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WESTERN CANADIAN INVESTMENTS

PINE POINT MINES LIMITED

YEAR ENDED DECEMBER 31:	1967	1966
Sales	$42,701,000	$42,636,000
Cost of sales	6,190,000	5,195,000
Inc. from short term inv.	442,000	539,000
Exploration expenses	132,000	1,308,000
Depreciation & depletion.	2,589,000	2,478,000
Net Earnings	$34,232,000	$34,194,000
Earnings per share	$7.58	$7.57
Dividends paid	22,582,000	24,840,000
Dividends paid per share.	$5.00	$5.50
Current assets	20,984,000	12,421,000
Current liabilities	103,000	577,000

LOWER EARNINGS INDICATED

D.D. Morris, president of Pine Point Mines Limited, states in the report for the year ended December 31, 1967, that the high level of earnings cannot be expected to continue. He gave the following reasons for his prediction: Pine Point's income from operations ceased to be exempt from tax on March 1, 1968. A special transportation charge will come into effect on March 1, 1968 on the Great Slave Lake railway line of approximately $3.00 per ton of concentrates to compensate the Government for a significant part of the capital cost of the railway line.

Since the Pine Point mine came into operation, a substantial proportion of the company's income has been derived from the sale of high grade ore. In 1967, high grade ore accounted for 42% of the total sales revenue and the quality shipped was 333,000 tons. The total known reserves of high grade ore were about 475,000 tons at the end of 1967.

Net capital expenditures for the year amounted to $5,390,000 of which $4,503,000 was expended on expansion of mining and milling facilities required to bring into production the new mine on the property acquired from Pyramid Mining Company Limited. Total cost of this expansion program is estimated at $16,500,000 for completion by the end of 1968. This increase in mill capacity will offset to a considerable degree the loss in metal production which could occur from the exhaustion of high grade ore reserves.

The company's concentrator treated 1,521,000 tons of ore averaging 4.7% lead and 9.7% zinc compared with 1,457,990 tons containing 4.9% lead and 10.5% zinc in 1966. The concentrator was shut down in July for three weeks for a vacation period. Concentrates produced amounted to 83,000 tons of lead and 233,000 tons of zinc. Sufficient high grade ore was available to maintain shipments of ore throughout 1967, amounting to 333,000 tons, averaging 18.0% lead and 27.9% zinc.

Exploration continued on the company's mineral claims during 1967, and additional claims were acquired by staking and purchase, making a total of 2,425 claims held by the company at year end. Drill testing on some of the anomalies that had been located by induced polarization surveys in 1966 gave favourable results.

Ore reserves at the year end were 40,500,000 tons averaging 2.6% lead and 6.8% zinc. This represents an increase in reserves of some 2,700,000 tons as compared with the figure reported at this time last year.

REEVES MACDONALD MINES LIMITED

YEAR ENDED DECEMBER 31:	1967	1966
Production income	$2,340,132	$3,135,882
Cost of production	1,912,780	1,828,529
Gen. & admin. expense	92,637	80,634
Interest income	19,952	22,044
Write-offs	72,611	181,770
Provision for inc. tax	95,750	407,000
NET INCOME	186,306	659,993
Earnings per share	$0.08	$0.28
Dividends paid	584,500	584,500
Dividends per share	$0.25	$0.25
Current assets	871,587	1,371,331
Current liabilities	189,131	296,786
Shares issued	2,338,000	2,338,000

Wray D. Farmin, president of Reeves MacDonald Mines Limited, states in the report for the year ended December 31, 1967, that the property was operated without interruption throughout the year and 404,782 tons ore were mined and milled, from which 25,920 tons concentrate were produced, having the following metal content: 54,073 ozs. silver; 5,535,862 lbs. lead; 22,916,518 lbs. zinc; 159,460 lbs. cadmium.

The property has now produced 5,757,940 tons ore and dividends in the amount of $6,371,050 have been paid.

Reduced net income for the past year is the result of lower ore grade, reduced lead and zinc prices, and increased costs due to inflationary pressures. Effective January 15, 1968, a one year labour contract was negotiated which has resulted in an increase of about 8% in labour costs. A vigorous program of grade control has been undertaken. Economies have been effected, and all costs are under constant surveillance. These measures will be beneficial. The "Annex" mine appears as an asset for the 1st time on the Balance Sheet. Newly disclosed ore lies across and south of the Pend Oreille River, nearly a mile from the Reeves Mine, and indicated metal ratios differ from the Reeves Mine. Possible future production is planned.

PEND OREILLE MINES & METALS COMPANY

NEW PRESIDENT APPOINTED- MINE ON STRIKE- LISTING APPLICATION - In the six months to June 30,1967, Pend Oreille Mines and Metals Company received revenue of $1,530,332 compared with $2,049,346 in the 1966 first half after operating, administrative expenses and taxes of $1,257,116 compared with $1,303,451 in 1966. The net profit for the 1967 half year was $273,216 before the credit of $660,904 being the gain realized from the condemnation of certain properties for hydroelectric project, for a final profit for the six months of $934,120 compared with $745,895 in the 1966 period. The average metal price for lead in the 1967 first half was 14¢ compared with 15.69¢;zinc prices were 14.19¢ for the first half of 1967 and 14.50¢ in the 1966 first half.

Mr.Jens Jensen has resigned as president of both Pend Oreille Mines & Metals Company and Reeves MacDonald Mines Limited owing to ill health. Mr.Wray D.Farmin has been elected as the president of both companies.

In its efforts to become listed on the American Stock Exchange, the company has met the requirements of the S.E.C.but has decided not to apply at this time to the Exchange owing to the depressed price of the company's shares. The report also brings out that the mine has been on strike since July 14,1967.

REEVES MACDONALD MINES LIMITED

Financial Results to June 30,	1967	1966
Income - net concentrate sales	$1,108,719	$1,445,543
interest and other	14,752	26,054
Total	$1,123,471	$1,471,597
Deduct: operating costs	$869,126	$ 797,064
administrative and general exp.	31,414	29,768
property taxes	8,600	7,200
	$909,140	$ 834,032
INCOME before deducting exploration and incoem taxes	$214,331	$ 637,565

STUMP MINES LTD. SILVER KEY MINES LTD.

MORE HIGHGRADE REPORTED FROM SURFACE SAMPLING - Leon LaPrairie, managing director of Stump Mines Ltd., has reported that the average grade for 810 feet has been systematically channel sampled on the 'A' zone of the company's Ketza River property, located 35 miles southeast of Ross River,Yukon. The results of the sampling have been reported by Allan Archer,P.Eng., company consultant, as 24.9 oz. silver, and 22% lead over a 4.0 foot width. The average grade of the 810 feet calculated over a 5 foot mining width is 21.2 oz. silver,and 18.4% lead.

The net value of this ore, assuming a 90% mill recovery, silver at $2.00 per ounce, and lead at 10¢ per pound, is a little over $84.00 per ton for a 4.0 foot mining width.

With the 810 feet of continuous ore on surface,it is reasonable to expect continuity to 400 feet below surface. Furthermore, geochemical indications are that at least a similar length of ore will be found on the north end of the vein extension. With these assumptions, the potential of this single vein is 320,000 tons with a value of $84.00 per ton, the consultant states.

With over 25 known Silver-Lead exposures in the area covered by the Stump Mines and Silver Key Mines claims, it is probable that other vein systems with similar tonnage potential will be found. The opinion of the Consultant and management is that at least 1,000,000 tons and probable much greater can be developed within the claim holdings. (See GCNL No.144 and 141)

COPPER-MAN MINES LIMITED

MANITOBA PROPERTY OPTIONED TO WESTERN NUCLEAR ON 51/49% DEAL - Copper-Man Mines Limited and Western Nuclear Mines Ltd. have signed a letter of intent whereby Western Nuclear may earn a 51% interest in Copper-Man's two copper properties in the Wekusko Lake area of Manitoba by spending $500,000 on exploration. After Western Nuclear has earned its undivided 51% interest, it has agreed to continue furnishing the funds necessary to bring the property into production. Copper-Man will retain a 49% interest and will receive its prior exploration costs out of production on a pro rata basis with Western Nuclear. Western Nuclear is a subsidiary of a Denver based U.S.A. company with producing mines in Canada and U.S.A.

SAN DOH MINES LTD.

FURTHER ASSAY RESULTS - San Doh Mines Ltd. has reported assay results from additional drill holes on the Vastlode Mining Co.Ltd., near Merritt,B.C.,as follows: No.4 hole cut 10 feet between 68 and 78 feet grading 0.64 oz. silver, 0.41% copper, 0.92% lead, 2.68% zinc,and a 14 foot section from 91 feet to 105 feet averaged 0.35 oz. silver, 0.23% copper, 1.74% lead, 1.53% zinc. This hole is 100 feet southeast of No.'s 2 and 3. No.5 hole drilled from the No.4 hole location but deeper made no intersection owing to poor core recovery. No.6 hole was 110 feet south west of No.4 and 5 and also had poor core recovery. No.7 drilled from the No.6 location cut 22 feet,1.15 oz. silver,0.22% copper,2.7% lead,8.07% zinc. Work continues. (See GCNL No.156,page two,August 11,1967)

NEW FAR NORTH EXPLORATION LIMITED

MORE WORK PLANNED ON VANGORDA AREA CLAIMS - Vangorda Creek area claims of New Far North Exploration Ltd. in which it has 90% in 18 claims and jointly with Cons.Bellekeno Mines Ltd. and R.W.Falkins a 90% interest under option in the adjoining 36 claims, will be explored further this year on recommendation of R.D.Lawrence,P.Eng. A geochemical survey is advised to be followed by a gravity survey over areas of definite interest. The company has suspended work on its optioned 70 claims in Babine Lake area following disappointing results from a geochemical survey which did not suggest occurrence of any large economic copper deposit near the surface. This property is 10 miles north of Granisle Copper Mine. Results from work on nearby properties will be watched to determine if future work is warranted. Work is planned on a uranium prospect in Johan Beetzse area of eastern Quebec but no more work at this time is contemplated on a moly prospect in Monmouth Twp. Ontario.

New Far North had working capital of $85,993 at start of 1966. Sale of 100,000 treasury shares during 1966 netted $20,000 and $18,088 was derived from other sources, a total made available of $38,088. The company spent $67,310 during the year,including $21,000 for option payments on claims, $29,543 for exploration and $13,467 for administration. Working capital at start of 1967 was $56,772. Of 7,500,000 shares authorized, 3,070,003 were outstanding at yearend 1966.

CROWS NEST INDUSTRIES LTD.

COST OF RESTORING BALMER NORTH MINE OT PRODUCTION NOT YET DETERMINED - Over and above compensation benefits estimated at $500,000, Crows Nest Industries Ltd. will have rehabilitation expenses as yet unascertained to put its North Balmer mine back on production following the explosion which caused loss of 15 lives. Information made available at the time of the company's annual meeting in Vancouver last week indicated that underground equipment was not insured,other than continuous mining units. It was expected to require 6 to 8 weeks to restore production.

It was made clear that the possibility of obtaining a firm contract to ship 2,000,000 tons depends on completing arrangements for the rail line from the mine to link with the Great Northern Railway, the transport of the coal on GNR to a proposed deep sea terminal at Roberts Bank north of the Tsawwassen ferry terminal,and cooperation from authorities to make this possible. After two years of negotiating with the CPR for acceptable terms on shipments by a Canadian rail route to the Port Moody terminal, Crows Nest Industries came to the conclusion that "our problems on this line are not compatible."

Thomas F.J.Gleed continues as chairman and W.R.Prentice has been appointed president, a post formerly held by Mr.Gleed as well as being chairman. Mr. Prentice has been executive vice-president.

LH → REEVES MACDONALD MINES LIMITED

1967 EARNINGS LOWER DUE TO LOWER METAL PRICES AND HIGHER COSTS LONG RANGE ORE POSITION GOOD;CROSSCUT BEING RUN TO OPEN NEW ZONE - Jens Jensen at the 38th annual meeting of Reeves MacDonald Mines, left the impression with those present that there is every indication that the mine will weather all possible hazards including periods of lower metal prices due to over-supply, periods of rising labor and other costs and strikes by employees of service industries. First quarter 1967 earnings were lower than in 1966,and because of large new mines coming into production,in Canada and elsewhere,of lead and zinc,he could not hold out any promise of improvement in the balance of this year. He bases his optimism for the long term outlook on Reeves' traditional policy of maintaining a strong financial position (GCNL No. 71); on the proven loyalty of its employees because of good working conditions and on the known and potential ore picture. The company has ore in sight for operating at the current rate of 400,000 tons a year for 6 years and is driving a crosscut to reach a drill-indicated zone 1800 ft. from the present mine. This may be a new mine or may prove to be an extension of the Reeves main ore zone. Ore in sight is of the same grade as that mined to date. The drive toward the new ore zone is in 175 ft. to date. The 4 to 6 year estimate allows nothing for the potential of the new zone. Reeves' current union agreement expires Jan. 15,1968. A work stoppage in this period would violate the agreement.

Asked if the company planned to increase its operating rate, Mr.Jensen said this was not considered prudent in view of the large new sources of lead and zinc and their effect on metal prices. As to whether the probable new "Annex" mine could qualify for a 3-year tax exemption,he said this would be determined at the appropriate time. It was his understanding it could qualify if it proved to be a separate mine and was equipped with separate milling facilities. He anticipated no near term action of the Carter recommendations for eliminating the 3-year tax exempt period and the depletion allowance because of the length of time before the government proposes action and the time required for subsequent debate. Meantime,the crosscut is in solid ground,preliminary work is completed and if there is no tieup due to picketing by striking workers in service and transportation industries, the advance should be fairly rapid.

GILL INTERPROVINCIAL LINES LIMITED

Gill Interprovincial Lines Limited will pay a dividend of 15¢ on June 1, record May 15,1967. The company has also reported that the balance of the outstanding debentures will be redeemed. As at Dec.31,1966, there was $74,300 in debentures outstanding.