, is outlined by A.G. Pentland, P. Eng., a shareholder in South Seas. Dr. Pentland's report is accompanied by a certificate signed by Cecil J. Coveney, P. Eng., stating that he had gone over Dr. Pentland's report and other pertinent data with Dr. Pentland and that he is in agreement with the program recommended by Dr. Pentland.

The new report, dated May 1, recommends a further program at the Trojan mine, to cost an estimated \$123,618, and is included in a South Seas prospectus dated June 5, 1967, and accepted for filing by the B.C. Securities Commission on June 30, 1967. The prospectus relates to an underwriting of 100,000 shares of South Seas by Davidson & Co. Limited, Vancouver, at a price of \$1.25. Through advances of \$62,760 made to South Seas by a group of shareholders, the program was under way in advance of the underwriting agreement which was dated May 18, to avoid substantial dewatering problems if the program were stopped pending completion of the new financing. A balance sheet as at April 30, 1967, showed South Seas to have current assets of \$21,913 and current liabilities of \$42,558. At date of the statement, there were 2,995,037 of the 5,000,000 South Seas shares outstanding. During the 16 months to April 30, 1967, South Seas raised \$205,000 from sale of 380,000 treasury shares. Net expenditures on exploration and development in the 16 months are shown at \$208,166 and payments on mineral properties were \$7,628. Working capital deficiency at start of the period was \$13,017 and at the end of the period was \$20,645. Total expenditures from incorporation Oct. 8, 1959 on exploration and development are shown at \$783,651 of which \$761,819 was spent in Highland Valley. This included \$243,535 spent under Mitsui Mining and Smelting Co. Limited agreement.

Work to date and the recommended program are reviewed in Dr. Pentland's report as follows:

"Work completed at the Trojan Mine during the past 18 months has shown that the copper mineralization is wide-spread and that it has an irregular zonal arrangement. This work consists of a number of large trenches dug by bulldozer during 1965 and 1966, and 2,000 feet of drifting on the 150 foot level. The drifting was done during the winter of 1966-1967 and is being continued at the present time.

"Two zones of copper mineralization have been explored, one striking north-south and dipping steeply to the west and a second, which branches from the first near the south end, striking northwesterly towards the high grade ore that was outlined in early underground work and diamond drilling.

"The first zone is up to 300 feet wide and has been traced for more than 1,500 feet. The second zone is up to 200 feet wide and has been traced for 750 feet.

"Additional trenches, which were dug at a distance of about one mile from the shaft, indicate that other zones may exist on the property. One set of trenches, situated to the northwest of the shaft, has indicated copper mineralization in a zone with a northwest strike, roughly in line with the northwest-trending zone near the shaft. A second set of trenches has exposed a mineralized zone about 11,000 feet north of the shaft.

"The work that has been completed suggests that there is a large body of copper ore, which may be mined at a profit. However, it is desirable to continue drifting at the ends of the deposit in order to check tonnage and grade of ore in these parts." (Continued Page 4)

(Continued from Page 3)

SOUTH SEAS MINING LIMITED

"This work can be done at a reasonable cost while the shaft is pumped out, but if water is allowed to fill the shaft, it seems unlikely that the work will be completed. The ground does not stand up well when it is saturated with water. The cost of pumping out the workings and cleaning up the caved ground would be prohibitive.

"A contract was signed with Highland Development Co. in November, 1966, to do 2,000 feet of drifting. This work was laid out to check the results obtained from trenches and diamond drilling.

"No. 1 drift was driven in the high grade zone that is situated near the shaft. It was designed to test diamond drill hole 64 - 1, which was drilled vertically from the surface. This hole gave 510 feet of ore having an average grade of 0.73% copper. The drift was driven from one of the old workings in a northwesterly direction to pass close to the hole and was continued into the hanging wall of the ore. The average grade of the first 94 feet was 3.2% copper, thus suggesting that the drill hole gave an average that was too low.

"The remainder of the 2,000 feet was used to test the eastern zone. This work has shown clearly that copper mineralization continues down the dip, and that the grade of ore is better than that indicated by the diamond drill holes.

"It is proposed that this work be continued for another 1,000 feet in order to thoroughly test the eastern zone throughout its total length. This must be done now while the water is pumped out of the workings and the drifts are free from caved rock. If the mine is allowed to fill with water again there will be considerable caving along the drifts and the cost of rehabilitation will be prohibitive."

CALICO SILVER MINES LTD.

PROGRESS REPORT - Calico Silver Mines recently raised \$100,000 by an underwriting of 100,000 treasury shares at \$1.00 by Royden Morris & Co.Ltd. As noted in GCNL No. 118(1967), proceeds are being applied to carrying out a program at the company's property in Calico district, San Bernardino County, California, recommended by H.S.Fowler, P.Eng. The president, E.E.Osborne, has received a report from Lawrence B.Wright, R.P.E. of San Francisco, who, in association with Mr.Fowler, recommends several drilling targets to depth of 500 feet. This will be in addition to continuing to test values near the surface. For deeper drilling, a machine capable of drilling to 500 or 600 feet was scheduled to be on the property by the end of last week.

The first drilling has been with a light machine with progress slow because of difficult ground. This rig is continuing to search for extensions of possible low grade shallow open pit areas. In this shallow drilling, 8 holes have been run to date of which 3 could not be completed. The remaining 5 all carried low grade silver mineralization indicating north and south extensions of previously reported mineralized ground. One hole designated A3 is reported to average 4.68 oz. silver for 45 feet, and to include one five foot interval averaging 14.80 oz. silver per ton. This work is in one of several areas on the property which are regarded as having an open pit low grade potential based on surface sampling. Mr.Osborne says that with \$75,000 currently in its treasury, funds are considered adequate to pay for the planned program.

He says also that directors have been encouraged by information, relating to ground immediately adjoining a part of the Calico property, which was reported at a meeting of the County Planning Commission Chambers, San Bernardino. John Redmond, Calico's resident field engineer, advised directors that an application for the rezoning of the ground in question, adjoining that of Calico, from light manufacturing to general manufacturing was made by American Smelting and Refining Co. This application, which was granted, was stated to be for the purpose of building a mill. Mr. Redmond advised the Calico directors that the planned mining operation is 13,000 to 15,000 tons per day with a mill to process 6,000 tons per day.

FOR THE RECORD

▶ Nadina Mines Ltd. special shareholders' meeting, July 14, approved the agreement outlined in GCNL No. 131, Page 4, granting Kennecott Copper sole right to explore Nadina's silver, copper, lead, zinc prospect known as the Owen Lake property.

John Labatt Ltd. has notified shareholders that they will be asked at a meeting on Sept. 15, to vote on a proposal for a two-for-one split of the common shares and an increase in the quarterly dividend to 25¢ p/s from 20¢ on basis of the shares before the split or at the rate of 12½¢ p/s after the split. (Labatt's year end figures, GCNL No. 136.)

▶ Granduc Mines Ltd. has been granted by B.C. government order-in-council, 254 acres of Crown land for development as a townsite in conjunction with its mining operation north of Stewart, B.C. The town will serve an estimated 1,000 residents by the late 1969 target date for opening the Granduc mining operation. Plans for the townsite will be submitted for approval to the minister of municipal affairs.

Vanspec Underwriters Service Ltd., 41 - 553 Granville Street, Vancouver, has been granted registration by W.S.Irwin, superintendent of brokers, as a broker-dealer, non-trading, for the period from July 12, 1967 to April 30, 1968, subject to the condition that the registrant may not trade in securities with the public and subject to the provision that he may not act directly or indirectly, as an agent or on behalf of any person or company.

COPPER HORN MINING LTD.

PROGRESS REPORT ON FOUR PROPERTY PROGRAM - Copper Horn Mining Ltd., a Penticton, B.C., based company, has a four property exploration program underway with Hill, Manning & Associates Ltd. acting as managers and consultants.

A recent report from the consultants on the four property program states that the molybdenum property near Ymir, B.C., has had the reconnaissance soil sampling survey completed and the magnetometer survey is underway. The program of detail soil sampling and geological mapping will continue. The x-ray drilling on the molybdenum showing has indicated persistent low grade mineralization across an apparent width of 150 feet. No limits to the mineralization have been encountered. The engineer states that float and sparse outcrops in the immediate vicinity indicate mineralization spread over a greater width than tested. The targets located by the soil sampling and geophysical program will be diamond drilled to give grade indications.

Results of geophysical surveys, soil sampling, and geological mapping are awaited on before planning the next stage of exploration for the claim groups held by the company in the Pine Point area, N.W.T., results of a Seigel I.P. survey are expected shortly on this ground; Nakusp area, and in the Kaslo area.

Copper Horn Mining Ltd. is continuing its first public offering of shares in the amount of 200,000 at a price of 50¢ per share to provide the funds with which to advance the exploration work.

GEM EXPLORATIONS LTD.UTAH CONSTRUCTION & MINING CO.PHELPS DODGE CORPORATION OF CANADA LTD.

SECOND MAJOR TAKES INTEREST IN HARRISON LAKE MOLYBDENUM GROUND - Phelps Dodge Corporation of Canada Ltd. has agreed to acquire half of the interest held by Utah Construction & Mining Co. in the Harrison Lake, B.C. molybdenum property originally held by Gem Explorations Ltd.

By an agreement dated July 27, 1964, Gem Explorations Ltd. gave Utah Construction and Mining Co. the right to earn an undivided 1% interest in the mineral claims near Harrison Lake for each \$5,000 spent on the claims. Utah is to earn an undivided 100% interest in the claims when a total of \$500,000 has been spent on the ground. To keep the agreement in good standing, Utah was and is required to spend the following minimum amounts by the dates stated: \$125,000 by October 31, 1967; \$225,000 by Oct. 31, 1968; \$350,000 by Oct. 31, 1969; \$500,000 by Oct. 31, 1970.

The agreement further provides that, if Utah brings the property into production, the proceeds from production shall be applied: 95% to Utah until it has received its development expenses and 5% to Gem during this period. When Utah has received its development expenses, the profits are to be divided 87½% to Utah and 12½% to Gem until Gem has received a total of \$3,000,000, after which time the profits will be divided 95% to Utah and 5% to Gem.

Now by an agreement dated July 19, 1967, Utah has given Phelps Dodge Corporation of Canada Ltd. the right to 50% of its interest in the property. Phelps Dodge can earn this 50% by making exploration expenditures on the ground equal to the amount Utah has spent to date, namely \$183,610, and by providing 50% of the funds required beyond that point.

Phelps Dodge has agreed to provide \$100,000 for exploration on the ground this season with the \$100,000 to be spent by October 31, 1967. This \$100,000 is stated to be the minimum expenditure for the current season and can be more if both Utah and Phelps agree.

Gem Explorations Ltd. has agreed to the contract between Utah and Phelps.

Gem Exploration holds some claims in the Pine Point area N.W.T., and is continuing its program of seeking additional properties.

FOR THE RECORD

➤ South Seas Mining Ltd. has been granted registration by B.C. Securities Commission covering 100,000 shares at \$1.25 underwritten by Davidson & Co. Ltd.

➤ New Indian Mines Ltd. has received a report from F.J. Hemsworth, P. Eng., stating that a geochemical survey of its NIM claim group, a mile west of Bethlehem Copper, involving 1,194 soil samples, has shown that several geochemical anomalies are evident. They were taken and analysed by T.S.L. Laboratories for parts per million of copper. The soil on the anomalous area contained from 100 to 1,500 parts per million of copper vs an average background count of 14 parts per million. Samples were taken at 100-foot intervals along lines 400 ft. apart. Additional intermediate samples are now being taken in order to extend and confirm the areas of high copper content. The consultant says that bulldozer stripping and trenching are planned on several claims starting on NIM 14 & NIM 18 claim anomalies. Stripping will determine extent of the underlying copper mineralization and indicate if drilling is warranted, he adds.

➤ Acklands Limited reports that shareholders meeting, June 28, approved acquisition of a number of Canadian wholesale distributing companies. (For details, see GCNL No. 116(1967). The meeting was told that Acklands combined profits before taxes for 6 months to May 31, 1967, were 35% higher than in like period last year, before the new acquisitions were made. Consolidated Manitoba Mines Ltd. reports that a survey by Barringer Research Ltd. conducted from the air, established a number of magnetic anomalies within a 120 sq. mile area in the James Bay Lowlands-Moosonee region of northern Ontario. On the strength of the results, the company is staking additional claims. Ground follow-up exploration has started.

CAMBRI MINING & DEVELOPMENT LTD.

PROGRESS REPORT - L.P. Sheppard, P.Eng., consulting geologist, states in a May 12, 1967, progress report on the Tonasket, Washington molybdenum property held by Cambri Mining and Development Ltd., that exploration work was begun on this property on March 15, 1967. Access roads were repaired, relocated where necessary, and a core house was built. Drill hole sites were prepared by bulldozing.

A diamond drilling program was laid out on a 100 foot grid pattern, and drilling began on March 20, 1967. Six holes were completed, for a total of 1817 feet. Plans called for holes to be drilled to a depth of 400 feet below surface, and two holes reached this depth. The remainder were stopped short of their objectives, owing to sanding caused by the loss of return water.

A percussion drill was moved in on April 28, 1967. Four holes were drilled for a total of 595 feet. The holes were stopped when the water table was reached. Drilling with this type of rig is continuing; however, diamond drilling will be used to deepen holes to the required depth.

Ore reserves were calculated from results of the drilling and previous underground sampling of four adits. The result was 1,500,000 tons of proven and indicated ore at 0.239% MoS₂ and 500,000 tons of possible or inferred ore, at 0.172% MoS₂. The current price of molybdenum is quoted at \$1.67 per pound, U.S. funds.

The orebody can be mined by open pit methods.

Drilling is continuing to block out the remainder of the orebody, which is undetermined as yet.

A plane table survey was carried out on the Moly Boy millsite, Moly Bay, Moly Girl and Southern Cross claims, for topographic control, geology and drill hole locations.

CALIX MINES LTD.

CONCENTRATE SALES CONTRACT ANNOUNCED - Following is the text of a May 26, 1967, news release from Calix Mines Ltd. "Dr. Douglas Telford, chairman of Calix Mines Ltd. wishes to announce that an agreement dated May 1, 1967, covering the purchase of approximately 500 dry, short tons per month of Calix America zinc concentrate, Colville, Washington has been signed with the Anaconda Company.

"This agreement shall be in effect during the period May 1, 1967 through April 30, 1968 and shall continue from year to year thereafter, subject only to either party giving not less than 60 days written notice prior to any May 1.

"This contract betters previous purchasers' offers by almost \$20.00 per ton and changes this operation from a marginal to a highly profitable one. A preferential freight rate of \$5.41 per ton to Black Eagle, one of Anaconda's smelters has been confirmed. Calix America Corporation, a wholly-owned subsidiary of Calix Mines Ltd., is geared for mine-mill operations at Colville to meet contract requirements.

"The chairman further reports that the company's other subsidiary, Tombstone Copper Mines Ltd., has reached an important milestone in its future expanded development, and a joint announcement in this regard will be released shortly."

SOUTH SEAS MINING LIMITED RH

PROGRESS REPORT - Following is a text of a May 29 letter to shareholders by Benjamin H. Swig, chairman of South Seas Mining Limited:

"In January, we advised that further drifting had been started in the South Seas Mining property in the Highland Valley of British Columbia, under a contract with the Highland Development Co., of Vancouver. That letter gave the results of assays of ore samples in the first 94 feet.

"The contractor completed 2,000 feet of underground drifting and has started some additional drifting in the extreme northern and extreme southern portions of the property. Bulk samples have been taken, crushed, quartered and assayed. Assays are being collated and the whole program evaluated. A report, containing an ore and grade estimate is to be completed after the drifting has been finished. The conclusions will be summarized and distributed.

"On the present indications that such report will show a favourable tonnage and grade, consideration is being given to an early underwriting in British Columbia to provide funds for further drifting, for reimbursement of loans which became necessary to complete the present drifting program and for mine expenses.

"Summaries of the extensive previous diamond drilling and surface trenching have been provided in previous letters to shareholders and need not be repeated."

SILVER DOME MINES LTD.CROWN SILVER DEVELOPMENT LTD.

GREENWOOD WORK TO CONTINUE - F.D. Stanley, secretary of Silver Dome Mines Ltd. and Crown Silver Development Ltd., has reported that Utah Construction & Mining Co. will continue work on the Greenwood, B.C. property and that induced polarization survey work will be done. Work in 1966 located two anomalous areas 5,000 feet by 6,000 feet. The program for 1967 will include expenditures of \$100,000 or more.

have consolidated gold dredging Co. Ltd. will pay 10¢ on May 19, record April 28, 1967.

South Seas Mining Limited the annual meeting of South Pacific Mines Ltd., which holds 304,000 shares of South Seas Mining, was told that the 2,000 feet of underground drifting and crosscutting has 250 feet to go to completion and that when completed Dr. A.G. Pentland will prepare a detailed summary and evaluation of the results of the program. Dr. Pentland's report is expected to be completed in early June 1967. Until the program is completed, Melvin Swig, president of South Pacific Mines, stated that all that could be stated was that the recent results are very favourable and the indications are that the company has something better in the new workings than exists in the existing operations in the area. He stated that he was confident that the South Seas-Trojan property would be a big mine.

NO. 72 (APRIL 13, 1967) - GEORGE CROSS NEWS LETTER +

SOUTH SEAS MINING LIMITED

GCNL May 30/67

→ PROGRESS REPORT - Following is a text of a May 29 letter to shareholders by Benjamin H. Swig, chairman of South Seas Mining Limited:

"In January, we advised that further drifting had been started in the South Seas Mining property in the Highland Valley of British Columbia, under a contract with the Highland Development Co., of Vancouver. That letter gave the results of assays of ore samples in the first 94 feet.

"The contractor completed 2,000 feet of underground drifting and has started some additional drifting in the extreme northern and extreme southern portions of the property. Bulk samples have been taken, crushed, quartered and assayed. Assays are being collated and the whole program evaluated. A report, containing an ore and grade estimate is to be completed after the drifting has been finished. The conclusions will be summarized and distributed.

"On the present indications that such report will show a favourable tonnage and grade, consideration is being given to an early underwriting in British Columbia to provide funds for further drifting, for reimbursement of loans which became necessary to complete the present drifting program and for mine expenses.

"Summaries of the extensive previous diamond drilling and surface trenching have been provided in previous letters to shareholders and need not be repeated."

NEW DRIFT IN HIGHGRADE - A January 4, 1967, letter to the shareholders of South Seas Mining Limited signed by Benjamin H. Swig, chairman, states that 94 feet of new drift in the area of an old drill hole opened 80 feet of 3.2% copper. The complete text of the letter is quoted below.

"The company entered into an agreement, on November 5th, with Highland Development Co. Ltd., of Vancouver, B.C. to do 2,000 feet of drifting at the South Seas (formerly Trojan) Mine in the Highland Valley. By the end of the year the shaft had been dewatered, part of the workings cleaned out, some track laid, timbering done where necessary, and 94 feet of drifting completed.

NEW DRIFT ASSAYS:	"Assays were made for the company at the request of our geologist, Dr. Arthur Pentland. They were as follows: (see box to the left)
Feet	Copper
0-6	1.24%
6-12	1.54
12-18	2.09
18-24	1.68
24-30	4.36
30-37	3.31
37-44	3.68
44-51	4.20
51-58	6.17
58-65	4.89
65-73	3.83
73-80	1.39
80-87	0.70
87-94	0.52

"Each of the samples is a bulk sample taken from the cars as the round is being mucked out. This large sample is run through a crusher and quartered to bring it to a size that can be handled by the assay office. "The first 80 feet averages 3.2% copper. It is of interest to note that the last 14.0 feet were in comparatively fresh granite and that the granite has a degree of copper up to 0.5%. Drifting was discontinued here. A second working place has been started to go under the trenches that were completed early last year in a northwesterly direction. "The purpose of this investigation is to check the results of earlier diamond drilling and to determine whether ore found in the surface trenches continues to depth. Ore at the South Seas (formerly Trojan) is not uniformly disseminated throughout the country rock as in many other places, but consists of relatively large blobs of chalcopyrite with barren rock in between. This makes sampling difficult and throws considerable doubt on the accuracy of diamond drill hole results. "For example, the drift that has just been driven was directed towards diamond drill hole No. 64-1. This hole was drilled vertically through a highgrade section of ore. It averaged 0.73% over a length of 510 feet, and the best part went 1.17% copper over a length of 140 feet. This is the part that was cut by the drift, which assayed 3.2% over 80 feet. Thus the early indications are that the diamond drill results are low.

"The cost of the present program is estimated at \$150,000.00. Highland Development Co. Ltd. is engaged in the development of a property in the Yukon during the summer. In order to take advantage of their equipment and crews, it was necessary to carry on the South Seas program during the winter months. Therefore, the money had to be raised quickly.

"Highland Development agreed to take one third of its money in escrow shares at \$0.75 per share. In order to raise the balance of the money your Directors agreed to purchase 180,000 escrow shares (these shares can not be sold on the open market in British Columbia without issuing a prospectus) at a cost of \$0.75 per share. The market value of the free shares on the date of application to the Superintendent of Brokers was about 80 cents.

"The attached map shows previous underground work, present work and contemplated future work and surface trenching. As you will recall, previous exploratory work included \$230,000 of diamond drilling by Mitsui Mining & Smelting, which company reported finding 1,700,000 tons of 0.85 per cent copper. During the last two years, surface trenching over a length of 2,200 feet, up to 300 feet wide, exposed a good grade of copper ore. Over the full distance samples ranged up to 3.2 per cent copper. Minimum vertical range was estimated at 500 feet. While the current underground results are more favorable than the results from some previous underground work, it cannot be assumed that results will continue at this percentage of copper ore.

"Underground work will continue throughout the winter and spring, and we will continue to give you reports." No. 2 (JANUARY 13, 1967) + GEORGE CROSS NEWS LETTER

SOUTH SEAS MINING LIMITED

PROGRESS REPORT - C.B.Conn, director of South Seas Mining Limited, has provided the following progress report on the program at the company's property in the Highland Valley, B.C. "Current program of drifting and cross cutting most gratifying.

"Since letter of January 4, 1967, a total of 1,399.2 feet of drifting and cross cutting has been done outside of the original ore reserves of the Trojan property in the Highland Valley. Full results of the grades and ore potentials will be published when this work is completed. The results to date have been most gratifying and consideration at this time is being given to an extension of this program. The ore potentials within the existing boundaries hold very high hope for this property."

Mr.Conn also stated that a crew of about 20 men is continuing to drive the level on a 24 hour basis with the current program expected to be completed by the end of April. If the program is extended, the completion date will be extended.

