

COLUMBIA RIVER MINES LTD.

**WORK RESUMPTION -** Melan Michael Pardek, director of Columbia River Mines Ltd., has reported **AWAITS FINANCING** that work on the property, located 30 miles southwest of Golden, B.C., has been suspended pending the securing of additional funds. All of the necessary exploration and development work has been carried out to complete a feasibility study on the property. The feasibility study has been completed and the property has been found to justify production. There is no reason to do any further work on the property other than to prepare it for production. Until financing to production is secured, there will be little work done, he stated.

Columbia River Mines Ltd. has received a report from A.R. Bullis, P. Eng., dated Aug. 30, 1967, which states that there are two main levels on the property, the 6,000 foot level, which is 2,500 long with drifting and crosscuts and the 5,755 foot level which is 637 feet long on an adit level. The 5,755 foot level did not encounter the ore zones. There has been 40,000 feet of diamond drilling done on the property.

The Bullis report summarizes ore reserves as follows:

Proven	100,950 tons	4.27 oz. silver	3.05% lead	3.66% zinc
Probable	643,175	4.78	3.54	4.10
Inferred	<u>316,050</u>	<u>4.40</u>	<u>3.48</u>	<u>3.76</u>

**TOTAL** 1,060,175 tons 4.62 oz. silver 3.48% lead 3.76% zinc

The feasibility study assumes a 500 ton per day plant at an estimated cost of \$2,888,800. Recovery as estimated by Britton Laboratories are 95% of the lead, 90% of the zinc and 90% of the silver. The engineer calculates the value of the ore as \$16.47 per ton and after estimated operating costs of mining and milling of \$8.87 per ton gives an operating profit of \$7.60 per ton. On this basis the report shows that the \$3,000,000 needed to place the plant and mine in operation plus an allowance for working capital would be repaid out of production at 500 tons per day in 33 months.

The calculation is based on E & MJ prices for lead, zinc and silver on Aug. 1, 1967, and on a smelter payment as indicated by Bunker Hill.

The report points out that there is considerable mineralization that grades less than \$8.87 per ton that is not included in the ore reserve calculation.

The mineralization is in an elliptical shared ore body which has a width varying from 100 to 10 feet in width and has been traced and explored for some 1200 feet into the mountain.

Mr. Pardek stated that the company was recently conducting negotiations for financing of the property to production and that discussions with one interest group have been terminated but that several other groups have expressed interest.

LODESTAR MINES LTD.

**DRILLING PROGRAM CONTINUES -** Lodestar Mines Ltd. has reported that the No. 7 diamond drill hole on the Brenda Lake property is drilling ahead. The company earlier reported the results of the first three diamond drill holes and has now reported that the results of the holes No. 4, No. 5 and No. 6 will be given in the near future as soon as assays have been received on the cores which are now in for analysis.

The current work is under the direction of Watts, Griffis & McQuat Ltd. with Seigel & Associates Ltd. completing detail induced polarization survey on an anomalous area earlier indicated by geophysical survey work.

To date, Lodestar Mines Ltd. has sold 430,000 shares at 10¢ per share, 250,000 shares at 25¢ per share and 200,000 shares at 50¢ per share. All of these shares have been sold from issuers permits under the B.C. Securities Act. In addition, the company has issued 721,000 shares, all in escrow, for property. The company has pointed out that all of the 10¢ stock is subject to a pooling agreement which is to run for 90 days beyond the first underwriting and to date the company has had no underwriting. Presumably this pool will not be broken for sometime.

SILVER BUTTE MINES LTD.

**FOLLOW UP ON HIGHGRADE** - Silver Butte Mines Ltd. president, T.S. Mackay, has reported **SAMPLE GIVES ENCOURAGEMENT** that while prospecting, on the company's Alice Arm, B.C. silver property, a sample graded 607 oz. silver from a creek on the Ace No. 2 claim. A follow up sample from near the showing graded 27.5 oz. silver. Samples from an old adit, 140 feet from the highgrade showing assayed, 521, 594 oz. and 80 oz. silver per ton.

A hydraulic sluicing operation and blasting opened the area of mineralization in recent weeks. Samples from the area opened assayed 98 oz. silver across a width of 51 inches. The president states that as the face of the open-cut is still in mineralization the sampled width may not cover the full extent of commercial values.

An expanded program is planned for this area of the property next Spring as weather permits. Camp equipment and supplies have been stored for safe keeping at Dolly Varden's camp, about four miles from the Silver Butte property.



ALINA MINES AND OILS LTD.

→ SECOND WELL IN MIDALE - Second test well by Alina Mines and Oils Ltd. on its Innis Midale A DUAL ZONE PRODUCER Saskatchewan acreage was spudded on May 19,1967, and has logged better than the first well. Testing in the last few days have shown 22 feet of oil pay zone in the Midale formation and 4.5 feet of oil pay zone in the Stoughton formation. These two zones indicate that this new well will be three to five times as good as the No.1 well. Production casing is to be run on the new well and it will be tested for a month before the final daily production rate is determined.

The first well in this acreage had 6.5 feet of pay zone in the Midale formation and Alina Mines and Oils Ltd. hold a 50% interest in the well which generates about \$300 per month to the company. Because this second well is 90% owned by Alina and because it has two zone it is expected to generate about \$2,000 per month revenue to Alina.

The new No.2 well is about two miles south of the Innisfield where the Stoughton formation is a good producing formation. The testing of this formation in the new well will be very important in the selection of the next well location. The new well has established three proven locations closer to the Innisfield. The next Alina well will be selected in about a month and is expected to be drilled shortly thereafter.

A 90% working interest in this well is held by Alina and in 2,840 acres. A 50% interest is held in the first well. Current revenue of \$300 per month from the first well is expected to increase if the well is placed in Shell Oil's unit system in June 1967 as applied for.

The No.2 well and three additional well sites are all in offset locations to dual zone producing wells reported to be producing at the rate in excess of 150 barrels per day.

In a recent letter to shareholders, Alina Mines and Oils Ltd. reported that sale of the company's first public offering is proceeding at a satisfactory rate. The offering is 200,000 shares at 50¢ per share and when completed will give the company 1,385,000 shares issued of the 5,000,000 shares authorized. The proceeds of the offering are to be used to continue drilling in Saskatchewan and to test the company's other properties with include: 172 claims in the Pine Point area which are to be surveyed by H.O.Seigel & Associates as soon as weather conditions permit. The company's ground at Sulphur Bay,N.W.T. has been dropped owing to poor results on adjoining properties.

Alina Mines and Oils Ltd. holds a 15 $\frac{1}{2}$ % working interest in Brett Arco et al Haig Lake 16-31 well and five lease sections in the Rainbow area of Alberta which will be further tested next fall. In the Big Lake area of Alberta, Alina has a 16% working interest in the north half of section 23-53-26W4, where the operator Ensign Oils Limited is negotiating for the drilling of a second well. The second well will be drilled at no cost to Alina.

COLUMBIA RIVER MINES LTD.

→ FEASIBILITY STUDY COMPLETED - Columbia River Mines Ltd., president, E.P.Sheppard,P.Eng., FINANCING UNDERWAY-ORE RESERVES has issued a May 12,1967, report showing increased INCREASED-FOUNDATION TESTING ore reserves and H.R.Graham,P.Eng., Columbia River managing director,has issued a May 29,1967, report stating that the completed feasibility report on the Ruth-Vermont property shows the project to be profitable at 500 tons per day.

The president states that the mine, located 35 miles southwest of Golden,B.C., has two principal working levels at 5,750 and 6,000 feet with the latter about 2,500 feet long. The present program is three diamond drill machines two shifts per day working at 50 foot intervals for the purpose of outlining the orezone in greater detail. A realistic dilution factor has been included in arriving at ore reserves as at April 30,1967, of:

1,228,778 tons grading 5.72 oz. silver 3.81% lead and 3.94% zinc.

Of this total, 771,630 tons is proven and indicated, 258,830 tons is inferred in the veins and 198,318 tons are inferred in the disseminated section of the ore zone. The new ore reserve calculation is an increase in tonnage of 167,687 tons from the January 1967 reserve calculation but is somewhat lower grade owing to inclusion of more of the disseminated ore in the calculation.

The cost of the 500 ton per day plant is estimated at \$2,750,000 with the start of production scheduled for July 1968. Mr.Graham states that,although financing arrangements are not yet completed,it is expected that about 25% of the funds needed will come from equity with the balance from debt financing. Financing negotiations are continuing.

Plymouth Development Ltd. has exercised its second option on 90,000 shares at \$1.15 per share.

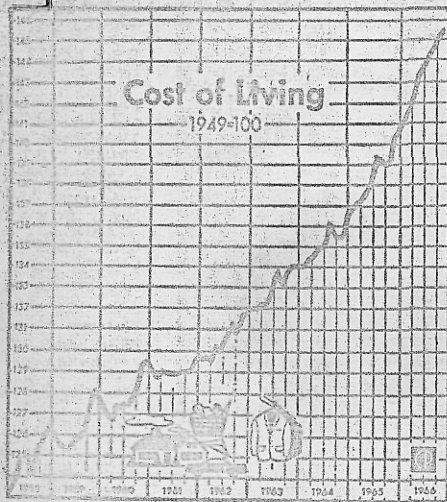
The company has now decided to build the mill on the surface rather than underground. The capital savings by a surface concentrator is expected to be several hundred thousand dollars.

Several companies have approached Columbia River Mines regarding the sale of its lead-zinc concentrates and negotiations are continuing.

The metallurgical tests by Britton Research Limited indicated that a lead concentrate grading:80 oz. silver, 60% lead and 4% zinc and a zinc concentrate grading 11 oz. silver, 1% lead and 59% zinc plus 0.45% cadmium can be expected. The cadmium is a premium byproduct which has a market value of about \$3.00 per pound. Recoveries are expected to be 90% of the silver, 96% of the lead and 97% of the zinc.



ly paused,  
 Province  
 ood ahead



Cost of living index climbed more than four points during first 11 months of 1966 to 145.5.

goods were running well ahead of year-earlier figures.

The assessment of the 1966 economy by the Economic Council of Canada was that the country's capacity to produce was almost fully engaged. Construction activity slumped markedly, and the council said the government should smooth out the wide swings in its building program to give construction more stability.

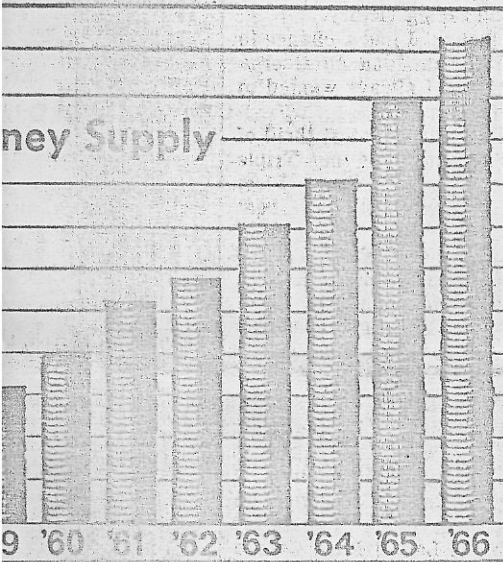
To put brakes on excessive demand pressures, the Bank of Canada pursued a generally tight credit policy during 1966.

The total of currency in circulation and of deposits in the chartered banks at the end of November was \$21,344,000,000, up \$1,407,000,000 from a year earlier — a more moderate increase than the central bank permitted in the previous year.

But money was available for those willing to pay the high interest costs.

The effective yield on long-term Canadian government bonds at money-market prices rose to 5.95 per cent late in August from less than 5½ per cent at the end of 1965.

During 1966, Sharp imposed several tax increases. In his regular spring budget he adjusted income tax rates to take a larger bite from groups with medium and higher incomes, and introduced a new refundable tax on corporate cash flows. At year's end he had to find another \$275 million in tax revenues to pay for increased pensions benefits. The sales tax increase and a boost in the old age security tax took care of that.



reached \$21.3 billion at Nov. 30.

seek  
deal

Sileurian Chieftain  
 Majors  
 reported

## Imperial sees cigarette sales rising in 1967

MONTREAL (CP) — John M. Keith, president of Imperial Tobacco Co. of Canada Ltd., said in a year-end statement that an increase of 6 to 7 per cent in domestic sales of cigarets can be expected in 1967.

Cigar sales will also move upward, he predicted, but a decline in sale of pipe tobaccos and fine cuts for roll-your-own cigarets will reduce the tobacco industry's over-all increase to about 5 per cent.

## New board takes over Columbia

Columbia River Mines Ltd. has shifted directors, hoping to get into higher gear at a silver-lead-zinc property in the Purcell range 30 miles from Golden.

Two geologists, Percy Sheppard and Mel Pardek became president and vice-president respectively. A mining engineer, Hartley Graham, became managing director. Sheppard and Graham recently left Western Mines.

After the change made at a directors' meeting, the retiring president, Tom McKenzie, said the mining men "have been given the reins, to take over and get into production."

Before the directors' meeting, about 85 shareholders at the annual general meeting, were told that the mining men have been asked to complete a feasibility study by the end of January.

### PLANNING STAGE

McKenzie said the property, with 600,000 tons of ore outlined, has reached the mill-planning stage. He said economics dictate that the known ore should be milled to produce a cash flow while exploration continues. He said there appear to be two orebodies that have not been drilled.

"We have a mine. All we need to do is produce, and this we will do shortly," McKenzie said.

Columbia's property near Golden is at about 6,000 feet beneath the 9,000-foot peaks of the Purcells, in the valley of Vermont Creek. It is the old Ruth Vermont mine which was worked between 1884 and 1895.

Discovery of richer, more accessible ores in southern B.C. put Vermont Valley mines out of business. Rio Tinto explored the Ruth Vermont for several seasons until metal prices dipped in the 1958 recession. Mel Pardek directed the Rio Tinto program and is a major Columbia stockholder.

### MINE ABANDONED

Before acquiring this property, the company worked a gold deposit on the Columbia River near Trail. It abandoned this after mining gold ore valued at \$100,000 and drilling 5,000 feet, revealing no further ore.

The major stockholder is Richard R. Angle, managing director of Far East Minerals whose claims adjoin Columbia. Earlier this year Angle, then president of Far East, made a takeover offer to Columbia shareholders. Amid charges of conflict of interest and mis-

# Western expects in ore output r

By R. M. SHAW

Both the president and the general manager of Western Mines Ltd. told shareholders Thursday that the company's mill had operated easily during tune-up this month at its design rate of 750 tons a day and is expected to exceed this rate in full operation.

They told the annual meeting they expected the mill to operate at close to 1,000 tons a day before long.

Harold M. Wright, president, answering a shareholder, said: "We think it will do 1,000 tons a day. It depends on the grind. We have a regrind circuit. It's the most complicated mill in the province next to the one at Kimberley (Cominco), which also produces several products."

Charles M. Campbell, Jr., general manager, said: "We expect to operate close to 1,000 tons a day before too long."

Campbell reported that the company began running in the equipment early in December at its mine at the south end of Buttle Lake on Vancouver Island.

"The plant as a whole has been run intermittently to make adjustments," he said. "From the beginning the concentrates have exceeded in quality the specifications for our sales contracts. We expect a high degree of efficiency and we expect, early in January, to be on stream continuously."

He said development work had extended the amount of ore to be mined by open pit, probably to double the amount indicated originally.

"We expect to operate the open pit for the next three years. We will mine from the pit and from underground and we must inevitably expect to have an underground mine. Initially 80 per cent of our ore will come

THE PROVINCE BU

BOB McMURRAY, Business Editor  
 16\*\*\* Friday, December 30/66

from the pit and 20 per cent from underground. We will develop the underground to take over the capacity of the plant."

He added that heads (grade of ore fed into the mill) from the pit will be lower than the overall grade of ore reserves but lower mining cost "should more than balance the probable reduction in grade."

Wright said that profits from the operation had been estimated at close to \$5 million a year based on figures in a prospectus issued last April. "The prospectus was based on 750 tons a day and we now look forward to a larger profit figure," he added. "Some metal prices are higher now. We can't give a new figure because it's not the same as mining a single metal. The calculations are complicated. But if we go to 1,000 tons a day it's a 22½ per cent increase so there's lots of glamor still."

Wright said the mill has a complex circuit. "We have three products and we hope to produce four. We hope to produce backfill for the underground so there won't be much left to go into the lake. We'll be turning it into money."

The three circuits produce a zinc concentrate, a copper concentrate and a bulk lead-zinc-gold-silver concentrate.

"We are still working on a pyrite circuit and space is ready

## Gem Ex seeking funds for I.P. and drilling

Gem Explorations Ltd. has applied for an underwriting to raise funds for I.P. surveys and diamond drilling on its two properties in the Pine Point area, Raymond W. Caskey, president, told the annual meeting Thursday.

These properties are 18 claims west of the Buffalo River and 36 claims on the east side.

Gem Ex also has arranged an interest with four other companies in 104 claims adjoining the Pine Point Mines property on which I.P. and drilling will start when the freeze-up is solid. The operating company is a private company named Four Point Mines Ltd. which has \$20,000 with which to start work, Caskey said.

The arrangement with Four Point Mines is contingent on approval of its underwriting agreement and provides for Gem turning over 12 claims to Four Point for 89,104 vendor shares and the right to purchase 24,000 at 10 cents.

Caskey said he had been informed that Utah Construction & Mining Co. will proceed with the third phase of its exploration option on Gem's property east

after Utah has been repaid, proceeds 87½ per cent to Utah and 12½ per cent to Gem until Gem has received \$3 million; after that 95 per cent to Utah and 5 per cent to Gem.

The balance sheet as at Oct. 31 showed working capital of \$2,600. There are 3,324,382 shares outstanding and options on 60,000 shares to John A. McAskill, geologist.

Directors elected were R. W. Caskey, Leo Mores and Douglas Moffet.

## Half of firms in U.S. pay executive bonus

CHICAGO (UPI) — Half of the companies in the U.S. pay some type of year-end bonus to their key personnel, a study said.

The payments, which are usually some type of profit-related cash incentive, average from 15 per cent to 40 per cent of the employee's base salary, Fry Consultants Inc. said.



## Gold, dollar reserves off in December

OTTAWA (CP) — Official holdings of gold and U.S. dollars amounted to \$2,235,960,000 in terms of U.S. dollars on Dec. 31, compared with \$2,242,100,000 at the end of November, the finance department announced.

The official holdings are made up of the exchange fund account, Bank of Canada holdings and funds held by the finance ministry.

In addition, Canada had a net creditor position in the International Monetary Fund amounting to \$263,500,000 at Dec. 31, compared with \$267,500,000 at Nov. 30.

## Car output 2nd highest in history

Associated Press

DETROIT — Final, official reports from auto companies confirmed that 1966 was the second best year in automotive history for building cars.

The year's output came to 8,592,929 cars despite November and December production cuts in the face of an easing in the sales pace.

It was topped only by the 9,329,091 cars built in 1965 — a figure that was 8 per cent ahead of 1966.

The auto industry, a bit chastened that its long series of production and sales climbs had been interrupted at least temporarily, got some satisfaction out of noting that 1966 marked only the second time it has topped the 8 million mark in a calendar year.

### 1955 GOOD

Production in 1955, one of the golden years of the auto business, finished in the No. 3 spot as it just missed the 8 million mark at 7,942,125 cars.

The production pace of all four U.S. auto companies was off in 1966 with American Motors showing the greatest percentage drop.

In 1966, General Motors produced 4,448,626 cars, compared with 4,949,395 in 1965; Ford turned out 2,425,462 cars in 1966, compared with 2,535,776 in 1965; Chrysler produced 1,445,616 cars in 1966 compared with 1,467,553 in 1965 while American Motors produced 279,225 cars in 1966, compared with 346,367 in 1965.

### PERCENTAGE DROP

This represented a 10.1 per cent drop for General Motors, a 5.5 per cent drop for Ford, a 1.5 per cent cut for Chrysler and a 19.4 per cent drop for American Motors.

Two General Motors divisions — Cadillac and Pontiac — set new production highs last year, as did two of Ford's lines — Mustang and Lincoln Continental — and Chrysler Corp.'s Chrysler line.

Pontiac's output of 866,585 topped the old division high of 836,582 set in 1965; Cadillac's new high of 205,001 edged the old record of 196,595 set in 1965.

Mustang, hottest item in Ford's stable, saw an output of 580,780 in 1966 compared with 580,187 in 1965. Lincoln Continental production lines accounted for 52,169 vehicles last year,

# PROVINCE BUSINESS

BOB McMURRAY, Business Editor

16\*\*\*

Friday, January 6, 1967

## Aerial staking claims voided

Chief Justice Wilson of the Supreme Court of B.C. has ruled that mineral claims, located by dropping stakes from a helicopter, can't be counted if a better method was available.

In a judgment issued Thursday he unset a ruling by Mines Minister Brothers which dismissed a complaint by a mining company and which allowed as valid the aerial staking of a group of claims in the Slocan Mining Division by Thomas Kingsbury of Kamloops. Kingsbury staked for a group of his associates. The complaint to the minister was made by Silver Summit Mining Co. Ltd. which had later overstaked substantially the same area.

The validity of Silver Summit's staking has not yet been ruled upon, and counsel for both parties will appear in court today to present argument on this point.

The case and the judgment are not related to a similar action in which Far East Minerals Ltd. has appealed against a ruling of the mines minister who disallowed its aerial staking in the Golden Mining division on a complaint by Norman M. McCartney of Nanaimo.

Chief Justice Wilson, in his judgment, noted that Kingsbury, on Jan. 18, 1966, flew by helicopter to a high mountain area on Mobs Creek, placed two claim posts while standing on the ground, then dropped others into the snow from the flying helicopter. He placed the final posts, Nos. 19 and 20, by hand.

The chief justice said that where, from the nature or shape of the ground, or because the

ground is covered with water or ice, it is impossible to mark the location-line of a claim by the usual post in the ground, squared and topped tree trunk or stone cairn, a method of placing "witness posts" is allowed.

He said that Kingsbury did not know of the existence of this section of the act and, "not knowing of it, he made no attempt to comply with it."

Tony Pasioka, geologist for Silver Summit, the chief justice said, was retained by that company to go in in March 1966 and stake ground already covered in January by Kingsbury if it was not already staked by Kingsbury.

Pasioka, said the chief justice, had said he could see no staking by Kingsbury. He staked, leaving blazes on trees 12 feet above the ground — the snow level in March.

"There were 20 feet of snow in January when Kingsbury staked and 12 feet in March when Pasioka staked," said the chief justice. "I cannot believe that the extra eight feet of snow in January made it impossible for Kingsbury to do at least some of the things that Pasioka did and I think he stands convicted out of his own mouth of not making a bona fide attempt to leave marks 'not calculated to mislead other persons desiring to locate claims in the area'."

The chief justice added that Kingsbury had made only a "minimal" effort under circumstances in which a full effort could have produced a staking that would have complied with the act.

## Dundee to check deal with Burlington Mines

Directors of Dundee Mines Ltd. will investigate the sale of its Ymir crown granted claims for 50,000 shares of Burlington Mines Ltd.

A motion asking a check on the transaction with Burlington last year was passed at Dundee's annual meeting Thursday in Hotel Georgia. A shareholder told the meeting that a letter from Burlington to its shareholders suggested the deal was a good one for Burlington.

Syd Welsh, who recently became a Dundee director and was re-elected at the meeting, said engineers have recommended that Dundee discontinue work on the Ymir property near Nelson.

"This was before my time. But as far as we know this was a good clean-cut deal and I know of no misrepresentation"

week, the Dundee annual meeting failed to attract a quorum of voting shares. It was adjourned a week ago but Thursday went ahead because those present constituted a quorum under company articles.

Welsh last month informed shareholders by letter that Chester Johnson and Ralph Sostad had resigned as directors and president Frank J. Doyle had died recently.

Elected again Thursday with Welsh were R. W. Palmer, J. M. Bird and E. D. H. Wilkinson.

Welsh said it was proposed to keep two miners on the job at the company's antimony property at Dorrigo Australia, in a program to tunnel another 200 feet.

He said consulting geologist J. D. Mason estimated about 750,000 proved tons of ore of 4.5 per cent grade.

## CPA ups air-miles 10 per cent

Canadian Pacific Airlines flew 1.2 million passenger miles in 1966, a 10 per cent jump over the previous year.

J. C. Gilmer, president of the Vancouver-based airline, said total passenger traffic was 632,600, a 16 per cent increase, and that air cargo in ton miles increased by 44 per cent.

Gilmer forecast another profitable year for CPA in 1967, estimating 1966 revenue would gain about 15 per cent when final figures are tabulated.

CPA now flies 56,512 undivided miles on routes linking five continents.

Gilmer said the biggest passenger gain was the Eastern-Canada to Europe service with a 60 per cent increase. The Canada-Hawaii route showed a 30 per cent increase in passenger miles, the Canada-Orient and Western Canada-Mexico services each gained about 12 per cent while domestic traffic in Canada was up almost 15 per cent.

## U.S. company raises copper to 38 cents lb.

NEW YORK (AP) — A two-cent-a-pound increase in the price of copper, to 38 cents, has been announced by Phelps Dodge Corp.

At the same time, Phelps Dodge Copper Products Corp. announced it is reducing prices on some types of copper water tubing, drainage tubing and red brass pipe.

## Pattison buys leasing firm

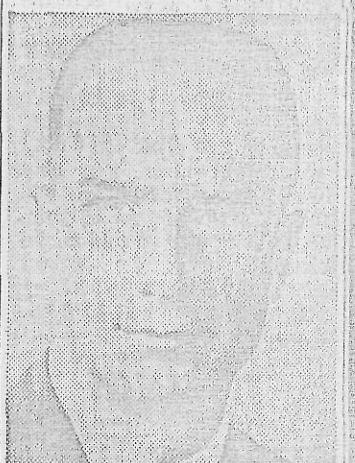
A Vancouver firm has taken over management of one of Alberta's oldest auto leasing firms.

Jim Pattison, president of Jim Pattison Lease, of Vancouver, announced the deal involving Hartfield Leasing which operates a fleet of 250 vehicles.

The Vancouver firm entered auto leasing in Calgary about 15 months ago and has built up a fleet of about 160 vehicles.

All future business of Hartfield will be done in the Pattison name.

## VILAS APPOINTMENT



E. R. W. Execut Weld

E. R. W. Execut Weld

wood of nounces t gomery, charge of tion for U tion, will Vice-Pres Operations Canada, with hea cover.

Mr. Mo been a st of Canada in 1964, 10 years ago, come Was then Assis Washington became Plywood it sequently West Coast erations in becoming president.

A 1941 iversity of gomery is American ants and th of Certified He served U.S. army.

PIPE For Gas Balzac, transport Calgary. The Rain

Request DUTIES: the pro and giving QUALIFIC British Co erably up he accep

707

Respons cal steel tion, etc knowled geration Applicat

Info