

DYNASTY EXPLORATIONS LIMITED

NEW MINES SEARCH IN B.C. & YUKON - Ten new exploration projects of Dynasty Explorations INVOLVES \$1.2 MILLION 1970 BUDGET Limited are being advanced with total planned outlay of \$1.2 million, says A.E.Aho, president. He terms it one of the largest primary mineral exploration programs in Canada. Four will include diamond drilling starting in May and June, 1970. The budgeted programs scheduled for Dynasty 60%; Atlas Explorations Limited, 40% for the areas of the Yukon and British Columbia are as follows:

Yukon: (60% Dynasty, 40% Atlas Exploration Ltd. (owned 25% by Dynasty); Victor Project: \$203,000 for follow up work on the Vina, Bid, Vegas, Royale and Crown, totalling 723 claims in the Dawson Range with the hope that at least one target can be developed for diamond drilling before the end of the field season, 1970. \$171,000 joint venture with Canadian Industrial Gas and Oil to which the latter is to contribute \$68,000 for exploring 3 claim groups in SE Dawson Range. Tintina: \$146,000 to follow up results of \$215,000 spent in 1969 in 4 areas adjacent to Tintina Trench between Dawson City and Watson Lake; also \$124,000 for intensified work on new areas in Fyre Lake vicinity. Cub: \$150,000 in joint venture with Coranex Limited could earn a 60% interest in claims near Haines Junction. The 1970 program calls for \$36,000 to include a minimum of 1000 ft. of diamond drilling to test an area where large sulphide boulders averaging 1.6% copper and 4.4% zinc have been found. Tantalus: \$20,000 for a program by Dynasty and Atlas on permits covering 179,000 acres to explore for coal in Tantalus Basin area, SW of Little Salmon Lake. Known coal occurrences near Big Salmon River to be mapped and sampled. Outside Exploration: Dynasty and Atlas have reserved \$212,000 to examine and develop information as basis for future exploration projects including money for expanded efforts for work on any new find in 1970 which maybe warranted.

→ British Columbia: Whiterocks Project, \$67,000, 15 miles north of Brenda Mine, follow up diamond drilling program to test copper targets found in 1969. Mercury-Endako Project; \$98,000 total budget for joint venture between Dynasty-Atlas, Carey Canadian Mines, and Mercury Explorations to better define drill targets partially developed and interpreted to be within quartz monzonite rocks similar to those in the Endako molybdenum mine. General property examination in B.C., Dynasty-Atlas, \$30,000.

Audited statement of Dynasty at 31Dec70 shows total assets at \$12,584,013; as follows: current \$1,149,103; investments \$11,125,481; joint ventures \$254,913; fixed \$47,887; organization \$6,629. Current liabilities: \$3,501; long-term debt \$6,768,257; outstanding shares 2,973,100 (book value \$2,164,750); surplus \$3,647,505.

Investments comprised the following: Anvil Mining Corp. 600,000 shares at cost \$375,958; Anvil bonds \$6,312,000, total carrying value \$6,687,958; Pelly River Mines Ltd. 100,000 shs., \$25,741; Westrim Mining Corp. Ltd. 135,000 shs., \$19,000; Atlas Explorations, 1,200,166 shs., at cost, \$3,573,396; Paramount Mining Ltd., 72,300 shs., at cost \$61,124. (Accrued interest on bonds, \$702,119 U.S.) Dynasty holds 40% of the issued shs. of Anvil; by terms of a financing agt., Dynasty loaned \$5,600,000 U.S. to maintain this 40% interest. (For Anvil's progress, see GCNL No.26(1970).

ATLAS EXPLORATIONS LIMITED

FUNDS AVAILABLE FOR EXPANDED PROGRAM - Expanded exploration by Atlas Explorations Ltd. in 1969 was financed by an agreement whereby Dynasty Explorations provided funds by increasing its holdings to 25% and agreeing to participate on a 60/40% basis in all new exploration projects. (For an outline of the jointly owned ventures planned in 1970, see under Dynasty above).

A.E.Aho, Ph.D., P.Eng., president of both companies, says that production from Atlas' Quetena copper mine in Chile continues to yield a cash return, \$84,000 in 1969. With limited reserves, the economic life of the operation is uncertain beyond 1970. Diamond drilling on the nearby Sierra Gorda project is indicating a potential of about 50 million tons in the order of 1% copper-molybdenum equivalent and a preliminary feasibility study is to be completed in the next few months.

He says that production of natural gas from Lake Erie is now on stream and full deliverability is anticipated by June 1970. Modest production continues from the Dunwich/Willey oil field, Ontario.

The Sierra Gorda project, in which Atlas' subsidiary owns 47%, is stated to be considered to have good possibilities of developing into a medium-size mine with substantial tonnage of low-grade copper and molybdenum sulphides.

Including 600,000 shs. acquired by Dynasty, Atlas in 1969 sold a total of 647,172 shs. to net \$1,684,696, incurred a bank loan of \$1,000,000, realized \$118,548 from operations and \$62,145 from disposal of properties for total new funds of \$2,865,389. Expenditures were: mineral exploration, \$319,945; joint ventures \$613,305; fixed assets, net \$1,156,676; debt retirement \$333,000; investments \$6,471 for a total of \$2,429,397, resulting in an increase of \$435,992 in working capital bringing the latter at yearend 1969 to \$1,156,444. Of 10,000,000 shs. auth., 4,893,600 were outstanding. Total remuneration paid to senior officers incl. directors and consulting companies controlled by them, were \$98,675. Current assets at yearend 1969, included marketable securities carried at cost of \$1,459,232 which had quoted value of \$3,046,500 at that date. These were (at carrying values); Dynasty, 183,100 shs. at \$1,340,421; Paramount Mining, 127,700 at \$64,601; Land Planning & Development Ltd. 160,000 shs. at \$48,400; Hastings Explorations N.L. 325,000 shs. at \$5,810.