

BALCO INDUSTRIES LTD.

9 MONTHS TO AUG. 31,	1973	1972
Consolidated Sales	\$26,211,203	\$17,159,652
NET EARNINGS	1,479,077	907,843

KAMLOOPS BASED WOOD PRODUCTS FIRM REPORTS IMPROVING TREND IN PROFIT

Giving effect to the 2-for-1 split in the shares of Balco Industries which became effective after approval by shareholders 27Sep73, earnings in the 9 months to 31Aug73 were \$1.47 p/s on an undiluted basis. (Ref.: GCNL No. 184(73)). Net earnings for the 3 months to 31Aug73 were \$450,194 vs \$374,481 in the like period in 1972.

D.L. Balison, president, says that since Balco became associated with Canadian Forest Products Ltd. in early June (Ref.: GCNL No. 143(73)) the relationship has brought real benefits to Balco. With access to "Camfor's" experience and expertise Balco is developing a program for continuing improvements in methods and facilities which will be reflected in more effective utilization of the company's manpower and its forest resources.

Balco earnings in August were below expectations because of a railway strike which curtailed shipments and resulted in abnormally high inventory levels. With rail cars becoming increasingly available Mr. Balison says he expects the objective of reducing inventories to normal will be attained by the end of November.

The new plywood layup plant brought into production in April 1973 has continued to perform well. In the 5 months to 31Aug73 production volume was 105.8% of the forecast.

Mailing of the share certificates giving effect to the split to holders of record, Oct. 2/73 has been completed.

B.C. DEPARTMENT OF MINES & PETROLEUM RESOURCES

WHITE LAKE AND OWEN LAKE DATA AVAILABLE - B.C. Department of Mines & Petroleum Resources minister, the Hon. Leo. T. Nimsick announces that Bulletin No. 61 Geology of the White Lake Basin (south and west of Penticton) by B.N. Church is now available (on prepayment of \$3.00) from the Chief Geologist, Mineral Resources Branch, Victoria.

The White Lake Basin is underlain by an Early Tertiary succession some 12,000 feet thick that is divisible into five main stratigraphic units. The succession is dominated by volcanic rocks of diverse composition. The bulletin considers their petrogenesis in detail and concludes they result from eruption of three magma series: (1) andesite and rhyolites, (2) phonolites and mafic phonolites, and a mixed magma producing (3) trachytes. Precious metal deposits are associated with these volcanic rocks. The main prospect is the Dusty Mac gold-silver deposit near Okanagan Falls.

Map area, part of 82E/5; map scales, 1 : 50,000 and 800 feet to 1 inch; 120 pages; 10 tables; 48 figures; 43 plates.

The Department has also announced that Preliminary Maps 13a, b, c, d, e, f, g, being Map 13a - Geological Map of the Owen Lake - Goosly Lake Area by B.N. Church and Maps 13b to 13g - Petrochemical Maps of the Owen Lake - Goosly Lake area by J. Barakso and B.N. Church on a scale of 1 : 50,000 are now available at \$1 each or a complete set for \$7 from the Chief Geologist, Mineral Resources Branch, Victoria. The map area is part of NTS sheets 93L/1 and 2. Map 13a is a revised edition of Preliminary Map No. 6. The area includes the Sam Goosly deposit and Nadina Mine. Maps 13b to 13g are petrochemical maps for copper (b), lead (c), manganese (d), arsenic (e), mercury (f), and cadmium (g) in the Tertiary and pre-Tertiary rocks of the area which are mainly of volcanic origin. The geochemistry is based on rock samples collected by Church and analysed by Barakso. It is the first result of the policy of loaning temporary collections for further study.

ADANAC MINING & EXPLORATION LTD.

TWO LONG HOLES ADD TO STRUCTURAL KNOWLEDGE - Adanac Mining & Exploration Ltd. president Winslow W. Bennett advises that Climax Molybdenum Company of B.C. has reported the results of its 1973 field program on Adanac's Ruby Creek molybdenite deposit in Atlin Mining Division, NW B.C. The main aim has been to obtain an over-all picture of the geology, particularly the relationship between mineral occurrence and rock type. The work included 5,000 feet of diamond drilling in two holes, re-logging split core from previous drilling, and collection of a large number of rock specimens from surface and underground for thin section study. It significantly added to knowledge of the molybdenite occurrence and the deposits structure.

Climax plans to continue studies of the data. Further underground work may be undertaken in 1974 if required. Climax has committed to spend \$400,000 by mid-1975, to include a review of the feasibility of placing the property in production.

The 1973 program identified distinct porphyry rock types representing potential sources of mineralization.

FOR THE RECORD

CORRECTION: Pennant-Puma Oils Ltd.'s cash outlay on the Pleasant gas field project is \$438,000 and its share of the assumed bank loan is \$550,000 rather than the \$43,800 and \$55,000 respectively that was printed wrongly in GCNL 205(73).

CORRECTION: Exeter Mines Limited's consideration payable for assignment of the option on the Tinta claims is 300,000 shares and not 540,000 as had been noted in GCNL 210(73).

Erin Explorations Ltd. option due Oct. 24/73 has not been exercised by Brink Hudson & Lefever Ltd. as to 50% and T.K. Laidlaw & Co. on behalf of Juliana Investments Ltd. as to 50% being the option to buy 200,000 shares at 35¢ each under a 6Jun73 agt. now terminated.

FOR THE RECORD

Adanac Mining and Exploration Ltd. reports regarding its agreement with Climax Molybdenum Corporation of B.C. Ltd. detailed in GCNL 14(73) that a drilling program involving a group of deep holes is scheduled to start in mid-July at Adanac's Ruby Creek property near Atlin, B.C., and is expected to be completed before the end of the field season. Climax is accompanying this work with a geological program and a statistical study of assay distribution is underway at the Climax facilities in Golden, Colorado, directed toward improved understanding of grade occurrence. This could have an influence on overall grade of the reserves. Markets for molybdenum are now considerably more healthy than they were last year, Winslow W. Bennett, Adanac president, points out. He notes also that Adanac is a 10% member of a group formed to acquire a prospecting license on the Irish West Coast offshore acreage. In the 6 months to 31Mar73, Adanac recovered \$25,000 of its deferred costs and spent \$48,429. The decrease of \$23,429 left working capital at \$111,287 vs \$134,716 at start of the period. Current assets of \$136,287 included \$80,000 in marketable securities (market, 31Mar73, \$80,000). Of 5,000,000 shares authorized, 3,195,602 were issued. Cedar City Mines Ltd. advised Vancouver Stock Exchange in connection with its application for

Interim Listing which became effective as noted in GCNL 115(73) that early this year the company had lines cut and a Mag. survey done on its RS claims near Birch Island, 85 miles N of Kamloops. Some bulldozing was also done, all at a cost of approximately \$14,000. The company plans to carry out detailed prospecting and a geochemical survey on the RS claims as soon as possible. In his report, 11Apr73, S. Venkataramani, P.Eng., estimated this work to cost \$10,000. The company also plans further work on its Ref and Manx claims near Likely, B.C., estimated at \$6,000 to include a detailed Geochem. survey over the area of the Mag. survey carried out last September, general prospecting and reconnaissance geological mapping. (Reference: GCNL 91(73).

Cutlass Exploration Ltd. shares as noted in GCNL 119(73) were accepted for Interim Listing on Vancouver Stock Exchange. The company intends to carry out the program recommended by Andrew Allen, P.Eng., for its Jim claims about 4 miles south of Westworld, near Kamloops, B.C. This program was outlined in GCNL 11(73) together with an outline of the corporate structure. Mr. Allen termed this property a molybdenum prospect and estimated the costs to carry out his recommendations at \$28,500. The 250,000 shares offered by prospectus of 19Dec72 at 20¢ per share to net after costs if all sold \$37,500, brought issued shares to 1,090,002.

Rio Sierra Developments Ltd. shares were called for trading on the Interim Listing Board of Vancouver Stock Exchange at the opening on Tuesday, 26Jun73. Of 1,500,000 shares authorized, 550,000 shares are issued including 100,000 shares in escrow. Transfer agent is Yorkshire Trust Co. Ticker symbol is RSD and security code is 581702.

Geoquest Resources Ltd. -By agt. dated 29May73, Brink, Hudson & Lefever Ltd., as agent is offering on a best efforts basis up to 400,000 treasury shares for sale at a minimum price of \$1.80 per Share. The Offering will be outstanding for the period ending Oct. 24/73.

LaRonge Mining Ltd. shares totalling 28,000 are subject of a 25Jun73 order under the B.C. Act providing that Taseko Mines Ltd. may sell any or all of the shares for 60 days from 29Jun73.

New Cronin Babine Mines Limited shares have been consolidated on a 1 for 4 basis and the authorized capital increased to 3,000,000 shares. The name of the company has been changed to Sproatt Silver Mines Ltd.

The shares of Sproatt Silver Mines were called for trading at the opening 26Jun73 and the shares of New Cronin Babine were removed from the trading list.

Of 3,000,000 no par value shares authorized, 1,000,000 shares are issued, including 42,500 shs. in escrow. Transfer agent is Guaranty Trust Company. Ticker symbol is SMI and security no. is 629660.

Surluga Gold Mines Ltd. shs. were delisted by Montreal Stock Exchange 22Jun73 at the request of the company. The company recently reorganized its share capital on a basis of one share of Pursides Gold Mines Limited for every ten shares of Surluga Gold Mines. The company has completed negotiations with respect to an underwriting and private placement which do not comply with the exchange's policy. (See GCNL 125, page three, 27Jun73 for detail).

Teck Corporation Limited has agreed to sell its entire holdings of 1,158,959 shares (30% interest) in Tribag Mining Co. Limited to Commex Industries & Funding Corp. Inc. at the price of 50¢ per share subject to acceptance of a filing statement by the Toronto Stock Exchange.

As this transaction represents a change in effective control it is intended to adjourn the annual meeting of shareholders of Tribag Mining Co. called for 27Jun73 until a later date. A new information circular and form of proxy will be forwarded to shareholders for use at the reconvened meeting.

Okanagan Ponderosa Resorts Ltd. is offering 18 Cl.A and 221,000 Cl.B shs. at \$1.00 per share by prospectus dated 25May73 and registered 21Jun73 with B.C.

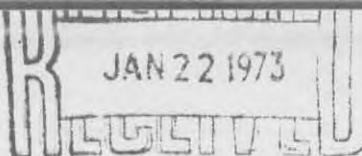
Securities Commission.

Cobre Exploration Ltd. is offering 400,000 common shares at 30¢ per share by 1Jun73 prospectus and registered 25Jun73 with B.C. Securities Commission,

Continental Estates Corporation Ltd. is offering debentures at varying rates by prospectus dated 31May73 and registered 22Jun73 with B.C. Sec. Comm.

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FILE: ADANAC



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SUBSCRIPTION RATE
\$180.00 PER YEAR

NO. 14 (1973)
JANUARY 19, 1973

George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

ADANAC MINING & EXPLORATION LTD. CLIMAX MOLYBDENUM CORPORATION

MAJOR COMMITS TO - Adanac Mining and Exploration Ltd. announces the execution of an agreement with Climax Molybdenum Corporation of British Columbia which provides for further exploration and development of Adanac's Ruby Creek molybdenite deposit near Atlin, British Columbia. Under the terms of the agreement Climax will spend a minimum of \$400,000 to determine the feasibility of placing the Ruby Creek deposit in production. Climax will decide prior to December 31, 1975, whether to make a production commitment or return the property to Adanac.

If a commitment is made, Climax will provide all necessary financing for production and will operate the mine. Adanac will retain a royalty interest of 27 1/2% of net proceeds from the operation. The agreement provides for recovery of Climax' costs and Adanac's previous exploration expenditures, exclusive of interest thereon, from 80% of the initial cash operating income. Consequently, the royalty will amount to 5.5% of operating income initially and will rise to 27 1/2% of operating income after recovery of pre-production principal amounts. As part of the agreement Climax has paid \$50,000 cash to Adanac.

Work at Ruby Creek will commence in the spring.

During 1970 and 1971 Kerr Addison Mines Limited spent \$2,750,000 on the Ruby Creek deposit and carried out a detailed feasibility study. The study concluded that in the short term the Ruby Creek deposit could not sustain an operation with adequate profit margins. The agreement with Kerr Addison was terminated.

The study demonstrated a substantial increase in tonnage and grade of reserves and proved on a 100 ton per day pilot plant scale very favourable metallurgy. Mineable open pit reserves were estimated at 104,234,000 tons with an overall grade of 0.16% MoS2 at a stripping ratio of 0.63 tons of waste to each ton of ore. Included in the reserve, are 33,600,000 tons of 0.189% MoS2 that could be mined in the initial years at a stripping ratio of 1.04 tons of waste to each ton of ore. The pilot mill testing has established that a high grade molybdenite concentrate with low impurities can be produced at an estimated recovery of 94%.

The feasibility study concluded that further efforts to obtain a more precise estimate of tonnage and grade of this particular deposit should be oriented toward further underground development and bulk sampling.

With the conclusion of the exploration agreement on the Ruby Creek deposit Adanac Mining & Exploration Ltd. has been seeking other exploration projects, both in mining and petroleum. Several projects are at an advanced stage and may result in agreements in the near future.

GREAT PACIFIC INDUSTRIES LIMITED

APPLICATION FILED FOR James A. Pattison, chairman of Great Pacific Industries Limited of VANCOUVER CHANNEL TEN - Vancouver has announced that the company has filed an application with the Canadian Radio-Television Commission to become the new licensee in Vancouver of Channel 10 T.V.

This move has been made in response to the CRTC's invitation last August for applications from interested parties to apply for a third Canadian T.V. license in the Western cities of Winnipeg, Edmonton and Vancouver.

Great Pacific Industries has completed an intensive feasibility study on a third television station. Mr. Pattison, said "we believe there is room in the Vancouver market for a third station to be a successful and profitable entity."

Top broadcasting consultants in the fields of programming and marketing have been retained by the company. All financial arrangements have been completed. Great Pacific Industries has optioned a well-situated transmitter site and presently owns facilities in the heart of Vancouver that will be fully utilized in the event their application is successful.

Great Pacific Industries, one of Canada's largest companies in the car and truck lease rental field, has sales locations and service centres in Toronto, Calgary and Vancouver.

In mid November 1972, Great Pacific Industries Limited reported the purchase of a block of 270,024 shares of Neonex International Ltd. from Jim Pattison Enterprises Ltd. This purchase brought Great Pacific Industries holdings of Neonex shares to 1,122,424 or approximately 16% of the issued capital. Jim Pattison Enterprises Ltd. currently holds 48.4% of the common shares of Great Pacific Industries.

GEORGE SPARLING LTD.

<u>3 MOS. TO MAY31</u>	<u>1972</u>	<u>1971</u>
Sales	\$1,548,859	\$1,353,144
Net Cash Generated	63,190	66,883
NET INCOME	\$ 54,468	\$ 61,366
P/Share	6.7¢	7.7¢
*Fully Diluted	6.6¢	7.5¢

Working Capital \$1,139,408 \$ 960,811
 *Assuming conversion rights on both classes of pref. shs. full exercised.

EARNINGS GAIN FOR FULL YEAR ANTICIPATED TO RESULT FROM CORRECTIVE MEASURES TAKEN
 From \$63,190 cash generated in the 3 months to 31May72, George Sparling Ltd. applied \$5,188 for purchase of fixed assets, net and \$625 for dividends on preferred "A" shs., a total of \$5,813. The resulting increase brought working capital to \$1,139,408, up \$57,377 from 1Mar72.

Issued shares were unchanged during the period. The company and its subsidiaries maintain, following expansion in the year ended 29Feb72 (see GCNL 118(72) 6 retail outlets, 5 institutional sales locations and 2 manufacturing plants, all carried out in rented premises in British Columbia, Alberta and Ontario. A new location, scheduled for opening in August 1972 will operate as a combination retail-institutional outlet in Kamloops, B.C. The company is actively investigating other potential retail sales locations and the possibility of acquiring other sporting goods businesses.

In reference to the difficulty in maintaining the 1971 level of profits in the quarter ended 31May72 (see box) the management says it feels it has isolated the problem areas and that immediate corrective measures have been taken and are still being taken. A reasonable increase in profits for the current fiscal year is anticipated.

Effective 1Aug72 a secondary offering of 100,000 shs. at \$2.85 p/s was made by Pemberton Securities Ltd., which firm acquired the shs. from W.W.Adshead, director and board chairman, who is to receive \$2.65 p/s of the net proceeds or a total of \$265,000. After such sale he will own 41,180 such shs. During the 90 days preceding the offering Sparling's ordinary shs. varied between a high of \$3.55 and a low of \$2.50 p/s.

WESTERN REALTY PROJECT LTD.

<u>6 MOS. TO JUNE30</u>	<u>1972</u>	<u>1971</u>
Net Oper. Income	\$2,503,452	\$2,134,971
NET PROFIT	1,496,538	1,202,043
P/Share	23.2¢	18.7¢

Net profit of Western Realty Projects Ltd. for the six months to June 30 increased 25% over the same period last year.

A large portion of income was realized from sale of single family lots in subdivision developments in Edmonton, Calgary and Vancouver. Revenues from rental products will increase substantially with the completion this fall of the 38-storey Western Centre commercial and apartment complex in Calgary, and the opening of Londonderry regional shopping centre in Edmonton.

A start will be made this year on a 400-room hotel in downtown Calgary.

ADANAC MINING AND EXPLORATION LTD.

DEAL WITH MAJOR FIRM AGREED TO - Adanac Mining and Exploration Ltd. has reported that an agreement in principle has been reached with a major mining company respecting further exploration and development of Adanac's Ruby Creek molybdenum deposit near Atlin, B.C. Details of the agt. will not be available until a formal agt. has been completed.

FOR THE RECORD

Dynamic Mining Exploration Ltd. secretary-treasurer, R.C. Brown reports drilling has just started on the first well in a 3-well program, Oak Ridge et al FBA 10-13-56-24-W.4M, to test a Devonian (Leduc) Reef oil/gas prospect at a depth of about 5,000 ft. some 20 miles N of Edmonton, on a 1,120-acre farmout block. This prospect is part of a farmout agt. which envisions 8 to 10 wells on as many Devonian Reef prospects. Dynamic may earn an undivided 25% interest in the well and the 1,120 acres of leases involved by contributing half the cost of the well. If any one of the first three drilling ventures is successful in penetrating oil-bearing Devonian Reef, Dynamic may participate in drilling 5 more similar prospects.

Five Star Petroleum & Mines Ltd. has reported that the diamond drill crew has returned to Pistol Bay near Rankin Inlet, in the mid Arctic, 380 miles north of Churchill, Manitoba. Exploration centres around a three mile structure fault approximately 200 feet wide. Geophysical studies have shown 35,000 feet of conductors. Specific targets selected by Kenting Earth Sciences will be drilled during the next two months. Minerals being sought are nickel, copper, silver, gold and platinum. The current program started in May of this year with a machine capable of drilling to 1,000 feet. Six diamond drill holes are projected to test five anomalous areas.

Boundary Exploration Limited says the \$25,000 from the firm portion of the financing agreement noted in GCNL 147(72) will be used in part to discharge current liabilities and as to \$11,500 to carry out recommendations of J.B.C. Lang, P. Eng., for a Stage I program at the company's Hauser claims about 1 mile above Hauser Lake in Slocan Mining Division of B.C. If results warrant, a Stage II is recommended, also estimated at \$11,500. Mr. Lang advised that the suggested work is limited, as a study of the geochemical data indicate some weakness in the anomalous interpretations made to date. The recommendations include \$7,000 in Phase I for D-8 Cat stripping and road repair and for a like appropriation in Phase II contingent on favorable results. In the year to 30Apr72, Boundary received \$22,200 in new funds and spent \$59,351, resulting in working capital deficit of \$36,744 at 30Apr72. Of 3,000,000 shares authorized, 1,917,505 were issued.

Vancouver Stock Exchange-Escrow Release-The Vancouver Stock Exchange has consented to the immediate release of 15% of the original number of shs. in escrow of Northair Mines Limited. National Nursing Homes Ltd. will pay a div'd. of 9¢ per shs. on 23Aug72, record date 9Aug72.

FILE: ADANAC

BRENDA MINES LTD.

3 MOS. ENDED MAR 31	1972	1971	
Value of Conc. Prod.	6,485,000	7,454,000	In addition to the figures given in the table Brenda Mines Ltd. has reported that, during the first quarter, funds provided were a net of \$1,988,000 being non-cash writeoffs less net loss. Expenditures were \$268,000 on fixed assets and \$1,720,000 added to working capital which was \$17,094,000 at 31Mar72. Of the \$1,700,000 added to working capital \$1,400,000 represents an increase in stock of unsold molybdenum concentrate.
Operating Costs	3,500,000	3,370,000	
Interest Expense	1,216,000	1,168,000	
Writeoffs	2,354,000	2,293,000	
Mining Taxes	-	67,000	
NET EARNINGS (LOSS)	(585,000)	556,000	
Earns.(loss) P/Share	(13.7)¢	13¢	

ADANAC MINING AND EXPLORATION LTD.

CONWEST DEAL OUTLINED - Winslow W. Bennett, Vice-president of Adanac Mining and Exploration Ltd., states in the six months report to 31Mar72 that, on 12May72, Adanac concluded with Conwest Exploration Company Limited a sale of 200,000 of its treasury shares at a price of 60¢ p/s to net \$120,000. The proceeds of this sale will be used to provide additional working capital pending an agreement with a major company with respect to the Ruby Creek molybdenum deposit.

He states, discussions with several major companies are continuing. A rising trend in demand for molybdenum would of course, have an important bearing on these negotiations. He is hopeful that the current cyclical low demand abroad in specialty steels and ferroalloys is nearing an end, and that Adanac can look forward to markets for molybdenum that are more in tune with the long-term rise in consumption which is forecast for this alloying element.

The financial statements show that, during the six months, the company received \$2,815 from the sale of assets, spent \$40,817 on exploration, \$25,459 on administration, \$19,685 was provided for depreciation and \$10,000 was provided for property purchase payments. These activities reduced working capital by \$53,776 to end the period with working capital of \$59,824, when, of the 5,000,000 shares authorized, 2,995,602 shs. were issued. This has since been increased by 200,000 shs. to 3,195,602 by the sale to Conwest.

ANGLO-BOMARC MINES LTD.

PRELIMINARY KAMLOOPS PROGRAM TO START IN NEAR FUTURE - Anglo-Bomarc Mines Ltd. has reported that \$280,000 worth of exploration work has been recommended for two blocks of claims in the Kamloops area acquired recently. First-phase work, estimated to cost \$50,000, will begin shortly. The work recommended by Dr. H.A. Quin, P. Eng., will include line cutting, prospecting, geological mapping and magnetometer and induced polarization surveys. One block of 24 claims is located east and the other 20-claim group is northeast of Afton.

The Anglo-Bomarc president also reports that drilling has begun on the second hole of a drilling program on the company's one third interest property in the Snow Lake area of Manitoba and core from the recently completed first hole has been forwarded for assaying.

FOR THE RECORD

Lexington Mines Ltd. has assumed control of Petroleum Royalties Corporation Ltd., a federally chartered company since 1925. Closing was in Calgary in the week of May 12. Included in the package is the wholly-owned subsidiary D. M. Vipond Company.

The corporation owns petroleum and natural gas leases on over 140,000 acres in Alberta and the Arctic Islands of Canada. Oil production from Alberta's Gleichen field is the main source of current revenue. Agreements have been signed or are under negotiation on several major drilling ventures in Alberta, while Texas Eastern and Tenneco Petroleum, through their agents Baay Land Consultants, are putting together an exploration and drilling program covering 1.1 million acres on Ellesmere Island in the Canadian Arctic. Petroleum Royalties holds a 25% interest in a 30,000 acre Arctic lease south of the recent Panarctic discovery. Baay Land Consultants have proposed a joint venture to include a portion of this lease.

Andres Wines Ltd. common shs. will be listed 18May72 on Montreal Stock Exchange, symbol ADW. Of 3,000,000 shs. without par value authorized, 687,681 are issued

and 415,000 are reserved for issue on exercise of options. Of 250,000 - 6¢ cum. red. pfd. shs. with \$10 par value each authorized, 33,315 are issued. Head office address is P.O. Box 550, Winona, Ont. Tsf. Ag. is Canada Trust Co. in Toronto, Montreal, Calgary and Vancouver. Amalgamated Resources Ltd., by 1May72 agt., has received an underwriting of 400,000 shs. at 12½¢ each from Continental Securities Corporation (1971) and

Carlisle, Douglas & Co. as to 50% each.

By 7Apr72 agt., the company acquired 20 claims in Kamloops mining division for \$10,000 and 100,000 shs. issuable 50,000 forthwith, and 50,000 after 17Nov72. Also, the company has issued 77,105 shs. to satisfy outstanding debts.

The company's 5,000,000 auth. shs. have been converted from 50¢ par value each to no par value.

Green Eagle Mines Ltd., by 28Apr72 agt., has received an underwriting of 100,000 shs. at 35¢ each from Hemsworth, Turton & Co.

By 15Apr72 agt., Green Eagle acquired 40 claims in Kamloops mining division from David J. Gallen and Ernest E. Peters for \$4,000 forthwith and 50,000 shs. issuable 25,000 on spending \$75,000 and 25,000 on spending a total of \$150,000 subject to filing acceptable engineering reports with Vancouver Stock Exchange.

Frontier Exploration Ltd. by 11Apr72 agt., has assigned all its interest in an option agt. on certain claims near Aspen Grove, B.C. to Amax Exploration Inc.

FILE: ADANAC

MAVERICK MOUNTAIN RESOURCES LIMITED

CLAIMS IN NADINA/GOOSLY LAKE MINERAL BELT - With the \$60,000 from the underwritten portion OPTIONED AND FUNDS RAISED FOR EXPLORATION of the financing agt. noted in GCNL 88(72), Maverick Mountain Resources will proceed with exploration of a newly optioned property on Tsalit Mountain, 18 miles SW of Houston, B.C. The program will follow recommendations of E.O. Chisholm, P. Eng., 1Mar72 who points out that the property is in the Nadina/Goosly Lake mineral belt. It is underlain by a layered sequence of volcanic flows, tuffs and breccias that have been intruded by granitic rocks. Also, extensive zones of replacement pyrrhotite are exposed by previous work and contain low-grade values in copper, silver and zinc. The group has been explored in the past by magnetic survey, trenching and a limited amount of diamond drilling. A mineralized "window some" 1500 ft. in diameter is indicated with possibilities for extension laterally and in depth. Mr. Chisholm recommends additional detailed geophysical exploration to trace the mineralized zone laterally and to test for vertical re-occurrences by drilling. Also, stripping by caterpillar tractor and a limited program of percussion drilling in the showing area is advised. He outlines a \$95,000 program in two stages.

The company says it will proceed with Stage I, estimated to cost \$45,000, and, if results warrant, will also proceed with Stage II consisting of 5,000 feet of follow-up diamond drilling for a total estimated \$50,000. In addition the company intends to defray current operating expenses, general administrative expenses and to provide additional working capital as is available from the exercise of the share options (detailed in GCNL 88(72)). The Tsalit Mountain property was optioned by a contract, 5Apr72, with Chinook Resources Ltd. Terms call for \$10,000 payable on the effective date 8May72 and 500,000 shs. clear of any escrow or pooling restrictions to be allotted 100,000 shs. forthwith and, subject to VSE, 100,000 shs. every 6 months thereafter. Of 5,000,000 shares authorized, 1,016,005 were issued prior to the latest financing. (For previous financing applied to exploration of the joint venture property at Kamloops and to claims north of the Gibraltar Mine, see GCNL 73(72)).

Maverick is conducting a current program on the Calico Silver property near Kamloops, B.C., where the company can earn a 25% interest by the expenditure of \$25,000. This work includes detail prospecting, geological mapping, percussion drilling and limited geophysical survey work.

HAMILTON HARVEY LIMITED

<u>YEAR ENDED JAN 31</u>	<u>1972</u>	<u>1971</u>
Sales	\$8,911,539	\$7,424,957
Less Concession Sales	1,259,659	1,132,167
Net Sales	7,651,880	6,292,790
Non-Cash Charges	30,896	29,421
Net fr. Operations	28,515	104,107
New Store Open Cost	-	43,801
NET EARNINGS	\$ 28,515	60,306
Per Share	4.3¢	9¢
Working Capital	\$1,009,171	\$1,167,542
Retained Earnings	659,734	726,915
Shares Issued	669,000	669,000

O.C. McKee, president, says in the annual report that developing the third retail outlet has strengthened the position of Hamilton Harvey Limited as a major retailer in the greater Vancouver area, however, the initial operating losses at this location had a negative effect on 1971 income. Sales rose 20% over 1970, but consumer spending was not consistent enough to achieve the more substantial increase expected. Sales were soft in the first and third quarters and reasonably strong during the second and fourth quarters. Noting that personal savings are at an time high and consumer confidence

is apparently returning, Mr. McKee feels that 1972 will be a better year for the retail industry if the current management-labour problems are resolved and prolonged work stoppages are avoided. For the first two months of the current fiscal year the firm's sales rose 17.4%.

The annual meeting, 12May72, approved proposals aimed at facilitating expansion and diversification. The effects of the proposals are that the company, which has operated or supervised the department business, would, effective 1Feb72, become a holding company by selling to its subsidiary, Hamilton-Harvey-Ashton Ladies & Childrens Wear Ltd. (Ashton), the store business and assets and all shares of the other subsidiaries. Subject to approval of regulatory bodies, the parent would be renamed Vantage Group Limited and the operating company, Ashton, would assume the name Hamilton Harvey Limited.

Directors were re-elected. David J. Rowland beneficially owns 453,849 shares, being 67.8% of those issued, having bought them in the past year from Robt. W. Porter for \$1,684,335 of which \$1,234,335 is due Oct. 5/72. Other interests held in Vancouver by Mr. Rowland (who resides in Paris, France) are Vancouver Wharves Ltd. (operating extensive bulk-loading facilities in the harbour) and the Georgia Hotel, purchase of which from Western International Hotels Ltd. has just been announced.

FOR THE RECORD

Adanac Mining and Exploration Ltd. has sold to Conwest Exploration Co. Ltd. 200,000 shs. at 60¢ each to be held for at least 6 mos. Adanac advises that \$120,000 proceeds will be used to provide addit. work. cap. pending an agt. with a major company with respect to Adanac's principal asset, the Ruby Creek molybdenum deposit in Atlin district, NW B.C.

Thermo-Plex Industries Ltd., by 8May72 agt., has received an underwriting of 150,000 shs. at \$3 each from C.M. Oliver & Co., acting on behalf of a client, and has granted them options on 200,000 shs. at \$3 per share due 11Jul72 and on 200,000 shs. at \$3.50 per share due Oct. 9/72.

Stellako Mining Co. Ltd., by 24Apr72 agt., has received an underwriting of 300,000 shs. at 15¢ each from West Coast Securities Ltd.

Alaska Kenai Oils Limited shs. will shift from Interim to Oil Section of VSE on 15May72. Auth.: 5,000,000 shs. no par. Issued: 290,000 incl. 35,000 in escrow. Tsf.

Agent: National Trust. Symbol AKO.
Western Exploration Co. Ltd., by 11May72 amending agt., has granted Continental Securities Corp. a 60-day extension for exercise of their options, (pursuant to 10Feb72 agt.) so they are now due on 150,000 shs. at 20¢ p/s by 13Jul72 & on 150,000 shs. at 25¢ p/s by Oct. 11/72.

ANUK RIVER MINES LTD.

OIL CONCESSION DEAL - The Anuk River Group has solidified their undisclosed interests in ENTERED-NO DETAIL GIVEN Lewis G. Weeks Participants. This partnership presently has major oil concessions in the East China Sea and Colombia and is now negotiating for other oil concessions throughout the world. Seismic work is well underway in the Partnership's 16-million acre tract of the East China Sea.

Dr. Lewis G. Weeks, was formerly chief geologist of Standard Oil Company of New Jersey and is credited with the discovery of some of the world's largest oil basins.

The Anuk River Group owns extensive gross overriding royalty interests of various sizes on oil and gas concessions throughout the North Slope of Alaska. Lord Greenwood of Rossendale, P.C., last month was appointed chairman of the board of directors of the Anuk Group's major subsidiary company, Alaska North Slope Oil Company. He is a director of various major British corporations having world-wide activities. The Anuk River Group recently announced the appointment to the boards of directors of John L. Finlay, C.A., and as president of Anuk River Mines Ltd.

FOR THE RECORD

Foremost International Industries Ltd. (formerly Agratec Industries Ltd.) had a net profit from operations of \$404,000 on sales of \$7,980,000 in the first nine months of 1971. In addition, the company realized \$149,000 in the form of an income tax reduction on the carry-forward of a prior year loss. The after tax net profit was \$553,000 or 5.1¢ per share.

In addition, the company realized an extraordinary reduction of liabilities of \$2.1 million from a proposal to and arrangements with creditors at the time of its reorganization 30Jun71.

Dolly Varden Mines Ltd. consolidated statement prepared without audit for the 6 months to 30Sep71 shows that \$100,000 was received as proceeds of a debenture and \$57,867 was spent. The increase of \$42,133 brought working capital to \$111,085 vs \$68,952 at 1Apr71. The report, 8Nov71, says the planned production rate has been increased from 700 to 1,000 tons daily as the result of an additional 500,000 tons of ore at Torbrit announced earlier this year. A mill described as practically new is available at a price that would enable the company to start at the higher rate for the same overall cost, \$4,900,000, the statement says. This includes increased housing accommodation, mine preparation, more equipment and other related costs. Negotiations are continuing for capital funds. The company calculates that, at the lower price for silver of \$1.31 per oz., this should provide yearly operating profit of \$1,200,000 if \$1.00 net per ton is allowed for barite, whereas information to date is that \$3.00 per ton for barite is possible. First targets for development are the Surprise, Dolly, Kitsol and North Musketeer veins.

Adanac Mining and Exploration Ltd. president A.H. Lundin, in submitting the report for the year to 30Sep71 says that Kerr Addison Mines Ltd. completed its feasibility study on the company's Ruby Creek moly property last spring at an outlay of approximately \$2,750,000. The conclusion was that, in the short term, the deposit could not sustain an operation with adequate profit margin but was considered to be a significant source of moly having an appreciable long-term potential. As Adanac was unwilling to extend the length of the option agreement, under the terms offered, the agreement with Kerr Addison was terminated. The study estimates a mining grade in the range of 0.18% to 0.20% MoS₂ with selective mining in the early years. It also estimates that underground bulk sampling, representing that part of the deposit with the most precisely determined grade, would yield a mining grade of 0.25% MoS₂ also with selective mining. The president says work done later by Adanac led to the conclusion that further efforts to obtain a more precise estimate of tonnage and grade should be oriented toward further underground development and bulk sampling. He gives present mineable open pit reserves at 104,234,000 tons with an overall average grade of 0.16% MoS₂. He says the company continues to seek other partners willing to assist it in making a mine. Also, the search for other properties continues. The statement shows working capital at 30Sep71 at \$113,600, down \$290,804 in the year, a large part of the decline being due to fixed asset additions at cost of \$56,722. Of 5,000,000 shs. authorized, 2,995,602 were outstanding, unchanged during the year.

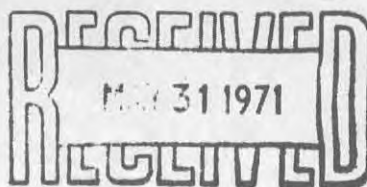
Home Oil Malta Limited has announced that plans are now being made to commence the drilling of an exploratory well off the east coast of Malta. The well is to be drilled on the Production License granted in April, 1971, by the Government of Malta, to Home Oil Malta Limited, Canadian Superior Oil (Malta) Limited, CIGOL Malta Limited, Siebens Oil and Gas (Malta) Limited, Blue Star Petroleum Malta Ltd., and the Societa Italiana Resine (Malta) Ltd. The Production License contains some 435,902 acres.

Home Oil Malta Limited, as operator of this consortium which consists of wholly-owned subsidiaries of Canadian oil companies with the exception of the Italian owned Societa Resine (Malta), have contracted with Zapata North Sea Inc. to drill the well using the semi-submersible drilling vessel "Louisiana". Towing of the drilling unit to Malta from Las Palmas in the Canary Islands began on 25Nov and is expected to arrive in Malta towards the end of December. Drilling will commence as soon as possible thereafter.

Vargas Mines Ltd. has received an underwriting of 125,000 shs. at 45¢ each and has granted options on 125,000 shs. at 45¢ each due 4Feb72 and on 125,000 shs. at 55¢ each due 4May72 under a 30Nov71 agt. with Hemsworth, Turton & Co. as to 75% and C.M. Oliver & Co. as to 25%.

By an Oct. 27/71 agt. with Edward Mike Davis (Tiger Oil Company), Vargas has acquired 2½% participating interests in oil prospects in California comprising 1,405 acres in Fresno county and between 500 and 600 acres in Los Angeles county.

Bon-Val Mines Ltd. advised V.S.E. on 16Nov71 of a shareholders' offering of 200,000 previously issued shares.



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MAY 31, 1971

George Cross News Letter

"Reliable Reporting"

NO.104(1971)
MAY 31, 1971

WESTERN CANADIAN INVESTMENTS WESTERN REALTY PROJECTS LTD.

	1971
3 Mos. Mar 31	
Gross Rental Income	\$1,125,924
Net Rental Income	169,974
Net Real Estate Sales	872,137
Investment Income Etc.	249,772
Gen. & Admin. Exps.	174,673
Interest Exp.	49,576
Inc.fr. Operations	1,067,634
Inc.Taxes: Current	15,627
Deferred	461,002
Minority Interest	15,750
Net Income	\$ 575,255
Earnings P/Share	9¢

The first quarter of 1971 has proved highly satisfactory for Western Realty Projects Ltd., president Samuel Belzberg states. Cash flow equalled 17.3¢ p/s. It was clearly a record growth period for Western Realty comparing most favourably with six month earnings of \$704,500 last year. He says directors are looking for an equally good second quarter and are optimistic that the targeted growth rate of 25% for the year will be readily achieved.

Largest proportion of earnings came from real estate sales of subdivision lots and completed residential projects.

Real estate rentals from property holdings also continued to contribute a significant portion to earnings and directors look to further increases as developments in

Edmonton, Calgary and Vancouver reach completion.

Among the larger projects being undertaken this year is the 39-storey, \$6,900,000 Western Centre apartment and office complex started in March and scheduled for completion in the fall of 1972. Construction on the \$22,000,000 Londonderry Mall regional shopping centre in Northeast Edmonton has started.

Following entry into eastern Canada last year, the company has strengthened senior staff in Toronto and have taken options on several pieces of property suitable for development with the first project expected to be announced soon.

ADANAC MINING AND EXPLORATION LTD.

FULL INTEREST IN MOLY PROPERTY - Adanac Mining and Exploration Ltd. has been informed **RECOVERED WITH FEASIBILITY WORK DONE** by Kerr Addison Mines Limited of its intention to terminate at an early date the agreement concerning

Adanac's Ruby Creek molybdenite deposit near Atlin, NW B.C. Under this agt., Kerr has spent \$2,700,000 on a detailed feasibility study. If Kerr had elected to proceed by 1Sep71 with a production commitment, they would have obtained a 50% interest in the property.

The work performed by Kerr increased the estimated mineable open pit reserves from 69,000,000 tons averaging 0.14% MoS₂ to 104,000,000 tons averaging 0.16% MoS₂.

Reasons given for Kerr's decision are substantially higher estimated capital and operating costs and the currently soft market for molybdenum. An alternative plan was discussed whereby Kerr would agree to hold the property for some years but it was felt by Adanac that this was not in the best interests of Adanac's shareholders.

OKANAGAN HELICOPTERS LTD.

Year Ended Dec 31	1970	1969
Revenue	\$6,374,990	\$6,258,248
Earnings	173,922	157,600
Net Earnings	\$79,712	\$190,061

In releasing highlights of the annual report of Okanagan Helicopters Ltd., president John W. Pitts says the reduction in net earnings recorded in calendar 1970 from those in 1969 reflect "a non-recurring loss on sale of aircraft no longer compatible with the company's fleet". The annual meeting will be held on 16Jun71 at 11 a.m. in Georgia Hotel, Vancouver. Mr. Pitts says investment in new equipment and acquisition of other helicopter companies in 1971 will exceed \$3,000,000.

CALTA MINES LTD.

DRILL TEST OF LARGE I.P. TARGET TO START - G. Arnold Armstrong, president of Calta Mines Ltd., told the annual meeting that the recommended diamond drill program of 16,800 feet in 14 holes at a total estimated cost of \$175,000 will be undertaken right away. The meeting was told that as soon as the capital increase, which was approved by the meeting, is completed the remaining option of 100,000 shares at 65¢ will be taken down and that any additional funds necessary will be provided as needed. The company authorized capital is to be increased from 3,000,000 shares to 5,000,000 shares. The very large I.P. target has been established by survey work on 1,000 foot, 500 foot and 100 foot spacing and is indicated to be some 21,000 feet long by roughly 1,800 feet wide. This is the anomalous target in a favourable geological environment for limestone replacement type copper mineralization. In addition the property, located near Contact, Nevada, has a weak anomalous target in a potential porphyry type environment. This target will also be tested as conditions permit. The fissure veins which carry reserves of some 2,100,000 tons grading 2.19% copper will not be further tested at this time.

The meeting was told that the mineralized areas as presently visualized would likely only be mineable from underground operations.

Re-elected directors were: G. Arnold Armstrong, holding 100,000 shares, Keith Baldwin holding 100,000 shares and Kenneth Chatten holding 22,998 shares.

NO.104(MAY 31,1971)

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SLOCAN OTTAWA MINES LTD.

ADDITIONAL SILVER VALUES - Confirmation of results on the Slocan City, B.C., silver property FROM UNDERGROUND PROGRAM of Slocan Ottawa Mines Ltd. is being obtained. John Black, secretary, has reported that the drifting program, which was started last month, continues to give encouraging results. At present, the sub-level off the 911 raise is in high-grade mineralization over 30 ft. to the south, and over 20 ft. to the north. Assays from the southern drift ran from 101 oz. of silver to the ton, to several hundred oz. of silver to the ton, over a 6 ft. mining width. A bulk sample of 25 tons of this material was shipped this week to Cominco of Trail, B.C., and ran over 200 oz. of silver to the ton.

Work has concentrated on the southerly drift as the present geological interpretation indicates a greater possibility for sizeable ore reserves in this direction. This drifting program has proceeded rather slowly to enable maximum recovery of the high-grade mineralization.

Directors believe that Slocan can maximize its long-term cash flow by holding down the shipping of ore from its operation to a minimum while accelerating its explorations and development program thus taking advantage of the projected increase in the price of silver, he says.

FOR THE RECORD

Buval Executive Mining Industries Ltd. reports that 6 shareholders are offering Buval shs. totalling 957,500 at market. The shareholders and the shs. offered by each are: E.C. Robinson, 441,125; D.W. Low, 238,250; R.A. Bennett, 37,500; N.R. Low, 220,625; McKay-Cormack Holdings Ltd., 15,000; Van Tor Developments Ltd., 5,000. Buval has 5,000,000 shs. auth., of which 4,223,702 are issued, incl. 746,000 in escrow. A company statement says that, in the 11 months to 28Feb71, it received \$93,931 in cash and spent \$232,656. The excess of \$138,725 left cash on hand 28Feb71 at \$479 vs \$139,204 at 31Mar70. Total current assets at 28Feb71 are shown at \$194,854 and current liab. at \$7,377. The current assets consist of \$479 cash; \$83,035 advances to associated companies; \$111,137 advances to International Industries Ltd. which is 100% owned and \$202 prepaid expenses. During the past year the company sold 600,000 treasury shs. in 3 blocks of 200,000 each priced, respectively at 40¢, 50¢ and 25¢ p/s. (Ref: GCNL No.3 & No.12(1971).

Emperor Mines Ltd. has issued 50,000 treasury shs. to Basin & Range Mining Inc. pursuant to 31Jul70 agt. under which 100,000 shs. remain to be issued.

Gunn Mines Ltd. - By 5Apr71 agt., Hemsworth, Turton & Co., acting on its own behalf as to 50% and on behalf of a client as to 50%, has underwritten 200,000 shs. at 40¢ p/s & was granted options on 200,000 shs. at 45¢ each due 11July71 and on 200,000 shs. at 55¢ each due Oct. 9/71.

Hart River Mines Ltd. - By a 6Apr71 agt., C. M. Oliver & Co., on behalf of a client, have underwritten 200,000 shs. at 30¢ p/s, and have been granted options on 200,000 shs. at 30¢ each due 11Jun71 and on 200,000 shs. at 35¢ each due 9Sep71. 100,000 shs. of the first option have been taken down. The rest remain outstanding.

MacMillan Bloedel Limited, under a 2Apr71 prospectus is issuing \$10,000,000 - 7½% Debentures Series D at 100% and \$20,000,000 - 8½% Debentures Series E at 100%, underwritten by Wood Gundy Securities Limited and Greenshields Incorporated.

Nor-West Kim Resources Ltd. president, C.C. Rollins, reports underground exploration and surface diamond drilling has been resumed on the "Galaxy" copper-molybdenum property near Kamloops, B.C. Following the dewatering of the Evening Star shaft and underground workings, the work underway is that advised by consultant G.A. Jameson and outlined in GCNL 47, 9Mar71. Mr. Rollins says, surface drilling is also in progress along the known strike and in a new location about two miles south of the shaft to test favorable induced polarization anomalies.

Nor-West Kim (formerly Kimberley Copper Mines Ltd.) can earn a 50% interest in the Galaxy property by the expenditure of \$400,000 on exploration and development by 1Aug71. So far \$240,000 has been spent by the company and the new program, to be carried out in stages, has a cost estimate of \$198,980.

ADANAC MINING AND EXPLORATION LTD.

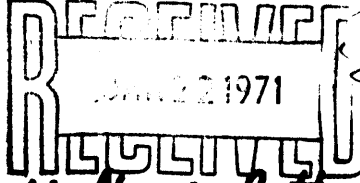
NEW ORE RESERVE CALCULATIONS - New ore reserve calculations released by Adanac Mining and Exploration Ltd. for its mine 44 miles from Atlin, in northwestern B.C., show a reserve of 104,000,000 tons grading 0.160% MoS₂ with a stripping ratio of 0.63 to 1. Included within this tonnage is a higher grade section which could be mined in the early years. This higher grade section is 33,600,000 tons grading 0.189% MoS₂ mineable with a stripping ratio of 1.04 to 1. Preliminary indications are that capital and operating costs projected in the study are expected to be substantially higher than originally estimated. One of the earlier estimates were \$44,000,000 for a 15,000 ton per day operation.

In early January 1971, reserve calculations were given as 50,400,000 tons grading 0.166% MoS₂ and/or 111,500,000 tons grading 0.137% MoS₂. In both of the new calculations, the tonnage has been reduced and the grade has been increased.

Adanac has also reported that the engineering phase of the feasibility study is expected to be completed in the next few days.

Kerr Addison Mines Ltd. has a deadline of 1Sep71 to either elect to place the property into production or abandon its interest. If Kerr Addison does undertake to place the property into production, it must attain production by mid 1973. If it elects to do so, Kerr Addison will earn a 60% interest in the property and will be responsible for securing all financing.

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WESTERN CANADIAN INVESTMENTS IONARC SMELTERS LTD.

NEW ORDERS DISCLOSED JAN - Ionarc has recently received two orders totalling \$400,000. The IN REPORT TO SHAREHOLDERS first order is for the design, construction and test of a large 15,000 KW, 20,000°F engine simulator for the National Aeronautics and Space Administration. This device is the culmination of five years of work for NASA in the development of an efficient deep space propulsion system. The unit will be operated under a variety of pressures, temperatures and thrusts to give company engineers enough information to design and predict performance of a larger nuclear powered device which will generate 3,000,000 KW and 500,000 lbs. of thrust.

The second order, from a large U.S. chemical company, involves the construction and delivery of a high temperature ceramic spray system capable of automatically coating nuclear reactor fuel elements with zirconium oxide. The system will be computer controlled and capable of operating remotely with radioactive materials.

The engine simulator technology developed under the NASA contracts is directly applicable to the commercial processes presently being piloted by Ionarc in the metallurgical and chemical fields permitting it to scale up to larger size at reduced cost. The high temperature coating system described is the first of a new family of spray coating techniques recently developed and introduced by the company to spray protective and wear-resistant coating on all types of industrial parts.

Attached to the shareholders letter is a reprint of a feature article published in Business Week reporting on several of Ionarc's developments including the production of ceramic grade zirconium oxide. Product quality, purity and production costs look attractive at this juncture. However, two to five months of additional testing will be required before a decision is made on the desirability of commercializing the process. The company presently has a 10-ton p/month one shift production capability for the fire brick grade material and would have the same capacity with the tile coloring material with the addition of \$50,000 in capital equipment. The material sells for \$1,300 to \$2,600 per ton.

During the last quarter, the company has also furnaceed ton size samples of white silica sand. This material is being evaluated by raw material producers as a superior sand for precious metal casting molds and as a raw material for optical glass. Indications on product acceptability should be forthcoming within the next quarter.

Ionarc's five ton per month automated pilot plant is on stream producing metal micro spheres and product from this unit is being shipped to complete scheduled customer orders.

ADANAC MINING AND EXPLORATIONS LTD. KERR ADDISON MINES LTD.

INFERRED TONNAGE POSSIBILITY EXPLAINED - Dr. Paul M. Kavanagh, vice-president of Kerr Addison Mines Limited, has reported that he wishes to clarify two items from his report to the annual meeting of Adanac Mining & Explorations Ltd. as reported in GCNL No.12, page one 19Jan71).

About inferred tonnage he states, "Although available data do not indicate substantial tonnages of an inferred category additional to the tonnages reported it is possible that future work could expand the presently indicated reserves. Also, the reserves reported as occurring between the 4280 and 5520-foot levels have an average vertical thickness of approximately 400 feet."

GREAT NORTHERN PETROLEUMS AND MINES LTD.

DEAL TO ACQUIRE NEW GAS RIGHTS NEGOTIATED - Great Northern Petroleum and Mines Ltd. has negotiated an agreement with Kanata Exploration Co. involving a total of 15,840 acres of gas rights in central Alberta. B.I. Nesbitt president of Great Northern, has reported the initial two wells have proven 13.7 billion cubic feet of deliverable reserves of natural gas. The acreage, located near Athabasca, Alberta, 70 miles north of Edmonton, is a solid block consisting of Gas Reservation #1680 covering 23,040 acres (25% interest) and P & NG Leases and Gas Licenses covering 20,160 acres (50% interest). The existing proven gas reserves are contained in 3,200 acres of the 50% acreage. Seismic work already done indicates that the gas-bearing structure is much larger than the 3,200 acres containing the reserves and should extend north onto the Reservation. The first well contains 34 ft. of net pay and an absolute open flow of 5.5 cu.ft. per day.

Under the agreement Great Northern is to purchase a 50% interest in the Gas Leases and Licenses and Gas Reserves for \$180,000, and has the right to earn a 25% interest in the reservations by doing a seismic survey thereon and drilling a well. The agreement is subject to acceptance by the Vancouver Stock Exchange.

The reserves proven cover only a part of the acreage and of the seismically indicated structure that contains the gas, and that further drilling may augment reserves.

Great Northern's first well in the Sunrise Gas Field, Dawson Creek, B.C., will be started between 25Jan and 31Jan71, and should take about eight days to complete.

FOR THE RECORD

Donna Mines Ltd shares are no longer in primary distribution

ADANAC MINING AND EXPLORATION LTD.

KERR ADDISON MINES LTD.

GUARDEDLY OPTIMISTIC ABOUT OUTCOME OF FEASIBILITY WORK - Dr. Paul M. Kavanagh, vice-president of Kerr Addison Mines Ltd. told the annual meeting of Adanac Mining and Exploration Ltd. that the feasibility study on the Ruby Creek molybdenum property is well underway and that his company is "guardedly optimistic about the results"

He told the meeting that proven, probable and geologic ore reserves have been calculated using five different cut-off grades giving five different ore reserve grades and five different tonnages.

Cut-off grade- % MoS2	0.13%	0.12%	0.11%	0.10%	0.09%
Average grade above cut-off	0.166% MoS2	0.155%	0.146%	0.137%	0.13%
Tonnage of this grade	50,400,000	67,900,000	87,500,000	111,500,000	136,000,000

The property is located near Atlin in northern B.C.

The information upon which these estimates are based was secured from 16,000 feet of diamond drilling, 2,700 feet of drifting and crosscuts, 921 feet of raises, in eight locations, and four percussion holes. To the end of November 1970, Kerr Addison had spent \$2,219,134 on the program. The meeting was told that the grades of molybdenum in the raises were 15%, on average, above the grades obtained in the diamond drill holes in the same locations. As a result in the calculations all of the diamond drill grades have been increased by 15% in determining the average grades for the entire ore area. The grades from the raises, drifts, cross-cuts and percussion holes were taken as they were received without adjustment. Diamond drill hole average grades were increased from 0.143% to 0.164% MoS2 as a result of the 15% upgrading.

Dr. Kavanagh also told the meeting that the area of mineralization is between the 4,280 foot and 5,520 foot levels, a thickness of 240 feet. He stated that if an inferred ore reserve calculation were to have been made, and one has not been made, indications are that there would be very little tonnage to be added. Approximately 5% of the ore reserves as calculated above are on the ground contributed by Johns-Manville Corp. This ground is subject to a royalty payment to Johns-Manville for any ore produced.

The 100 ton per day capacity pilot mill treated 6,251 tons with an average grade of 0.201% MoS2 and provided a recovery of 94% to 97% of the contained molybdenum in a concentrate grading between 94% and 97% MoS2. In addition there is contained in the ore about 16¢ worth of tungsten per ton about half of which can be recovered in a poor grade of tungsten concentrate. Indications to date suggest that tungsten recovery might not be economic from this ore since about 50% of it is contained in slimes which are difficult to process.

The feasibility study is underway headed by Chapman, Wood and Griswold Ltd. with the assistance of a number of other highly qualified consulting firms. Determination of the final, mining plan, pit outlines, possible highgrade in early years, sequence of mining is underway as are capital costs, operating costs estimates. Road studies and possible power sources are also being studied. Dr. Kavanagh said some considerable attention is being paid to power sources since it is one of the most critical factors in the operation.

Transportation is not as critical a factor since if a 15,000 ton per day operation were to be developed the production would be just 10,000 to 15,000 tons of concentrates per year, not a very large quantity to be moved. The route would be by truck to Whitehorse, Yukon and then down the Whitepass and Yukon Railroad to tide water.

There was a desire to have completed additional percussion holes on the property before the winter shutdown but the results from the planned drilling are not needed for the completion of the feasibility study. There is no physical work now underway on the property and the company has no plans for the 100 ton per day pilot mill now on the ground.

Dr. Kavanagh would not estimate a completion date for the feasibility study except to state that it must be done by 1 Sept 71, or Kerr Addison violates its agreement.

No difficulty is expected in securing markets for the production from the mine since the outlook for the molybdenum market is very good, both for prices and quantities.

There is a very small lead content in the concentrates but not sufficient to cause any difficulties.

J.D. Pelletier, vice-president of Adanac told the meeting that the company did a limited exploration program on a property in the Queen Charlotte Islands, B.C. with bad results and the option was dropped. He also stated that the company has E. Mueller retained to carry out a prospecting program in northern B.C. in the 1971 field season and that a number of projects have been considered as his first targets. Adanac has some \$380,000 on hand with which to pursue exploration, more than sufficient for the program planned for this year.

The meeting elected the following directors: G.C. Snell, chairman (holding 69,600 shares), Adolph H. Lundin, president, 50,000 shares, W.W. Bennett, vice-president 11,000 shares, J.D. Pelletier, vice-president, 100 shares, H.S. Cornwell, treasurer, 100 shares, E. Mueller, 162,000 shares, P.V. Eakin, 200,000 shares, Simon Fraser, nil shares, N.A. Patterson 5,000 shs.

ADANAC MINING & EXPLORATION LTD.KERR ADDISON MINES LTD.

RECENT ENCOURAGING PROPERTY
PROGRESS REVIEWED IN SOME DETAIL

- The following is the text of a 15Oct70, progress report to shareholders from Adanac Mining & Exploration Ltd.

"Lateral development work carried out by Kerr Addison Mines at Adanac Mining & Exploration's Ruby Creek molybdenum property shows an increase in grade over estimates indicated by surface diamond drilling in this particular horizon. The property is located near Surprise Lake, about 14 miles northeast of Atlin and 30 miles south of the Yukon border.

"Kerr Addison, which is carrying out a \$2,400,000 feasibility study on the property, has completed 2,723 feet of lateral development and is now driving a series of raises designed to correlate values obtained underground with interesections from surface diamond drilling.

"The lateral development work includes an adit drive for a total length of 1,935 feet and two crosscuts. The adit interesectioned the mineralized zone 1,325 feet from the portal. The North Crosscut, driven from 1,720 feet along the adit has been completed for a length of 598 feet and the South Crosscut, driven from 1,755 feet, has been completed for a length of 217 feet. (See attached map of underground work.).

"Kerr Addison has advised, in its monthly progress report covering the period to 31Aug70, that four raises had been started.

"A 100-ton per day pilot mill, which began operating on July29, has been treating approximately four tons per hour of bulk samples from lateral development work. During the latter part of August, concentrates averaged 81.2% to 93.5% molybdenite with recoveries ranging from 94.9% to 96.8%. Mill heads ranged from 0.157% molybdenite to 0.217% molybdenite during this period.

"Kerr Addison has also advised that studies on plant design and location, tailings disposal, power, water, main access transportation and a townsite are continuing.

"A total of 25 drill holes have now been completed in the program. The majority have been fill-in vertical holes within the limits of the known deposit, but two were completed outside these limits.

"One hole, at -60° was drilled to the north from the northern limit of the known deposit to investigate an expected fault limiting the deposit in this area. It intersected an apparent faulted section particularly between 104 and 250 feet. Good molybenite mineralization was encountered beyond the formerly assumed north limit of the mineralization, between 180 feet and 540 feet.

"The second hole was located west of the western limit of the known deposit and encountered mineralization between 310 - 520 feet.

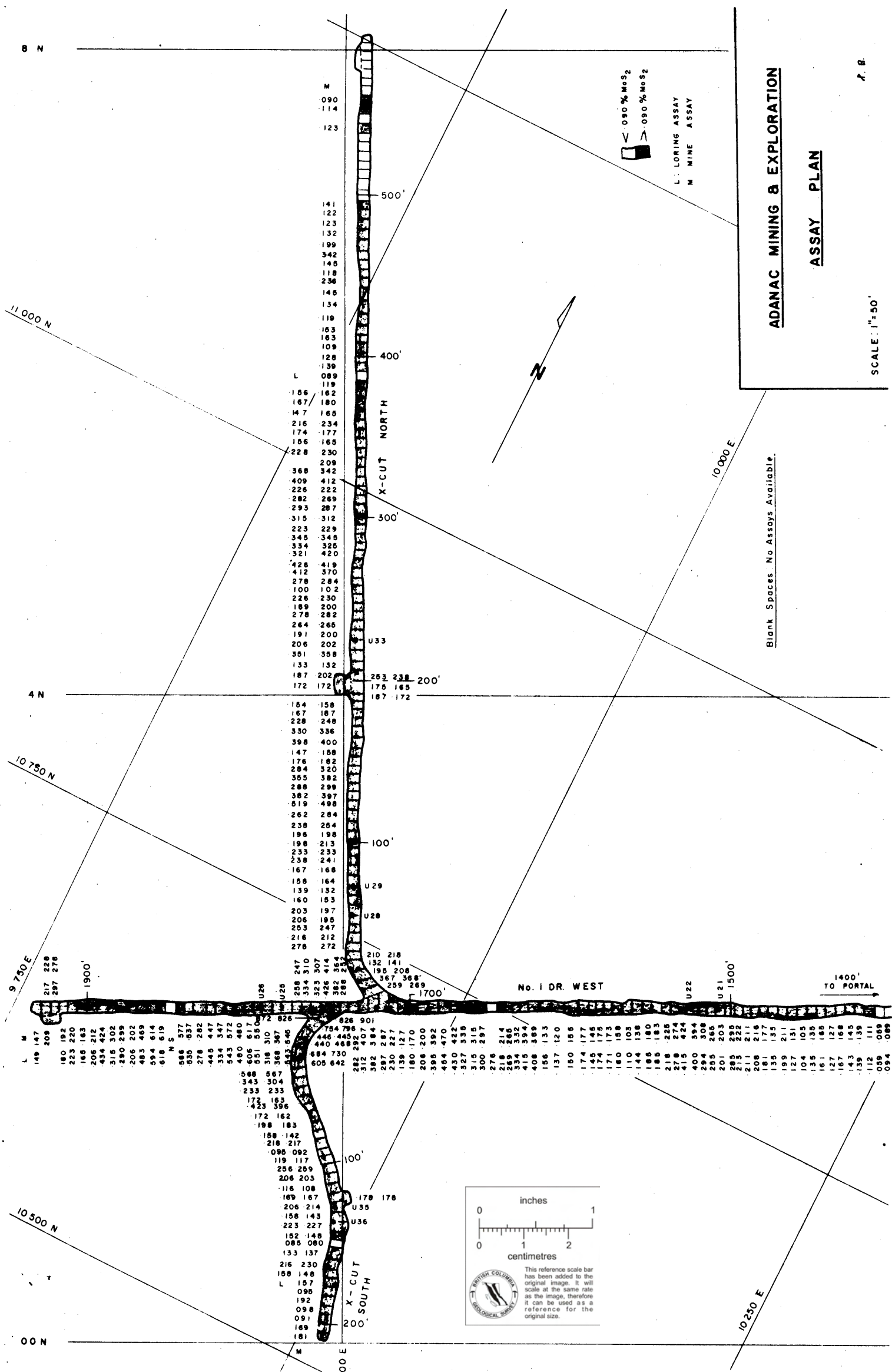
"Assays from both these surface drill holes are not yet available.

"Kerr Addison has spent \$1,400,000 to August 31. The company has to 1Sep71 to elect to place the property into production. If it elects to do so, Kerr Addison will earn a 60% interest and be responsible for arranging all production financing. Adanac will retain 40% interest."

Following recent changes the directors of Adanac are: The Hon. Simon Fraser, of London England; Ed. Muller, H. Stan Cornwell, Norman A. Patterson, John D. Pelletier, Richard F. J. Newson, J. C. Snell, Robert Hughes, Gaylord C. Snell, Perry V. Eakin, Winslow W. Bennett and Adolph H. Lundin.

FOR THE RECORD

Canarctic Resources Ltd. reports that its wholly-owned subsidiary Midway Oil & Gas Ltd. has arranged to acquire 27,000 acres near its producing gas field in Medicine Hat area for a total cost of \$77,196 subject to retention by Siebens Oil & Gas Ltd. of a 25% working interest. Also, another 100% owned Canarctic subsidiary, Darling Hydrocarbons Ltd., entered into a gas sale contract, 20Jan70, with Many Island Pipe Lines Ltd., a subsidiary of Saskatchewan Power Corp. for sale of its gas from Medicine Hat area at a price of 11.000¢ per 1,000 cu.ft. increasing to 13.625¢, 10Oct89. In consideration of the companies maintaining continuous production from 6 wells drilled to date, Many Island Pipe Lines Ltd. advanced \$132,500 forthwith and a further \$132,500 1Apr70. Many Islands also agd. to pay additional development loans 1Sep70, 1Apr71 and 1Sep71. The loan is without interest and Darling may either repay Many Islands the loans by 1Nov72, or at its option to repay all of any portion by means of a price cut of one-third of the price of gas otherwise payable. By a third agt., 20Jan70, in consideration of the development laon, Darling agreed to grant Many Islands the sole option until 1Sep71 to buy its entire working interest or a fractional portion thereof in the gas rights described in the gas sale contract.



verify the grade, continuity, and extent of currently indicated zones. For this reason, further drilling should be preceded by more comprehensive geophysical delineation of individual vein segments.

With regard to the War Eagle zone on the same property where additional exploration has also been recommended, the consultant states, "The current exploration data indicates a fair degree of potential for the existence of both vein type and porphyry type copper silver mineralization within the general plateau area - but most specifically on possible lateral and/or depth extensions of the vein and pyrite-oxide zones. Prior to actual drill or trench exploration of either of these, however, more comprehensive exploration utilizing more diagnostic geophysical and geochemical techniques is required."

Combined exploration costs for stage one and stage two on the Santa Maria and War Eagle zones are \$60,355 and \$59,625 respectively. The geophysical and geochemical program has been underway on the property for some time and it is the result of this recent work that is to be tested by the drilling.

Finder Resources Ltd. is presently negotiating with a major exploration company for an early start of an extensive exploration program on the Highland Valley Price group of 85 claims-fraction 3 miles southeast of Zomex. An agreement covering this program is expected to be finalized within a week.

FOR THE RECORD

Calico Silver Mines Ltd.'s president, Peter J. North has announced, Calico Silver Mines has been successful in its bid to the Saskatchewan Government for the petroleum and natural gas rights on Two Crown leases in the Plato area of midwestern Saskatchewan.

This purchase is subject to shareholder approval 26 Oct 70 of the amalgamation of Calico Silver Mines and Majestic Explorations Ltd. an oil producing company. In their letter recommending this purchase, D.L. Surjik & Associates Ltd., geological & geophysical consultants of Regina, Sask., state they believe substantial gas reserves at close to 2.2 billion cu ft occur. The land is semi-proven with expectation of a 10 for 1 return on investment. Reference: Peter J. North, president, Calico Silver Mines Ltd., 535 Thurlow St., Vancouver 1, B.C. Tel. 685-2341.

CORRECTION: Bridge River United Mines Ltd. story in GCNL NO.212, Page Two, Oct.19/70 states that the reorganization to be considered at the Oct.22/70 meeting is to result in an underwriting by Hemsworth, Turton & Co. Ltd. to provide not less than \$200,000. Officials of Hemsworth, Turton & Co. have pointed out that preliminary discussions have been held with Bridge River United Mines Ltd. which might lead to a financing but that to date neither party is committed and there is nothing firm.

CORRECTION: Pine Lake Mining Co. Ltd. has received just \$20,000 from recent underwritings and may receive a further \$50,000 if the options are exercised. The story in GCNL NO.212, Page Two, Oct.19/70, stated \$78,000 had been received through the underwriting.

ADANAC MINING & EXPLORATION LTD.

KERR ADDISON MINES LTD.

FURTHER UNDERGROUND ASSAY - Kerr Addison reports that muck samples from the underground lateral development program on the Adanac Mining - Ruby Creek molybdenum property, near Atlin, B.C. have returned the following values:
Adit drive 610 ft. long grading 0.259% MoS₂; North crosscut 600 ft. long grading 0.208% MoS₂; and South crosscut 210 ft. long grading 0.270% MoS₂.

The report stated, these results from lateral development indicate that locally the grade of this particular horizon is approximately 30% above that originally estimated. Last year Kerr Addison had completed a series of eight raises totalling 921 feet. Preliminary results from the raises indicate that the grade of the part of the deposit which has been tested is approximately 20% higher than originally estimated from surface drilling results.

Kerr Addison has also advised that preliminary estimates of the capital costs and operating costs that would be involved in bringing the property into production are considerably higher than originally estimated.

The following changes in officers have also been made by Adanac. Richard F.J. Newson has been elected president and Gaylord Clinton Snell has been elected chairman. J.D. Pelletier and Winslow W. Bennett have resigned as officers but continue as directors. Also appointed to the board of directors of Adanac Mining & Exploration Ltd. is the Honourable Simon Fraser who is associated with the Investment Research and Consulting Branch of Hambros Bank, London, England.

George Cross News Letter

NO. 59(1970)
MARCH 16, 1970

"Reliable Reporting"

NO. 59(1970)
MARCH 16, 1970

WESTERN CANADIAN INVESTMENTS

CORONATION CREDIT CORPORATION LIMITED

CORNAT INDUSTRIES LTD.

EARNINGS REPORT - Coronation Credit Corporation Limited has reported earnings of \$351,189 for the six-month period ended 31Jan70 compared to \$122,705 for the same period in the previous year. After payment of \$86,583 in preference share dividends, the net income available to common shareholders was \$264,606 or 9¢ per common share compared to \$122,705 or 5¢ per common share last year when no preference dividends were paid.

Coronation's mortgage business accounted for 58% of the net income while its investments in transportation, food freezing and storage contributed 42% of net income.

Cornat Industries had earnings from all sources of \$102,191, the equivalent of 4¢ per share, for its first quarter ending 31Jan70.

Cornat Industries Limited was formed in the latter part of 1969 to provide shareholders of Coronation Credit Corporation Limited with an opportunity to participate in a wider range of activities than are available to Coronation directly.

Cornat made share exchange offers to Coronation shareholders in September, 1969. These offers are still open and the exchange program is proceeding in a satisfactory manner. Cornat owned 155,230 (13.45%) Coronation preference shares and 2,308,816 (81.59%) Coronation common shares.

At 31Jan70, there was a total of 2,631,744 Cornat common shares outstanding.

→ ADANAC MINING AND EXPLORATION LTD.

KERR ADDISON MINES LIMITED

FEASIBILITY STUDY AT \$2,000,000 COST AGREED TO - J.D. Pelletier, president of Adanac Mining and Exploration Ltd., has reported the signing of a letter of intent with Kerr Addison Mines Limited to determine the feasibility of placing into production Adanac's molybdenum property at Ruby Creek in the Atlin district of British Columbia. Upon reaching a final agreement, Kerr Addison shall be committed to carry out a complete feasibility study prior to 1Sep71, including further diamond drilling, underground bulk sampling, and pilot mill testing. The feasibility program is estimated to cost approximately \$2 million. If Kerr Addison decides to bring the property into production, Kerr Addison will be committed to provide or arrange for all financing necessary to do so for a production date not later than 1Jul73. Kerr Addison will acquire a 60% interest in the property and will have management of the project.

As previously planned the feasibility study would be completed, as far as property work was concerned, by the end of 1970. If this schedule is followed the \$2,000,000 program could be completed early in 1971 leaving several months arrange financing etc.

At present Adanac has some \$600,000 available for further exploration work on a number of its other properties. Adanac will proceed with exploration of other projects while Kerr works the Ruby Creek ground. Property work is expected to resume on the Ruby Creek group in early spring, probably May.

LORNEX MINING CORPORATION LTD.

MILL CONSTRUCTION WILL START WHEN JAPANESE GOV'T APPROVES FINANCE AND ORE SALE DEALS - The annual report of Lornex Mining Corporation Ltd. says construction at the Highland Valley, B.C. copper-moly mine will start when the Japanese government approves the copper sales contract and loan agreements. The total estimated cost of bringing the mine into production with a capacity of 38,000 tons per day is now \$123,600,000 vs the previously reported \$120,000,000 (See GCNL 281,23Dec69). Discussions for sale of the molybdenum are, underway.

Lornex annual meeting to be held 11 a.m., 31Mar70 in Hotel Vancouver, will be asked to increase the authorized shares from 5,000,000 (of 50¢ par value) to 14,000,000 (of no par value) divided into: 9,500,000 common shares (of which 4,521,321 are issued) and 4,500,000 class A non-voting non-participating and will be convertible into common at any time. Under the debenture and share purchase agt., Yukon is to acquire 188,800 common and Rio Algom, 1,699,200 Class A shs. and, under the management agt., Rio Algom may accept additional units of debenture and Class A shares.

At 2Mar70, Rio Algom held 36.4% and Yukon Consolidated 23.9% of Lornex' issued shares for a total of 60.3%. The principal agreements cover: a 12 year copper concentrate sales agreement a \$26,500,000 loan agreement with the Japanese consortium with a 150,000 share bonus; a \$60,000,000 loan from three Canadian banks and a \$23,600,000 loan agreement with Rio Algom and Yukon Consolidated Gold Corp. which carries a bonus of 80 shares of Lornex per \$1,000; a management agreement with Rio Algom for 15 years from 1Jan69, to cost Lornex \$250,000 per year; and a control agreement with Rio Algom, the banking group and the Japanese consortium whereby Rio Algom is to own at least 5% of the voting shares of Lornex at the time of the first advance by the Japanese and for as long as the sales contract is in force.

Fik → ADANAC MINING AND EXPLORATION LTD.

ANNUAL MEETING HEARD—NEW ORE RESERVE - J.D. Pelletier, president of Adanac Mining and Exploration Ltd., presented to the annual meeting a detailed review of activities at the property, near Atlin, B.C., since exploration started.

ESTIMATE PLANS FOR SPRING WORK PROGRAM

TO PROVIDE DATA FOR FEASIBILITY STUDY

AND THAT FINANCING NEGOTIATIONS CONTINUE

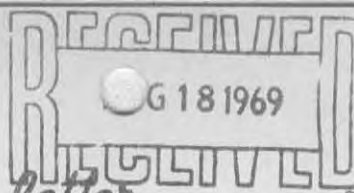
During the past year, the company has been engaged in a large scale drilling and sampling program at its molybdenite property near Atlin, B.C. This work has included 35,419 feet of diamond drilling, to bring the total drilling to date to 38,818 feet in 73 holes. The drilling was discontinued in November as it was felt that the area systematically explored by drilling included essentially all of the ore lying close to the surface that would be extracted by open pit mining methods during the early production years. The company's consulting engineers Chapman, Wood & Griswold report reserves as follows: "Preliminary reserve estimates based on results to November 15, 1969 are: probable 69,876,000 tons at 0.141% MoS₂. The above are drill indicated mineable reserves, limited to the drilled off portion of the property for which assay data is currently available and do not reflect the ultimate potential of the deposit.

"Reserve blocks are based on a trial pit design, interpreted on diamond drill hole sections. The grade cutoff value used was 0.08% MoS₂ and volumes were determined by a factor of 12 cubic feet of rock per ton."

Drill core assays received subsequent to compiling the above reserves indicate that, when all of the assay data has been returned, a further increase in drill indicated reserves will be warranted. The potential for increasing reserves to the 80 to 100 million ton range is good. Possible increases beyond that range are based mainly on geologic projections. A strong fault limits the present reserves on the north side of the deposit. Holes drilled north of the fault have been of limited extent but have shown increases in molybdenite values at depth. It is believed that the down-throw of the north faulted segment is of the order of 400 to 600 feet. Since ore columns immediately south of the fault range up to 1000 feet or more as demonstrated in drill hole 00-8N, it is considered likely that ore columns at mineable stripping ratios may be found in the north faulted segment.

The distribution of better grade ore within the drilled area of the deposit will permit the mining of higher-than-average grade ore for a number of years. Preliminary metallurgical tests on composite drill core samples have indicated that an acid-cleaned concentrate of high quality can be made with a good recovery and at a moderately coarse grind. Tests are now being made on samples of the concentrate and tailings to determine the possible presence of by-products.

The company's consultants have recommended a study of the feasibility of placing the property in production. The recommended program includes underground development for bulk sampling, metallurgical testing on a pilot plant scale, and additional diamond drilling. The program is estimated to require the expenditure of up to \$2,500,000 and is scheduled for completion early in 1971. Negotiations have begun with interested parties to secure the required financing.



George Cross News Letter

"Reliable Reporting"

NO. 182(1969)
AUGUST 18, 1969

WESTERN CANADIAN INVESTMENTS

CANADIAN DELHI OIL LTD.

6 MOS TO JUNE 30:	1969	1968	
Income	\$4,421,000	\$4,302,000	The improvement in net income for Canadian Delhi Oil Ltd. for six months was mainly due to reduced interest expense and lower depletion charges. The reduction in interest expense reflected the company's improved debt position. Lower depletion charges were due to increases in recoverable oil reserves resulting from successful secondary recovery schemes. Cash flow from operations for the period was \$2,535,000 compared to \$2,418,000 in 1968. Sales of oil and natural gas liquids averaged 6,292 barrels per day compared to 6,134 barrels in 1968. Natural gas sales for the first half of 1969 averaged 66.2 million cubic feet per day against 68.6 million cubic feet in 1968. The reduction in natural gas sales was primarily due to maintenance work being carried out by pipeline operators. In the first 6 months of 1969, Canadian Delhi participated in drilling 22 wells, resulting in 4 gas and 9 oil completions. Two of the wells were drilled by others at no cost to the company and resulted in dry holes. The company participated in 359 miles of geophysical surveying in northern Alberta and B.C. Two exploratory wells in which the company participated were gas discoveries. These were at Rigel in northeast B.C. and at Wabasca in central Alberta. Follow-up drilling at Rigel will commence immediately. Canadian Delhi recently entered into three new significant land plays by acquiring 86,425 net acres in the B.C. foothills; a 25% interest in 25,755 acres in the Inga area of B.C. and a 15% interest in 115,200 acres in the Smoky River area of west central Alberta. Preliminary exploration work is in progress in all three areas. Canadian Delhi as operator, has completed half of a 22,000 mile airborne geophysical survey on jointly owned permits in the Wollaston Lake area of Saskatchewan and the Dubawnt-Baker Lake area of the Northwest Territories and is currently engaged in a ground follow-up program.
Operating Expenses	1,093,000	1,058,000	
Exploration Costs	767,000	726,000	
Lease Rentals	189,000	140,000	
Depreciation, etc.	951,000	1,170,000	
Interest Expense	503,000	601,000	
Foreign Exch. (Losses)	101,000	85,000	
Net Income	\$ 817,000	\$ 522,000	
Per Share	9.8¢	6.2¢	
Acquis. & Development	1,473,000	766,000	
Reduct. of Long-Term	1,700,000	1,537,000	

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NEONEX INTERNATIONAL LTD.

PRELIMINARY SIX-MONTHS RESULTS Neonex International Ltd. has reported that sales and revenue for the six months of 1969 to June 30, were \$72,000,000 up 17% over the \$62,000,000 for the same period of 1968. Net earnings are \$1,690,000 up 11% and earnings per share 25¢ per share compared with 23¢ per share. Second half earnings are expected to be higher. All significant subsidiaries have been accounted for on a pooling of interest basis.

MINERAL MOUNTAIN MINING CO. LTD.

VALLEY FORGE MINING LTD.

AMALGAMATION APPROVED - EXPLORATION ENCOURAGED IN HIGHLAND VALLEY AND AT WOLLASTON LAKE URANIUM PROPERTIES - Within a month, it is expected that all Valley Forge Mining Ltd. shareholders will have received two shares of Mineral Mountain Mining Co. Ltd. for each three shares of Valley Forge now held. The

shareholders meeting of the two companies held Aug. 15, approved the amalgamation. A merger on the same terms had earlier been approved. Directors of the amalgamated company will be J.E.R. Wood, Isaac Shulman, H.B. Kirkpatrick, C.W. Jaggs, Charles Maddin, B.J. McConnell, and Walter E. Schoot. The merged company holds 530 claims in the north Highland Valley where geophysical work, geological mapping is continuing in an effort to locate diamond drilling targets. The work to date has located some very low grade but significant copper mineralization and good geological features. The amalgamated firm will have \$500,000 in the treasury.

Work on the Wollaston Lake permits is under a joint venture with Great Plains Oils and has located a number of radiometric anomalies and a showing with highgrade uranium. Ground survey work is now underway.

ADANAC MINING & EXPLORATION LTD.

FINANCING OPTION NOT EXERCISED RESERVE ESTIMATE 'PRELIMINARY' - Adanac Mining & Exploration Ltd. has reported that the negotiations with a Texas group for a joint venture on the Ruby Creek molybdenum property at Atlin, B.C., have been terminated by the non-exercise of an Aug. 7, option by the Texas group. An Aug. 14, 1969, report from Chapman, Wood and Griswold gives an open pit reserve of 47,000,000 tons of 0.13% MoS₂ based on 47 holes with an up grading of reserves possible from better assay-drill results and from extension of the zone which is open. Potential is 70,000,000 to 100,000,000 tons. There is some \$700,000, plus cash now in the treasury with which to continue the drilling.

ADANAC MINING & EXPLORATION LTD.

QUALITY OF RESULTS - During July, Adanac Mining & Exploration Ltd. carried on negotiations with a Texas based group with a view to the establishment of a joint venture for development of the company's Ruby Creek molybdenum property near Atlin, B.C. The joint venture was to become effective 7Aug69 at their option. They did not exercise this option.

The company has a report from Chapman, Wood & Griswold dated 14Aug69. A total of 47 diamond drill holes have been drilled to date. Estimated open pit reserves of the partially delineated deposit give drill indicated and inferred reserves of 47,000,000 tons grading 0.13% MoS₂. Because of the variations in assay results, Chapman, Wood & Griswold have determined the necessity for further correlation and, until these results have been obtained, an average grade cannot be attributed with certainty to the above tonnage.

No adjustment to core assay has been made to compensate for a possible molybdenum loss from the core to the sludge during the drilling process. The foregoing reserve estimate is based on continuous drill hole sections and does not exclude any internal low grade assays. The selective exclusion of various low grade bench height intervals would consequently increase the grade of the residual reserves.

This reserve tonnage is limited to the drilled off portion of the property and does not reflect the ultimate potential of the deposit. The geologic potential for increasing reserves at Ruby Creek is believed to be favourable in that, within the existing property boundaries and known favourable geologic environment, an indicated present potential of the property of 70,000,000 to 100,000,000 tons could exist.

Preliminary metallurgical results suggest that a concentrate grade of 94% and recovery of 90% can be obtained.

FOR THE RECORD

Red Metal Mines Ltd. has received an underwriting from Hemsworth, Turton & Co., Ltd. covering 125,000 shares at 80¢. Prior to the sale of the 1,536,054 shs. issued, 750,000 were for property of which 25,000 are held for the company's benefit and 786,054 were sold for \$293,972 on which \$28,360 commission was paid. Latest prior sale was 300,000 shs. at 60¢ per share to bring in \$180,000 subject to the \$28,360 commission. The company said that, as at 10July69, it had made the capital payment of \$40,000 under its agreement to buy a 70% working interest in property near Miramar in Costa Rica and had provided \$60,000 towards operations and capital to the Costa Rican operating company as provided by the agreement, which latter sum is to be repaid to Red Metal out of 75% of any net profits of production. Red Metal also agreed to provide \$15,000 additional working capital if required. Any additional working capital in excess of this amount is to be shared proportionately between the parties. The company says also that B.C. Macdonald, P.Eng., in his report of 19Aug68, recommended a continuation of the exploration and development and the implication of a mill construction program which is estimated by him to cost \$80,000 U.S. funds."

Weldwood of Canada Limited will pay 12½¢ per share on Oct 1, 1969, record 5Sept69.

International Hydrodynamics Co. Ltd. has reported the B.C. Securities Commission and the Vancouver Stock Exchange have consented to a 10% release of the pooled shares.

Copper Pass Mines Ltd. director Gary C. Cooper reports assays ranging from 26.82% to 37.72% nickel in samples taken from 40 tons of niccolite ore mined to 30July69 from showings on a property acquired in the spring, some 80 miles E of Yellowknife and five miles from the east arm of Great Slave Lake. The greatest vein widths appear to be about three feet at a depth of 70 feet.

Great Pacific Industries Limited has completed its merger with Alcove Holdings Ltd. The transaction valued at \$1,680,000 involved the exchange of all the shares of Alcove Holdings for 140,000 common shares of Great Pacific.

Alcove Holdings Ltd. is owner of the Doric Howe, a downtown Vancouver motor inn. Current plans call for expansion of the present food and beverage facilities of the Doric Howe.

Christina Lake Mines Ltd. has reported shares were called for trading on the Interim Listing Board of the Vancouver Stock Exchange 18Aug69.

Of the 4,000,000 authorized share capital, 2,256,000 shares are issued including 776,686 shares in escrow. The transfer agent is Guaranty Trust Company of Canada and the trading symbol is C T K X.

International Land Corporation Ltd. has reported shares were called for trading on the Industrial Section of the Vancouver Stock Exchange 18Aug69. Of the 1,000,000 authorized common shares of no par value, 450,000 shares are issued. The transfer agent is Canada Trust Company and the ticker symbol is I L C.

Brycon Explorations Ltd. managing director Earl Younge reports that Becker Drilling Co. of Edmonton have completed 25 holes using 9-inch casing in a grid pattern on a portion of the extensive placer leases along the Hyland River in B.C. near the Yukon border. The prime aim has been to determine the gravel depths and any variations in mineralization by depth. Material recovered is being assayed by Coast Eldridge. Elsewhere, an air magnetometer survey of the copper-molybdenum prospect near Christina Lake, B.C., has revealed several anomalous areas and consideration is being given to negotiating with a mining company for its further development.

ADANAC MINING AND EXPLORATION LTD.

TWO SILVER BETS TO BE EXPLORED - In addition to its Ruby Creek molybdenite property on IN ADDITION TO BIG MOLY PROGRAM which a major program is scheduled for this year (See GCNL No.10 and 11), Adanac Mining and Exploration Ltd. proposes in the spring of 1969, to proceed with an exploration program on its optioned Yukon property.

This is a gold-silver prospect for which D.D.Campbell, P.Eng.,Ph.D., has recommended expenditure of \$154,000.

Comprising 16 located mineral claims, this property is 14 miles due west of Carcross in the Mayo Mining Division, accessible by all-weather road branch from the Whitehorse-Carcross Highway.

Dr. Campbell points out that two veins on this property were discovered in the early 1900's and extensively hand trenched and explored. In 1948, numerous bulldozer pits were excavated along the exposed portion of the veins. Since acquiring the claims in November 1967, Adanac has put in two long bulldozer trenches to expose the two veins. Where exposed by trenches, the vein contains a mineralized shoot 50 feet long and 3 feet wide which averages 2 ounces gold/ton and 5 oz. silver/ton for a gross value of about \$65/ton. This ore can be readily trucked to the mill of Arctic Gold and Silver Mines Ltd. at Carcross. Therefore, says the consultant, the deposit should be further explored by drift adits and shafts to determine its potential. He advises a program to include an adit below No.1 trench showings, and drifting for a minimum of 500 feet on the vein; another adit 100 feet below with also a 500 foot drift; raise to surface and between levels. This underground work would require \$100,000. He suggests a further \$40,000 for supervision, camp, overhead, assays, etc., and \$14,000 for contingencies.

Cash payments for the Yukon claims, known as the Mount Anderson property, amounted to \$7,000 as at December 13, 1968. The option agreement requires payment of a further \$20,000 By December 1, 1969, and a further \$23,000 by December 1, 1970. Under BCSC policy, as monies are paid for the Mount Anderson claims, vendor shares issued previously totalling 750,000 for the Atlin molybdenite property will be surrendered by way of gift to Adanac Mining at the rate of one share for every \$1.50 paid to Arthur W.Hyde of Whitehorse, the vendor of the Yukon claims.

As part of the consideration for the 750,000 vendor shares, Adanac received eight located mineral claims, 15 miles northeast of Atlin, contiguous to the Ruby Creek molybdenum property. No work was done on this property prior to 1968. In 1968, Adanac drove an adit 150 feet, did several hundred feet of trenching and prospected the property thoroughly, the recent prospectus states. At this time, there are a compressor, two rock drills, a D4 bulldozer and miscellaneous mining equipment on the claims known as the Mount Leonard silver property.

In September, 1968, Dr. Campbell recommended expenditure of \$293,000 to investigate a silver-bearing vein on this property which he advised has been exposed by 6 bulldozer cuts and a 150 foot adit to indicate a vein length of 1500 feet over a vertical interval of 700 feet of which 400 feet of length and 200 of height have been explored by bedrock exposures. Sampling in the adit indicates 110 feet of ore length from which muck samples consistently averaged 45 ounces silver/ton (\$99 ore). About 10,000 tons of this ore are now indicated on the vein. The company says it is now proceeding to implement the recommended program. Dr. Campbell says the ore from this deposit can be shipped to a mill to be built at Interprovincial Silver Mines Ltd., three miles to the north.

BRITISH COLUMBIA PACKERS LIMITED

NEW SENIOR OFFICERS REPORTED - British Columbia Packers Limited has reported the retirement of J. Norman Hyland as chairman and chief executive officer of the company. Mr. Hyland has been employed with the company for thirty-three years in various capacities and has served in his latter office since August 1964.

R.I. (Dick) Nelson, formerly president of Nelson Bros. Fisheries Limited, has been appointed president and chief executive officer of British Columbia Packers Limited, and F.K. Fraser has been appointed senior vice president.

G.E. Creber has been appointed chairman of the board of directors.

The Nelson family has acquired a substantial interest in British Columbia Packers Limited. Since 1960, Nelson Bros. Fisheries Limited has been a wholly-owned subsidiary of British Columbia Packers Limited, and its financial results have been consolidated with those of its parent company.

Nelson Bros. Fisheries Limited will continue to operate separately as in the past. Mr. Ritchie Nelson remains as chairman of Nelson Bros. Fisheries Limited and W.C. Nelson has been appointed president.

The financial statements for the year ended December 31, 1968, are not yet available, but it is expected that earnings will be substantially higher than in 1967. For the future, it is believed that the corporate changes announced today will provide opportunities for more effective operations in the complex and highly competitive fishing and food industries and, further will assure British Columbian and Canadian control of one of North America's major fishing companies.

ADANAC MINING AND EXPLORATION LTD.ARCTIC GOLD AND SILVER MINES LIMITED

SHARE PURCHASE APPROVED - An extraordinary general meeting of shareholders of Adanac Mining and Exploration Ltd. approved resolutions giving directors the power to purchase 75,000 shares of Arctic Gold and Silver Mines Limited at a price equal to 18% below the market price for the shares of Arctic on the day upon which a filing statement reflecting the purchase is accepted for filing by the Vancouver Stock Exchange. The shares so purchased will be held as an investment and will not be disposed of for at least six months from the date of purchase.

Adanac Mining already holds as an investment 25,000 shares of Arctic at a cost of \$3.40 per share. If the additional shares are purchased, the average cost of the shares to Adanac will be reduced to \$1.89 per share. The management of Adanac feels that the outlook for Arctic Gold is steadily improving and that appreciation in the value of the shares is likely.

Richard F.J. Newsom, G.C. Snell, J.C. Snell and Robert Hughes, are directors of both Adanac and Arctic.

The directors of Adanac are expected to meet in the next few days to hear a full report on the Arctic Gold and Silver Mines property and operation, located a few miles from Carcross, Yukon. On receipt of the report, directors will make a decision whether to proceed with the purchase. If the Adanac directors do agree to the purchase, then a filing will be made with the Vancouver Stock Exchange and, when approved, the transaction will be completed.

The Adanac meeting also approved the election of Bryan J. Reynolds as a director.

Richard Newsom, president of Adanac and general manager of Arctic, has reported that the mill modifications have been proceeding on schedule at Arctic and that the mill is expected to start turning over again in about a week. Underground development has continued at both the lower 700 foot level and the upper 850 foot level. Work on the lower level has opened good looking mineralization, which is expected to be of ore grade on both the No. 1 vein and the No. 7 vein or Portal vein. The development on the No. 3 vein from raises on the 850 level has opened a length of between 150 and 200 feet of length grading about \$35.00 per ton across a five foot mining width. Other areas of interesting mineralization have been opened on the 850 level, he stated.

There is presently about 5,500 tons of ore with a grade of about \$25.00 per ton now stockpiled at the mill with additional tonnage stockpiled at the mine portal awaiting hauling to the mill.

Mr. Newsom has reported that a bulk concentrate shipping agreement has been approved which will reduce the costs of shipping concentrates to the smelter as much as \$55.00 per ton of concentrates.

ADANAC MOLYBDENUM PROGRAM OUTLINED - The Adanac 58 claim molybdenum property is located about 15 miles northeast of Atlin, B.C., has been tested by a series of diamond drill holes the results of which have only been partially reported as 200 feet of 0.13% MoS₂. Assay results from other holes are currently being re-checked and are expected to be available in the near future. The outcrop area is quite small but the soil sampling anomaly is very sharply defined and extends over a mile long and between 1,200 and 1,500 feet in width. Recent drilling on an adjoining property tends to confirm good width potential to the structure.

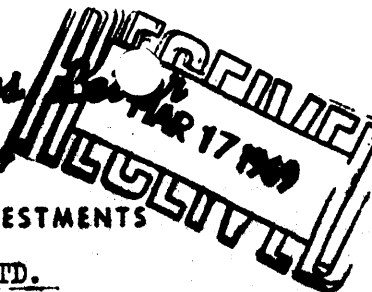
Tenders have been received for a 20,000 ft. diamond drilling program on this property and directors are expected to meet in the next few days to select a contractor and let the contract. It is expected that six diamond drill machines will be in operation on the property in two to three weeks and that the 20,000 feet of hole will be drilled within four months of the starting date or probably by the end of June. If this work is successful, a program of 40,000 feet of drilling could be undertaken.

Work on the property in recent weeks has been toward the completion of a camp to accommodate a crew of 44 men for the diamond drilling and supervision. Adanac has hired a geologist to supervise the program and is seeking two additional geologists to work on the core logging, splitting and sampling.

By a prospectus dated Dec. 13, 1968, Adanac sold 500,000 shares at \$1.50 per share to net \$725,000. There are now 2,502,602 shares issued of the 5,000,000 shares authorized. The company intends to apply for listing of its shares in the near future. (For details on Adanac See GCNL No. 10, Jan. 15, 1969, page one, No. 11, page three, Jan. 16, 1969, and No. 14, page three, Jan. 21, 1969)

UNITED BATA RESOURCES LTD.

GAS CONTRACT SIGNED - A gas contract has been signed for the natural gas produced in the Strachan area of Alberta, about 80 miles west of Red Deer by United Bata Resources Ltd. and Trans-Canada Pipe Lines Ltd. Gulf Oil Canada Ltd., which holds an approximate 60% interest in the gas, has also signed the contract with Trans-Canada. Deliveries are expected to start November 1, 1970. Preliminary engineering has been underway for a plant for the area.



NO. 56(1969)
MARCH 15, 1969

WESTERN CANADIAN INVESTMENTS

ATCO INDUSTRIES LTD.

	<u>FOR YEAR ENDED SEPT 30 : 1968</u>	<u>1967</u>
Revenue	\$42,391,992	\$36,313,642
Costs of sales	33,195,231	26,765,396
Sell. & Adm. exp.	6,220,308	5,565,432
Interest expense.	420,449	455,833
Depreciation	990,470	1,001,887
Net in. taxes	332,599	794,239
Minority int.	19,719	21,661
Sub. sale profit	<u>278,732</u>	<u> </u>
Net earnings	<u>\$ 1,491,948</u>	<u>\$ 1,709,194</u>

Shares Issued	2,506,500	1,908,000*
Current Assets	\$ 16,669,891	\$12,746,865
Current liab.	8,806,219	9,744,427
Deferred credits	629,770	765,449
Long term debt	3,024,886	2,584,048
Fixed assets	11,673,998	11,144,157
Acc. depreciation	3,466,030	3,487,123

*Reflects split of about 6.6 new shs. for 1 old effected January, 1968.

March of 1968 marked the beginning of the Atco Group of Companies as a public corporation. In addition to the 28% equity offering, a \$3,000,000 8% 15-year debenture was privately placed. The successful completion of this financing together with the attendant preparatory and post issue organizational work has been the most significant development of 1968. Lower earnings for the year resulted from substantial site cost overruns and a major project in Australia. Action has been instituted to prevent such losses from recurring.

During 1968, the Atco Groups' shares of M. R. I. were sold to the operating officers of the company and an outside investor. This sale was motivated by problems of security clearance in respect to classified U. S. Government contracts with M. R. I. which was considered by the U. S. Government to be foreign owned. In addition, M. R. I.'s long-range goals were not entirely

compatible with those of the Atco Group.

Subsequent to the end of the 1968 fiscal year, all of the shares of Superior Woodcraft Manufacturing Ltd. and Superior Interiors Ltd. were purchased by Atco. These related companies had been major suppliers of mill sork for a number of years, and occupy premises at Atco Industrial Park in Calgary. With the support of Atco's financial and marketing capability, these companies are expected to continue their rapid growth and should in the future more than compensate for the loss of M. R. I. sales and earnings.

Atco's largest single capital investment is some 1000 transportable structures (bunkhouses, offices, etc.) leased to industries and governments in Canada, Australia, and the U.S. Such units are also built for sale and are the largest source of sales revenue. The subsidiary Trans-Canada Rent-A-Trailer leases some 3,000 utility trailers across Canada. WOWIC Ind. Pty. Ltd. in Australia builds houses, mobile homes etc., for Australian and Asian markets. Northland Camps Inc. builds mobile homes in Idaho for the U.S. market.

LORNEK MINING CORPORATION LTD.

Rio Algom Mines Limited - Yukon consolidated Gold Corp. Limited.

Production decision announced subject to finance and concentrate sales contract.

Equity bonus on production financing will increase issued by about one third.

Rio Algom Mines Limited and Lornex Mining Corporation Ltd. have announced approval of plans for the financing and development of the Lornex copper deposit in British Columbia's Highland Valley, however development of the property is subject to the successful completion of the financing and concentrate sales contract now being negotiated by Rio Algom. Design and construction planning will begin immediately to permit actual construction when these contracts are complete.

Of the \$120 million required—the largest single capital investment yet made in a British Columbia mining project—Rio Algom and the Yukon Consolidated Gold Corp. Limited will provide \$23.6 million through the purchase of units comprising one \$1000 subordinated income debenture and 80 Lornex shares. This apparently will entail the issue of 1,888,000 shares there by increasing the issued shares of Lornex to 6,409,321 from the current 4,521,321 shares. An increase in authorized capital will be needed. Current equity is \$7.4 million and the balance will be provided by senior debt. At the present time, Rio Algom has a 36% interest in Lornex and 24% is held by Yukon. Rio Algom will purchase 90 per cent of the units of subordinated income debentures and shares, and will thereby increase its equity interest in Lornex to fractionally over 50 per cent. Yukon will purchase 10% of the units and will an equity interest in Lornex of approx. 19%. Rio Algom will manage the project and under certain circumstances it may be required to accept units in payment for costs incurred on behalf of Lornex up to a maximum of \$20 million. Financing of the \$120 million open pit mine and mill is being arranged mainly through two consortiums, comprising Canadian banks and Japanese companies. The latter would be involved in buying the concentrates.