

DOLLY WARDEN MINES LTD.

EXPLORATION SEEKS INDICATIONS OF POSSIBLE FURTHER ORE - The 31Aug72 report by Peter Cromie, president of Dolly Varden Mines Ltd., which accompanies material for the annual meeting (27Sep72, 10a.m. in Hotel Vancouver) indicates that since the recent underwriting/option agreement reviewed in GCNL 146, 31Jul72, widespread diamond drilling conducted on the property near Alice Arm, NW B.C., suggests two possible new ore bodies. Mr. Cromie notes that from its low of \$1.29 per ounce last November, silver has recovered further to about \$1.85 adding over \$9,000,000 to value of presently outlined reserves. He adds that, if a production decision is made at current metal prices, Dolly should be able to earn \$3,000,000 per year and so retire all debt in less than 2 years of operation.

Elsewhere in the annual meeting material, blocked out ore reserves are shown as 1,702,436 tons grading 9.51 ounces silver per ton, 0.51% lead and 0.80% zinc. Significant amounts of barite and cadmium are said to be present in two of the silver-lead-zinc zones.

A potential 8,000,000 tons of silver-lead-zinc bearing vein material has been estimated (no grade is suggested) as well as a copper and gold potential in a copper belt.

Some detail of the agt. whereby New Jersey Zinc Exploration Company(Canada) Ltd. is providing funds for exploration of Dolly's property was carried in GCNL 68(72). Dolly's general manager Geo. Aaltonen says this year's program was designed as a random sampling of 5 areas to merely indicate the possibilities of further ore and to clarify the geology of individual deposits rather than to develop additional ore reserves. He provides some results of this continuing work. He also notes that calculations based on a 1,000 tons per day operation including production of 50 tons of dry, bagged barite daily result in an estimated operating cost of \$8.95 per ton mined.

New funds received in the year to 31Mar72 are shown as \$105,000 secured by a debenture. Applied were \$135,909 (chiefly \$72,411 development and \$54,696 admin.) The \$30,909 excess applied, reduced working capital to \$38,043 at 31Mar72 when, of 10,000,000 shs. auth., 6,000,000 were issued. Since then 308,333 shs. have been issued & Mr. Cromie says work.cap. was \$5,000 at 31Aug72. Nominees for election as directors are Mr. Cromie (owning 27,614 shs. directly and 709,850 indirectly); Mr. Aaltonen (nil); John M. Rose (13,000); and Howard Martin (2,000).

THE B.C. MUNICIPAL FINANCE AUTHORITY

NEW BORROWINGS REPORTED AND WIDER POWERS SOUGHT - Chairman, Mayor Ron Andrews of North Vancouver District reports that the Trustees have negotiated a \$5,867,200 (Cdn.) loan in West Germany, for a 20-year term at 6½% per annum priced at \$97 per \$100. Proceeds will be lent to regional districts on a 20-year sinking fund agreement. Also, the MFA has applied for a 50 million Swiss Franc issue about \$13 million (Cdn.) at 6% interest to net approximately \$94.58 per \$100.

Established 2½ years ago to borrow funds on behalf of regional districts and municipalities in B.C., the MFA has marketed four issues in the last 18 months, including the current W. German issue, totalling \$33,300,000. Outstanding requests for funds currently total \$3,200,000 and additional requests total \$10,700,000. Use of funds is restricted to water, sewer and pollution abatement facilities.

The MFA proposes to seek approval of the new provincial government resulting from the recent election to give it powers to borrow for all types of local government capital works in order to avoid competition with those local governments in basically the same market. Pending the new government's decision, the over-the-counter issue of about \$4,000,000 which the authority has been considering has been tabled until its annual meeting in March 1973.

FOR THE RECORD

Grandora Explorations Ltd., VSE filing, 11Sep72, reports that Grandora, Cream Silver Mines Ltd. and Juniper Mines Ltd. have purchased from R.A. Pollocks for \$1,600 and 17,500 shs. from each of the purchasing firms the 30 Trim claims in Liard M.D. Also, by agt. 28Aug72, Grandora and Acheron Mines Ltd. bought an 85% interest in the Ash claims, in the Liard for \$2,500 each and 75,000 shares in each company, the cash payable on the effective date and the shares at specified dates. On completion of the purchase the parties will be constituted as a joint venture for further work on the claims. And by a joint venture agt., 23Aug72, between Grandora and Granex Mines Ltd. covering the Caribou Mountain claims in Omineca M.D., in order to acquire 50% in the joint venture, Grandora agreed to spend \$35,000 by 31Dec72 after which the 2 firms will contribute equally in financing and exploration.

The Ash group of 48 claims is on Horn Creek, Robb Lake base metal district of NE B.C. J.F. McIntyre, P.Eng., in his summary of a report, 30Aug72, on this property says the claims are believed to be underlain in large part, at moderate depths by the Middle Devonian strata in which important zinc orebodies have been found in the area and are "well within the vicinity in which replacement base metal deposits can be expected to occur." He advises that preliminary exploratory work is warranted and outlines program estimated to cost \$30,000.

D.R. Morgan, P.Eng., in a report on the Trim group of 30 claims, 67 miles north and 108 miles west of Fort St. John, says it is 20 miles north of the property where Barrier Reef is drilling lead-zinc showings hosted by Middle Devonian limestones, dolomites and shales. He says the favorable rock types found on the Trim claims justify a program to determine whether lead-zinc mineralization exists on the property. The first phase consisting of geological mapping and soil sampling would require \$10,000. Contingent on successful results a search for drill targets by Mag. and E.M. surveys followed by drilling of coincident anomalies is considered justified, requiring \$35,000.

BRITISH COLUMBIA WATERBORNE LUMBER SHIPMENTS

(In feet board measure)	F E B R U A R Y		T W O M O N T H S	
	1968	1967	1968	1967
<u>Western Hemisphere</u>				
Atlantic Coast, U.S.A.	112,336,621	95,732,005	219,884,973	207,322,369
California	599,238	535,724	1,534,226	535,724
Hawaiian Islands	299,219	- -	299,219	324,722
Puerto Rico	7,387,052	4,942,266	15,130,606	9,138,454
WESTERN HEMISPHERE TOTAL	120,622,130	101,209,995	236,849,024	217,321,269
<u>Other Waterborne Markets</u>				
Africa	3,047,502	4,435,105	8,436,827	11,311,311
Australia	10,124,498	11,964,815	23,564,794	22,396,766
Belgium	3,312,745	8,468,958	13,329,840	10,442,660
Eire	- -	444,478	- -	1,186,294
France	3,801,058	1,494,054	5,112,038	5,218,598
Germany	1,871,986	2,357,149	3,828,697	2,965,853
Holland	3,724,738	1,293,574	5,327,841	3,841,368
Hong Kong	432,494	- -	432,494	- -
Israel	19,361	29,290	19,361	39,253
Japan	43,054,813	30,428,607	83,432,070	67,588,367
Middle East	86,363	- -	106,019	- -
New Zealand	78,623	- -	529,430	720,809
South America - E.C.	- -	- -	37,187	- -
South America - W.C.	216,949	602,431	288,385	852,395
South Sea Islands	73,137	80,600	1,580,519	1,181,037
Spain	1,762,417	597,292	2,158,470	972,449
United Kingdom	35,121,801	37,903,643	76,099,501	80,501,481
West Indies	100,080	3,147	100,080	5,263
Unclassified	- -	106,750	- -	593,244
Other Markets, Totals	110,053,077	103,289,414	228,574,487	213,332,578
ALL WATERBORNE MARKETS	230,675,207	204,499,409	465,423,511	430,653,847

DOLLY VARDEN MINES LTD.

PRODUCTION START UNDERWAY - Dolly Varden Mines Ltd. has reported that the company director and consultant, Dr. A.C.Skerl, has estimated that there is sufficient ore on the property to justify production without further exploration and that the costs of doing so would be returned within two years. A feasibility study on this estimate will be undertaken by an outside firm of consultants in the near future. The possible financing for a 500 ton per day plant will continue. The company is hopeful of attaining production by the end of 1969.

S. Madill Ltd. will pay a quarterly dividend of 16¢ per share on the 6½% preference shares of \$10.00 par value. The company will also pay a quarterly dividend of 4¢ per common share on April 15, record March 29, 1968.

CHIEFTAIN DEVELOPMENT CO. LTD.

INCREASED NET PROFIT TO CONTINUE - Stanley A. Milner, president of Chieftain Development Co. Ltd., states in a preliminary report for the year ended December 31, 1967, that, in the company's three years, it has grown substantially.

Gross revenue for the year was increased by 66% to \$2,294,529; net income increased four-fold to \$341,000. The company's working capital position, which consists mainly of cash and certificates of deposit, increased three-fold to \$1,833,245. Cash flow was up 1-1/3 times to \$515,413. This was accomplished despite an extremely heavy exploration programme. The company now holds over 1,700,000 gross acres (approximately 690,000 net acres) of petroleum and natural gas rights. It is anticipated, he said, that exploration activities will increase in 1968.

CONTINENTAL CINCH MINES LTD.

PORT HARDY AREA PROPERTY PROGRAM NOW UNDERWAY - R.S.Lennie, director of Continental Cinch Mines Ltd., has reported that line cutting, soil sampling, and bulldozer trenching is either started or will start in the next few days in an effort to locate diamond drill targets on the 61 claim block located near the holdings of Utah Construction and Mining in the Port Hardy, Northern Vancouver Island, B.C., area.

Mr.Lennie stated that the company is negotiating for additional claims in the area, and, at the same time, is in the process of acquiring a block of 100 claims in the Coppermine area. Negotiations for additional financing are also continuing.

MERIT OIL LTD.

CASTLE TIN MINES LTD.

MERGER PROPOSAL MADE - A formal proposal will be made in the near future for the merger of Castle Tin Mines Ltd. and Merit Oil Ltd. The companies are equal partners in the exploration of an asbestos property in New South Wales, Australia.

PROVINCE JAN 2/68

Dolly revalues ore

Dolly Varden Mines Ltd. says ore reserves in its North Star Wolf mines have increased to 900,000 tons in the past year, from 605,000 tons shown in the annual report, because the rise in the silver price has brought

more mineralized material into the category of ore.

At a silver price of \$2 an ounce, Peter Cromie, president, estimates a \$20 per ton net smelter return.

Cromie said reserves at the Dolly Varden and Torbrit mines are expected to increase, but in the case of Torbrit considerable engineering remained to be done.

"Your directors are giving consideration to various ways of financing continued work," Cromie wrote shareholders. "The feasibility of production plans to go into effect immediately is being studied."

"The earlier start appears more attractive," he said.

Cromie noted of Newmont Mining Corp's purchase of Copper Mountain for \$11 million. Newmont had earlier terminated its arrangements with Dolly Varden.

The bigger operation that Copper Mountain affords was "apparently more attractive than Dolly Varden," he said.

B.C. COMPANIES ACT

Coronation Gulf Mines Ltd. was incorporated as a B.C. company on Dec. 11,1967, with registered office at 450-890 West Pender St., Vancouver, and authorized capital of 3,000,000 shares of no par value.

Grayling Mines Ltd. was incorporated as a B.C. company on Dec. 7,1967, with registered office in care of Forrest, Gray & Munro, barristers and solicitors, 124 East Fifteenth St., North Vancouver, and authorized capital of 20,000 shares of 50¢ par value.

Gyro Explorations Ltd. was incorporated as a B.C. company on Dec. 12,1967, with registered office at 625-925 West Georgia St., Vancouver, and authorized capital of 5,000,000 shares of no par value.

Iroquois Mines Ltd. was incorporated as a B.C. company on Dec. 11,1967, with registered office at 1322-510 West Hastings St., Vancouver, and authorized capital of 5,000,000 shares of \$1.00 par value.

Malabat Mines Ltd. was incorporated as a B.C. company on Dec. 7,1967, with registered office at 1808 Oak Bay Avenue, Victoria, and authorized capital of 1,000,000 shares of no par value.

New Gold Star Mines Ltd. was incorporated as a B.C. company on Nov. 2,1967, with registered office at 505-789 West Pender St., Vancouver, and authorized capital of 5,000,000 shares of no par value.

Pechiney Development Limited was incorporated as a B.C. company on Dec. 5,1967, with registered office at 1403-1030 West Georgia St., Vancouver, and authorized capital of 10,000 shares of \$1.00 par value.

Planet Mines Ltd. was incorporated as a B.C. company on Dec. 6,1967, with registered office at 901-900 West Hastings St., Vancouver, and authorized capital of 10,000 shares of no par value.

Silver-X International Mines Ltd. was incorporated as a B.C. company on Dec. 6,1967, with registered office at 7th Floor, 900 West Hastings St., Vancouver, and authorized capital of 3,000,000 shares of 50¢ par value.

Trans Mountain Enterprises of British Columbia Limited has given notice that the company intended on or after Dec. 18,1967, to make application to the Minister of Commercial Transport for leave to construct a pipe line from points in Burnaby, to the Vancouver International Airport, Sea Island, Richmond, for the purpose of transporting petroleum products, including jet fuels for aircraft.

DOLLY VARDEN MINES LTD.

FINANCING UNDERSTUDY - Peter Cromie, president of Dolly Varden Mines Ltd., has reported that study of the geological mapping and assaying done this year along with previous data indicates that ore reserves have increased materially on the North Star and Wolf mines. This is partially due to the recent increase in the price of silver which is now close to \$2.40 Canadian per ounce. At \$2.00 Canadian, Dr. A.C. Skerl, P.Eng., has calculated 900,000 tons at \$20 per ton net smelter return after allowing for dilution, as compared with 605,000 tons shown in the annual report. Operating costs are estimated to be just under \$10 per ton. Reserves at the Dolly Varden and Torbrit mines will also increase, although in the case of the Torbrit, a great deal more engineering must be done to determine mining methods, cut-off grades, etc.

The company's directors are giving consideration to various ways of financing continued work. The feasibility of production plans to go into effect immediately is being studied. The alternative is to carry out further exploration and engineering in order to start-up on a larger scale, but at the moment, the earlier start appears more attractive.

CICADA MINES LTD.

FINANCIAL STATEMENT - Cicada Mines Ltd. has issued an audited statement as at Oct. 31,1967, showing that the year started with working capital on Nov. 1,1966, of \$18,864, that \$60,000 accrued from sale of shares, \$27,122 in loans from shareholders and \$12,075 from sale of equipment, a total of \$118,061. The company spent slightly more than this at \$118,513, resulting in a working capital deficiency of \$452 at yearend. Expenditures included \$4,700 on option agreements; \$65,037 on exploration, \$48,139 on administration, \$600 in commissions and \$37 for equipment. The deferred expenditure as at Oct. 31,1967, was \$188,727, including the total of \$113,176 in the year under review. Of the 6,000,000 shares authorized, 1,500,005 are outstanding, including 700,000 for properties and 800,005 for \$205,005 net cash proceeds.

FOR THE RECORD

B.C. Coal Production in November 1967, was 98,505 short tons compared with 77,166 short tons in November 1966. Nearly all of the production for both periods was from Michel Collieries. Coke production at Michel was 12,747 short tons in November 1967, compared with 13,597 short tons in November 1966.

Ace Mining Company Limited has reported purchase of 80,000 shares of Ionarc Smelters Ltd. for 50¢ per share, a total investment of \$40,000.

Adera Mining Company has reported that effective Dec.20,1967, the authorized capital of the company was increased from 3,000,000 shares to 6,000,000 shares of \$1.00 par value.

ABERDEEN MINERALS LTD.

INTERESTS OUTLINED - Aberdeen Minerals Ltd. was posted for trading on the Calgary Stock Exchange, Nov. 6, 1967. The company was incorporated in Alberta, June 17, 1966, with authorized shares of 3,000,000 and issued, 850,200 shares of no par value. There are 500,000 shares in escrow. Of the issued shares, H.B. Brett owns 292,000 shares and Cameron Petroleum Ltd. owns 250,000 shares. Cameron Petroleum is owned by Mr. Brett and his family.

The company holds property interests in the Alliance, Leduc, Keg River, Chinchaga River, North West Keg River areas of Alberta.

The Alliance and Leduc wells are being maintained in their present condition, and the Keg River area will be drilled early in 1968 at no cost to Aberdeen resulting from a farmout agreement.

Aberdeen holds a 12½% interest in lands in the Bantry area, Alberta, on which a well has been drilled, completed and capable of producing its allowable 80 barrels of oil per day for a cost to completion to Aberdeen of \$2,000. A development well will be drilled in this same area to cost Aberdeen \$5,000 if completed or \$2,500 if non productive.

Further exploratory wells are being considered in this potential location.

It is the intention of Aberdeen to arrange an underwriting of possibly 600,000 shares to net the company approximately \$200,000 to \$300,000.

The company's head office is located at 527-7th Avenue S.W., Calgary, Alberta. Officers of the company, include H.B. Brett, president and director; J.A. Cox, secretary and director; and H.A. Anderson, director, all of Calgary.

The first annual meeting of Aberdeen is to be held on or before January 10, 1968.

CANADIAN UTILITIES, LIMITED

<u>NINE MONTHS TO SEPT. 30,</u>	<u>1967</u>	<u>1966</u>
Sales of electrical energy	\$10,150,744	\$9,222,585
Operating costs and taxes	4,699,499	4,299,239
Cash from operations	5,451,245	4,923,346
Less depreciation	1,417,152	1,261,475
Net operating income	4,034,093	3,661,871
Other income	382,092	214,830
	4,416,185	3,876,701
Interest charges, net	1,218,076	1,039,276
Income taxes	907,699	1,044,066
NET INCOME	\$2,290,410	\$1,793,359
Dividends paid on pref'd	323,850	197,850
Earned per common share	\$2.23	\$1.86
Common shares outstanding	879,972	878,172

Retail sales of kilowatt hours by Canadian Utilities, Limited (not including sales to other companies) gained 14% during the first 9 months of 1967 over the like period of 1966, and comparable revenue was up 9.3%.

Revenue from sales of electrical energy was \$928,000 higher than in 1966, an increase of 10.1%. Operating expenses, including provisions for income taxes and depreciation, were \$459,570, an increase of 7%.

J.C. Dale, president, says that ideal weather in the late summer and harvest season has resulted in

better yields than anticipated. Crops through the areas served varied from average to good.

DOLLY VARDEN MINES LTD.

NEWMONT DROPS ALICE ARM SILVER PROPERTY - Peter Cromie, president of Dolly Varden Mines Ltd., has reported that Newmont Mining Corporation of Canada Ltd. has given notice of its intention to drop the Alice Arm silver property held under option from Dolly Varden. Newmont spent some \$80,000 on the property.

Mr. Cromie states, "Newmont made it clear from the outset that it was interested only in a large scale operation requiring several million tons of blocked-out ore justifying a twenty to forty million dollar installation."

The next stage of development is under consideration by Dolly Varden. The president stated that several changes had occurred since the signing of the Newmont agreement which improves the Dolly Varden position. One of these is that a connection between the Dolly Varden, North Star and Torbrit has been established, consisting of a silicified zone running for several thousand feet and dipping to the west. This new zone is considered a prime target for the underground exploration.

A second improved feature of the property is that the cadmium and zinc values are running much higher than anticipated. The price of silver is also higher.

GENCONA MINES LIMITED

MERRITT COPPER PARTNER SELLS OUT FOR \$500,000 - Jules Baert, president of Gencona Mines Limited, has reported in a telephone interview from Winnipeg that his company and the other owners of Dunlop Mining Company have sold their shares of Dunlop Mining Company to undisclosed principals for a price of \$500,000. The price of \$500,000 was settled by the transfer of 12,500 shares of Scurry Rainbow Oils Ltd. The president pointed out that Gencona held 200,000 of the 950,000 issued shares of Dunlop Mining Company and is to receive 20% of the Scurry Rainbow shares when the contract of sale is completed. Mr. Baert stated that it has not been determined by the directors what Gencona will do with its Scurry shares. The important holding of Dunlop Mining Company is a property in the Lac LaRonge area of northern Saskatchewan upon which Merritt Copper Co. Ltd. can earn a 40% interest by spending a total of \$150,000 on exploration. To date, Merritt has spent some \$75,000. (See GCNL No. 232, page one, and 228, page one)

B.C. COMPANIES ACT

Caesar Silver Mines Ltd. was incorporated as a B.C. company on Nov. 3,1967, with registered office in care of Forrest, Gray & Munro, barristers and solicitors, 124 East 15th St., North Vancouver, and authorized capital of 3,000,000 shares of 50¢ par. Clara Belle Mining Ltd. was incorporated as a B.C. company on Nov. 3,1967, with registered office at 307-713 Columbia St., New Westminster, and authorized capital of 3,000,000 shares of no par value.

De Vries Mining Ltd. was incorporated as a B.C. company on Nov. 1,1967, with registered office at 801-900 West Hastings St., Vancouver, and authorized capital of 5,000,000 ordinary shares of 50¢ par value.

Esanee Explorations Ltd. was incorporated as a B.C. company with registered office at 404-510 West Hastings St., Vancouver, and authorized capital of 3,000,000 shares of 50¢ par value.

Green Bay Exploration and Mining Co. Ltd. was incorporated as a B.C. company with registered office at 18 Young St. South, Chilliwack, and authorized capital of 10,000 shares of \$1.00 par value.

Estevan Quartz Mining Ltd. did on October 19,1967, change its name to Hecate Quartz Mining Ltd. North Slave Mines Limited did on Oct. 18,1967, change its name to North Slave Explorations Limited.

Pacific Silver Mines & Oils Ltd. has appointed S. David Anfield, 201-846 West Hastings St., Vancouver, as the company's attorney.

FOR THE RECORD

Dolly Varden Mines Ltd. president, Peter Cromie, has reported that Sunshine Mining Company of Spokane, Washington, and Sunshine Exploration Ltd. of Alberta, have filed notice that they will appeal the judgment of Mr. Justice McIntyre of the Supreme Court of B.C. dated August 18,1967, which awards to Dolly Varden Mines Ltd. damages of \$348,061 for failure of Sunshine to carry out the provisions of an agreement made in 1964.

Sunshine has secured the full amount with the Court and interest at 5% per annum is running until the appeal is determined.

Trans Mountain Oil Pipe Line Company will pay a regular quarterly dividend of 25¢ per share plus an extra of 25¢, both payable on December 22, record December 1,1967. With these payments, the company will have paid dividends totalling \$1.25 per share in 1967.

The unusually high extra dividend was stated to be the direct result of the revenue derived from the additional volumes of crude oil shipped through the company's system because of the Middle East crisis which is likely to be of limited duration.

T.C. Explorations Ltd. has had 15% of the shares originally in escrow released by the Vancouver Stock Exchange.

Johnston Terminals & Storage Ltd. will pay 15¢ on the first preferred, 12½¢ on the second preferred, and 10¢ on the common shares on December 15, record December 1,1967.

Largo Mines Ltd. shares were listed for trading on the Vancouver Stock Exchange on Nov. 20,1967. Of the 5,000,000 shares authorized, 1,450,002 shares are issued and 637,500 shares are in escrow. Guaranty Trust Company is the transfer agent. The ticker symbol is LAG. Davidson & Co. Ltd., on behalf of clients, has underwritten 150,000 shares of Largo at 35¢ per share, and, in consideration, has been granted options on 150,000 shares at 35¢ due Jan. 19,1968, and 150,000 shares at 45¢ due April 18,1968.

Bil-Car Mining & Dredge Company, a Nevada corporation, has purchased 10 placer-mining leases and secured options on a further six leases, at the confluence of Swift River and Sovereign Creek, 35 miles east of Quesnel, B.C., in the Cariboo Mining Division.

W.F. Bailey of Quesnel, B.C., president and managing director, advises that investigation has indicated mineable reserves of 5½ million cubic yards of pay gravel varying in gold value from 79¢ to \$12.20 per cubic yard. He says the company will proceed at once to erect a \$200,000 dredge and washing plant at the site with a view to commencing production by April of 1968. The operation will consist of three units all working at the same time. A large suction dredge will clean deep holes on bedrock in Swift River and at the mouth of Sovereign Creek; overburden on the upper benches of Sovereign Creek will be removed by hydraulicking; and the valley floor will be dredged by dragline.

Bil-Car Mining & Dredge Co. is capitalized at 1,000,000 shares of a par value of \$1.00 each, of which 350,000 pooled shares have been issued for properties and 250,000 have been sold for cash. Head office is 605 South Third St., Las Vegas, Nevada; Canadian head office is 635 St. Paul St., Kamloops, B.C.; and mine address is P.O. Box 2723, Quesnel, B.C.

R.A. Ferguson of Kamloops is vice-president, and Cliff E. Jolly of Quesnel, is secretary-treasurer and resident manager.

Western Broadcasting Co. Ltd. will pay a regular quarterly dividend of 9¢ per share on Dec. 31, record November 30,1967.

ATLAS EXPLORATIONS LIMITED

FURTHER LAKE ERIE RESULTS - Final report on Atlas Lake Erie No.2 well by the Halliburton SALT WATER IN NO.4 WELL Company shows an absolute open flow potential of 6,780,000 cubic feet per day. This combined with the results of the No.1 well, establishes the Atlas Lake Erie property as one of the most significant discovery areas in the History of Ontario gas production.

Due to storms on the lake, No.4 well took considerably longer to drill than originally anticipated. It encountered the Guelph formation 80 feet structurally deeper than No. 2 and although gas showed on the initial flow, deepening of the well resulted in flooding by salt water. No. 4 well will not be developed since No. 2 or other nearby wells can effectively drain any hydrocarbons from the area. No. 4 well defined the northwesterly extent of the first reef structure and indicates existence of an additional gas-bearing structure farther west, which will be drilled in the future.

Atlas has just concluded a new contract with George Mitchell & Associates of Houston, Texas for drilling of six additional wells at an estimated cost of \$250,000 to be completed this season if possible.

Atlas Lake Erie No. 5 well has been started half a mile southeast of No. 1 well, on the easterly trend established by the Crabtree-Place No. 1 well eight miles east of Atlas Nos. 1 and 2. The Crabtree well, located on the 17,740 acres recently acquired, was drilled in 1962 to a depth of 1,067 feet in the Guelph formation and showed 250,000 cubic feet per day natural flow. Atlas now plans to sand "frack" this well which will increase its flow from 5-7 times and thereby provide an additional producing well, without the expense of drilling.

With the deliverability of Nos. 1 and 2 wells and the Crabtree-Place well, plus the program of six additional wells, Atlas is considering pipeline feasibility and marketing studies with anticipation of gas sales early in 1968.

FOR THE RECORD

Juniper Mines Ltd. has received registration under the B.C. Securities Act covering the sale of 200,000 shares at 40¢ per share.

→ New Privateer Mine Limited and Quatsino Copper-Gold Mines Limited has reported that a reconnaissance exploration program will start soon on a 48 claim block in the Lac LaRonge area of Saskatchewan which is held jointly. The property adjoins the Scurry Rainbow discovery area. The 1900 acre claim block will be tested by electromagnetic and magnetometer survey work carried out by A.C.A. Howe International Ltd.

→ Dolly Varden Mines Ltd. has received a judgement in the Supreme Court of B.C. against Sunshine Exploration Ltd. of Kellogg, Idaho, in the amount of \$548,061 plus court costs. A counter claim by Sunshine for equipment placed on the property by Sunshine was dismissed.

Johnston Terminals Limited has reported that it will consolidate its Calgary operations in a new \$1,500,000 warehouse and distribution centre in Mayland Industrial Park this fall.

The new centre 85,000 square feet is to be located on Centre Ave.E., just west of Highway 2, and will be built by Dominion Construction with completion scheduled for Sept.15, 1967. Johnston presently operates from three Calgary locations and is involved in public warehousing, storage, distribution, freight consolidation and local and long distance hauling with 18 units operating out of Calgary.

Company plans call for the addition of 75,000 square feet to the new terminal when future demands require it.

→ Flagstone Mines Ltd. president, B.I. Nesbitt, has reported that Cyprus Mines Corp. has given the company a cheque for \$100,000 in payment for 40,000 shares of Flagstone at \$2.50 per share. On July 20, 1967, the president announced that Cyprus had agreed to spend a further \$100,000 on the ground this season over and above the \$100,000 required under the firm commitment of the agreement.

Mr. Nesbitt stated that at last report, sometime last week, Cyprus was starting the No.7 hole on the Pitt Lake property but that no assay results from any of the previous six holes had at that time been reported to him. The drill holes were all planned for 1,000 feet with one hole reaching a depth of 1,500 feet. (See GCNL No.140, page three, July 20, 1967)

SILBAK PREMIER MINES LTD.

DISGRUNTLED SHAREHOLDERS - In a carefully written letter to shareholders, Messrs. CALL FOR SPECIAL MEETING H.M. Engineer, S. Miecznick and A. Morrow have asked all shareholders of Silbak Premier Mines Ltd. to support them in their effort to receive accurate information on the activity at the mine near Stewart, B.C., and to have a special meeting called at which they may obtain the full disclosure they desire. The letter goes into considerable detail of the efforts of the three men to unsuccessfully try to obtain the information from A.E. Bryant Silbak president.

The men requesting the meeting give an address as 5830 Granville Street, Vancouver 13, B.C. The letter suggests that Mr. Bryant's action is inexcusable.

FOR THE RECORD

North Pacific Mines Ltd. has received registration under the B.C. Securities Act covering the sale of 400,000 shares at 45¢ through an underwriting by Little Jane Investments Ltd.

Great West Mining Corporation Ltd. has received registration under the B.C. Securities Act covering the sale of 500,000 shares at 10¢ per share through an underwriting by Frobisher Securities Ltd.

Markborough Properties Limited has received registration under the B.C. Securities Act covering the sale of 1,200,000 shares by a prospectus dated July 17, 1967.

COAL PRODUCTION- B.C. Coal Production in June 1967 was 104,525 short tons compared with 75,640 short tons on June 1966. Almost all of the production for both periods was from Michel Colliery. Coke production at Michel was 13,852 short tons in June 1967, compared with 13,908 short tons in June 1966.

DOLLY VARDEN MINES LTD.

PROGRESS REPORT - Peter Cromie, president of Dolly Varden Mines Ltd., states in a July 25, letter to shareholders that geological mapping is continuing at the property under the direction of Newmont Mining Corporation. Results have not yet been correlated to the point where additions or changes can be made to the indicated ore.

D.M.M. Goldie, partner in the law firm of Russell & DuMoulin, has been appointed a director of Dolly Varden and Peter Richards has resigned as a director but continues as secretary and solicitor.

The annual report for the year ended March 31, 1967, is expected to be mailed by the end of August.

Included with the president's letter to shareholders is an extract from a recommendation to buy the shares of the company from R.W. Bridwell who is the former owner of the "Insider Reports". In his recommendation he states, "Dolly probably has the largest ore reserves of any primary silver producer on the North American continent."

GREEN POINT MINES LIMITED

DETAILS OF SASKATCHEWAN - By a contract dated June 20, 1967, Green Point Mines Limited PROPERTY PARTICIPATION agreed to provide Provincial Mining and Development Company Limited, suite 403 - 62 Richmond Street West, Toronto, with up to \$25,000 to acquire an undivided 20% interest in 1,600 acres situated on the south shore of Bellows Lake, Lac La Ronge area, Saskatchewan, at the rate of 1% for every \$1,250 advanced. The funds advanced will be committed to a program of exploration on the said property after the first \$25,000, up to the next \$12,500 is to be provided by Provincial Mining and Development Co. Ltd. provided it receives a rebate of this amount from the Saskatchewan Government under the "Precambrian Incentive Programme", thereafter, any expenditures on the property would be pro rated to the interest of the properties.

NORCO RESOURCES LTD.

CONTRACT LET FOR DIAMOND DRILLING NEAR POWELL RIVER - Thomas McKenzie, president of Norco Resources Ltd., states in a recently issued interim report that a 3,000 foot diamond drilling contract has been let for the 127 claim Theodosia Arm property near Powell River, B.C. Earlier work included aerial magnetometer survey work which indicated a number of anomalous areas which were further tested by ground survey work. One of the anomalies detailed on the ground is 2,700 feet long and 800 feet wide with a second 1,900 feet long and 1,000 feet wide. The largest and strongest anomaly is located about three quarters of a mile from the rich ore in the glory hole showing.

The president states, "Assays from surface sampling have showed copper well above commercial values, and containing a substantial silver content."

"A limited exploratory drilling program to sample the area was carried out by the crews, using portable drilling equipment. (A drill core assay sheet is enclosed.)"

"The results of the favourable portable drill program, together with surface exploration geological mapping and magnetometer surveys, has made it now possible to enter into a diamond drilling contract."

The company is also negotiating for the start of exploration on the Blue Gayle property near Golden, B.C. A molybdenum prospect is being considered.

IAGO MINES LTD.

FOUR PROPERTIES TO BE SURVEYED - D.G. McRae, president of Iago Mines Ltd., has reported that four properties are to be tested by an aerial magnetometer survey carried out by H.O. Seigel & Associates. One property is near Giant Mascot Mines at Hope, B.C. Recent stripping on this 24 claim group indicated a wide zone of mineralization where diamond drilling is now testing. A second property is 92 claims, 15 miles east of Hope, B.C., near Iago. The other properties are near Osoyoos and in northwest Washington.

Internal Struggles Blamed For Sunshine-Dolly Breach

File
Internal struggles were the real reasons Sunshine Mining Co. Ltd. did not live up to its contract obligations with a Vancouver company, a lawyer said Monday.

John Farris, QC, spoke in support of the breach-of-contract suit brought by Dolly Varden Mines Ltd. against the giant U.S. company and its Canadian subsidiary, Sunshine Explorations Ltd.

Farris told the Supreme Court that after Sunshine had signed an agreement to develop Dolly's Alice Arm properties there were management changes within the company.

VIEWES DIFFER

"The new management apparently had different views on what was in the interests of their company," he said.

Dolly Varden is claiming \$418,000 special damages.

Farris traced the history of the agreement signed by Sunshine and Dolly directors in April 1964.

He said Sunshine agreed to spend a minimum \$250,000 on the properties before Dec. 31 when it would decide whether to carry on into the production stage.

"In the spring, summer and early fall, Sunshine Exploration embarked on the program called for," Farris told the court. "This work wasn't done entirely to the satisfaction of Dolly and, in particular, Sunshine did not provide Dolly with proper reports."

"Another source of concern was that Sunshine changed very materially the emphasis of the drilling program. In the view of Dolly, Sunshine duplicated a good deal of work that had been already done."

Farris said that in October a

flood washed out an access road on the Dolly property.

"Things were not going too well," he added.

He said Sunshine officials intimated that they wanted to put the property "on ice" for a time but in November wrote Dolly saying they were going into the second stage of the agreement.

But at this time nothing was stated about the construction of mill facilities, Farris added.

Then the agreement was amended, he said.

It was agreed that Sunshine would not have to make a production decision until Sept. 30, 1965.

In the meantime, Sunshine agreed to do work on the Torbrit mine property.

"This proposal in relation to the Torbrit mine came from Sunshine," Farris said. "This was Sunshine's idea."

CONTROL STRUGGLE

He said in the ensuing months there were internal problems in Sunshine and a struggle for control.

While some organizational work was done on the Dolly property "nothing was done on the ground, nothing was done to restore the power house."

On Sept. 1, 1965, Dolly Varden received from escrow all the escrowed title documents that had been deposited.

Farris stressed the agreement stated that the proposed work must be done even if Sunshine defaulted.

The lawyer read into the record the evidence given by John Edgar at the examination for discovery.

Edgar, executive vice-president of Sunshine at the time the deal was signed, is now with another company.

Farris read into the record a letter written by Edgar to Dolly directors Oct. 15.

Edgar said recent events had caused Sunshine to modify its thought on the Dolly deal.

FINNING

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W. Maur of Finning Co. Ltd. pointed out Vice President Mr. McElroy in 1956. He accounted for the agreement and the agreement with the January Finning organization. Cate said the Canadian company represents

The sugar content of Caribbean New York state uses 20 b gallons of water a year are required to produce a ton of sugar.

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