

103P Prop. Sub. Alice Arm Area
(Bell Moly)

DRAFT of 29 March 1967

811934

C O N F I D E N T I A L

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

This Prospectus is not, and under no circumstances is to be construed as a public offering of shares for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUE

700,000 Shares
(without nominal or par value)

BELL MOLYBDENUM MINES LIMITED
(Incorporated under the laws of the Province of British Columbia)

Transfer Agent and Registrar

THE CANADA TRUST COMPANY

Vancouver and Toronto

A Purchase of the Securities Offered by this Prospectus must be considered a Speculation.

No survey of any property or property interest held by the Company has been made and, therefore, in accordance with the mining laws of the appropriate jurisdictions in which such property is situate, the existence of and the area of such properties could be in doubt.

We, as principals, offer these shares, subject to prior sale and change in price, if, as and when issued and allotted by the Company and accepted by us and subject to the approval of all legal matters by Messrs. Douglas, Symes & Brissenden, Vancouver, B.C.

PRICE: 80¢ PER SHARE

We reserve the right to accept applications for these shares in whole or in part or to reject any application and to withdraw this offer at any time without prior notice. It is expected that certificates will be available for delivery on or about April * , 1967.

BRINK, HUDSON & LEFEVER LTD.
837 West Hastings Street, Vancouver 1, B.C.

BELL MOLYBDENUM MINES LIMITED
Suite 502 - 1200 West Pender Street
Vancouver 1, B.C.

March 21, 1967

Brink, Hudson & Lefever Ltd.
837 West Hastings Street
Vancouver 1, B.C.

Attention: Mr. Harold W. Lefever

Dear Sirs:

With regard to your proposed offering of shares of Bell Molybdenum Mines Limited (hereinafter called the "Company"), I am pleased to supply you with the following information:

THE COMPANY:

Bell Molybdenum Mines Limited was incorporated as a private company on September 30, 1966, under the Companies Act of the Province of British Columbia for the purpose of acquiring from Mastodon-Highland Bell Mines Limited (hereinafter called "Mastodon") and Leitch Gold Mines Limited (hereinafter called "Leitch") certain claims located in the Skeena Mining Division of British Columbia and described below under the heading "Property".

The Company was converted to a public company on April * , 1967.

Prior to the incorporation of the Company, Mastodon and Leitch had spent approximately \$59,000 in prospecting, geochemistry, surface mapping and diamond drilling. Following incorporation and the transfer to it of the claims, the Company entered into a development agreement with Mastodon and Leitch for further work to be performed on the claims. This consisted of additional diamond drilling. All this work was completed in the area on which these claims are located.

CAPITALIZATION:

The Company is authorized to issue 4,000,000 shares without nominal or par value at a maximum price or consideration of \$1.00 each of which 1,274,980 shares have been issued and are outstanding and fully paid. The consideration to Mastodon and Leitch for the sale of the property to the Company was 750,000 shares of the Company which have been placed in escrow.

These two companies have purchased 30,000 shares for cash at a price of 10¢ per share and have also received 494,980 shares at a price of 10¢ per share in consideration of work performed by them under the development agreement referred to above. The 30,000 shares and 494,980 shares will be pooled until the proposed underwriting has been completed.

PROPERTY:

The Company holds 140 located mineral claims in the Alice Arm area in the Skeena Mining Division, British Columbia. These claims were staked and recorded under the Mineral Act of British Columbia and cover approximately 7,000 acres.

The following report has been made to me by William R. Bacon, Ph.D., P.Eng., who is the Exploration Manager of Mastodon:

"April * , 1967

Mr. K. J. Springer
President
Bell Molybdenum Mines Limited
502 - 1200 West Pender Street
Vancouver 1, B.C.

Dear Sir:

I have examined the staking of the 140 mineral

claims referred to in the report of John W. Stewart, P.Eng., dated March 22, 1967 and have found such staking to be in accordance with the requirements of the Mineral Act.

Yours very truly,

(signed) W. R. Bacon, P.Eng."

Transportation to the property so far has been by means of helicopter from the village of Alice Arm, a distance of approximately six miles. There is also a road from Alice Arm Inlet to the property of British Columbia Molybdenum Ltd. (controlled by Kennecott) which is about four miles to the south-west from the Company's showings.

Alice Arm is situated on Observatory Inlet 85 air miles northerly from Prince Rupert, B.C.

EXPLORATION RESULTS:

During 1965 Mastodon and Leitch conducted prospecting, surface examination and reconnaissance geochemical surveys. During 1966 detailed geochemical work followed by diamond drilling was undertaken in a selected area of the property.

The drilling was of a reconnaissance nature, at irregular intervals of several hundred feet, mainly along the northern margin of a quartz monzonite stock that is almost completely covered by overburden. The holes were short and angled in an attempt to test both monzonite and surrounding hornfels near their contact.

The results of the drilling, in summary, are as follows:

<u>Hole</u>	<u>Length</u>	<u>Results</u>
S-1	411'	0.08% MoS ₂
S-2	abandoned at 46'	No core
S-3	" " 148'	Poor core - none below 125'
S-4	269'	0.10 MoS ₂
S-5	251'	Poorly mineralized - not sampled
S-6	312'	0.08% MoS ₂
S-7	181'	0.10% MoS ₂
S-8	333'	0.10% MoS ₂
S-9	309'	0.14% MoS ₂
S-10	312'	0.08% MoS ₂
S-11	318'	0.11% MoS ₂
S-12	<u>277'</u>	0.11% MoS ₂
	<u>3,167'</u>	

PURPOSE OF ISSUE:

The proposed underwriting of 700,000 shares will provide the Company with the funds necessary to continue exploration and development of the Company's property.

The proceeds to the Company from the sale of the shares referred to above will be \$490,000 before deducting legal, audit and other expenses estimated at \$4,000.

CONCLUSIONS:

The areas of widespread mineralization consisting of molybdenite occupying extensive fractures in both the quartz monzonite stock and in the surrounding hornfels alteration zones occur in a geological environment considered favourable for economic molybdenum orebodies. The occurrences are similar in nature with the other molybdenum bearing zones found in this area. These are as shown on

the location map forming part of this Prospectus.

Diamond drilling completed to date, comprising 12 holes totalling 3,167 feet, shows that there are good possibilities for developing a large tonnage of molybdenum bearing rock of economic grade. Only shallow holes have been drilled so far and all except one, No. S-2 which did not penetrate bedrock, have shown mineralization to the bottom of the holes indicating the mineralization goes to greater depth. The simple association of molybdenite in a granitic or hornfels rock with no impurities observed indicates excellent metallurgical recoveries.

It is reasonable to expect that ore zones large enough for open-pit operations, with a low waste to ore ratio, can be found.

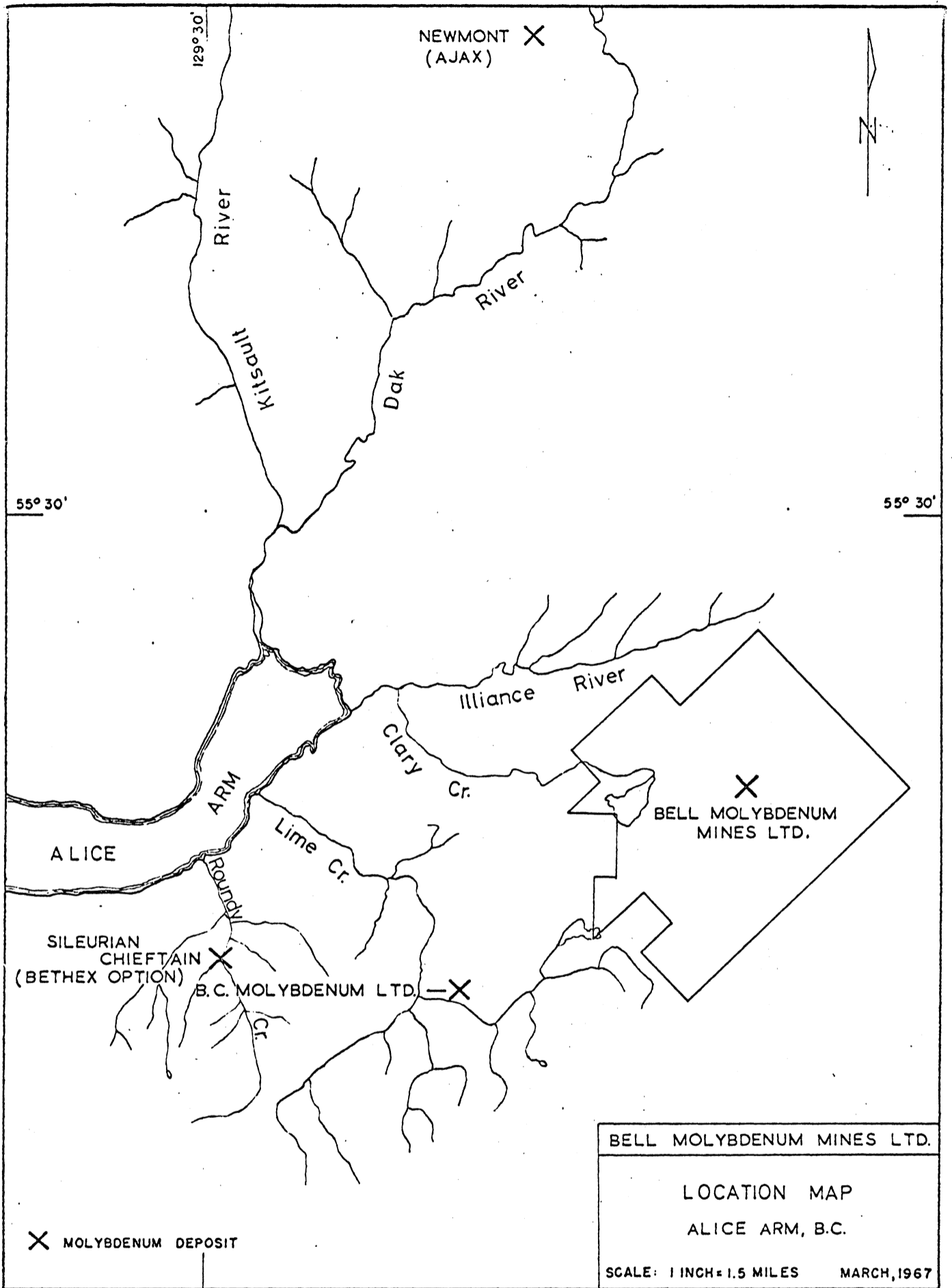
The writer believes that the discoveries of molybdenum mineralization made to date on this property are of sufficient importance to warrant further exploration to determine whether an economic deposit of molybdenum exists on the property. At present the shares of the Company must be regarded as speculative in nature.

There is annexed hereto for your further information a report on the property prepared by J. W. Stewart, P. Eng., of Dolmage, Mason and Stewart Ltd., dated March 22, 1967.

Yours very truly,

BELL MOLYBDENUM MINES LIMITED

(Signed) K. J. SPRINGER, President



DOLMAGE, MASON AND STEWART LTD.

GEOLOGICAL AND MINING ENGINEERS

314 MARINE BUILDING

VANCOUVER 1, B.C.
CANADA

VICTOR DOLMAGE

E. E. MASON

J. W. STEWART

REPORT ON BELL MOLYBDENUM MINES LIMITED

SKEENA MINING DIVISION

INTRODUCTION

I have prepared this report on the property of Bell Molybdenum Mines Limited at its request, and, in doing so, have had full access to its records, and have made a personal examination of the property. The trip to the property was not made at the best time of the year for visual observation of geological features, but I am satisfied that the geological picture is essentially correct, because of the independent and reliable sources of information available, such as the B.C. Minister of Mines & Petroleum Resources Annual Report for 1964, which contains a good description of the regional geology, and a well detailed description of the geology of the neighbouring property of B.C. Molybdenum Ltd on Lime Creek. In any event, outcrops in the immediate area in which the drilling was done are scarce, but prominent features, such as the columnar basalt cliffs, were easily recognizable. I have also discussed the geology of the area with competent and reliable geologists of other mining companies conducting exploration programs in the area. Furthermore, I have examined split drill core both in Vancouver and on the property, which contained the rock types and mineralization described below. (see "Geology")

Under the snow conditions existing at the time of my visit it was impractical to check the staking of the claims on the ground, but after discussing the staking procedure with Dr. W. R. Bacon, exploration manager for Mastodon-Highland Bell, I am personally satisfied that it has been done in good faith and in a manner complying with the regulations of the Mines Act.

A detailed list of the sources of information I have used in compiling this report is as follows:

- 1) Minister of Mines and Petroleum Resources Annual Report 1964.
- 2) Maps and records of geology, results of geochemical surveys including soil and silt sampling, assay certificates, topography, drill core logs, and anomalies plotted from the geochemical surveys, all prepared by the staff of Mastodon-Highland Bell Mines Ltd.
- 3) Geological plans and sections of other similar deposits in the area prepared by the staffs of other reputable companies operating in the vicinity.

- 4) Personal examination of a considerable footage of drill core from the Bell Molybdenum property itself, and small samples of core from one of the other properties.

SUMMARY

Bell Molybdenum has a property consisting of 140 located mineral claims on which a sum of \$109,228 has been spent on preliminary exploration and drilling. This program has discovered a geological environment and mineralization which appears to be very similar to that on the property of B.C. Molybdenum, which is expected to be in operation on a 5,000 ton per day rate in October 1967. Firm information on the geology and the presence or extent of a commercial ore body is lacking, and a program consisting chiefly of drilling, as outlined in the section intitled "Recommendations for Further Exploration" is recommended.

The cost of this program for the 1967 season is estimated to be about \$490,000, and it is expected that work could be started about May 15th, 1967. An assessment of the results of this program will then be made to determine what further development of the property may be justified. This is still strictly an exploration program, and is designed solely to provide more complete information on the possibilities of the property.

LOCATION AND ACCESS

The property, consisting of 140 mineral claims, is located 3 to 6 miles east of the inlet of Alice Arm, in the Skeena Mining Division, at elevations ranging from 2200 to 2500 feet above sea level, and about 5 to 6 miles from tide-water as the crow flies. (see key plan) At present access is by helicopter, about 10 minutes from the settlement of Alice Arm to the portion of the property of principal interest. It is between 55°25' and 55°29' north latitude and between 129°17' and 129°23' west longitude, and about 85 air miles northeast of Prince Rupert.

There is a road from the foreshore of Alice Arm to the B.C. Molybdenum property, about 4.5 miles south and slightly west of Bell Molybdenum. Depending upon an agreement with the owners, this road might in future be extended to the Bell Molybdenum property. The topography on which the claims are located is flat to hummocky with no major obstacles to extension of the present road.

Weather permitting, there is at present a daily air service to the B.C. Molybdenum slip connecting to Prince Rupert and Vancouver, and in the summer this has been scheduled for twice daily. There is also a weekly steamship service to Vancouver which can be used for delivery of groceries and other supplies.

FACILITIES

The right-of-way for the B.C. Hydro transmission line which will be supplying power to B.C. Molybdenum cuts across the Bell Molybdenum property. The claims

are surrounded by lakes, therefore, it is unlikely that water supply for a future operation would ever be a problem.

HISTORY

Early in the fall of 1965, prospecting by Mastodon-Highland Bell and Leitch disclosed molybdenite mineralization, in float and in sparse outcrop, near the head of Clary Creek. Careful follow-up work, primarily of a geological nature, was sufficiently encouraging to warrant extensive claim staking. Also, before winter set in, a minor amount of soil testing was accomplished, and this too was encouraging.

In the summer of 1966, thirty miles of line were cut in the form of a rectangular grid, elongate in an east-west direction. The lines were cut at 400-foot intervals except in the southeast section, the site of the 1965 soil sampling. Here the lines were cut at 200-foot intervals. Soil samples were augered at 200-foot intervals on the coarse part of the grid, at 100-foot intervals in the southeast corner. Numerous silt samples were taken from streams traversing the grid area.

With the results of the geochemical survey at hand, plus the distinct possibility of a geological situation similar to that occurring at B.C. Molybdenum, it was decided to proceed with reconnaissance diamond drilling. Twelve short holes were drilled for a total footage of 3,167 feet - all in the southeastern part of the grid area.

GEOLOGY

Although outcrop is sparse to negligible in the southeastern part of the grid, overburden is generally only a few feet thick.

The surface examination suggested, and the drilling tends to confirm, that this area is underlain by quartz monzonite that has intruded black argillite, altering it to brown hornfels for an unknown distance from the contact. The form of the quartz monzonite is uncertain, but the evidence, partly of a topographic nature, suggests that it is probably a stock, elliptical in plan, with the major, northeasterly axis 2000 feet in length and the minor axis 1400 feet.

The shallow, angled reconnaissance holes that were drilled to investigate the northern margin of the assumed stock reveal that both the hornfels and quartz monzonite are traversed by numerous quartz veinlets, some of which contain molybdenite. A minor amount of pyrrhotite and less pyrite occur along some fractures.

To summarize, the geological situation appears to be similar to that obtaining at the B.C. Molybdenum Mine, 4.5 miles southwestward; it remains to be determined

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EXPLORATION RESULTS TO DATE

The diamond drill holes drilled to date, and the results of the sampling of these holes are listed in detail below. Holes which were not sampled are not listed.

HOLE NUMBER & PERCENTAGE MoS₂

Footage	S-1	S-4	S-6	S-7	S-8	S-9	S-10	S-11	S-12
0-50		0-09	0.08	0.10	0.08	0.10	0.12	0.11	0.10
50-100	0.08	0.10	0.10	0.07	0.07	0.12	0.11	0.07	0.10
100-150	0.07	0.10	0.07	0.13	0.10	0.11	0.07	0.07	0.10
150-200	0.06	0.12	0.11	0.08	0.10	0.16	0.08	0.10	0.10
200-250	0.08	0.15	0.07	(181')	0.11	0.29	0.06	0.14	0.13
250-300	0.11	0.06	0.05		0.12	0.11	0.06	0.21	0.10
300-350	0.10				0.09				
350-400	0.08								
Total Footage & Average Grade	411'	269'	312'	181'	333'	309'	312'	318'	277'
	0.08%	0.10%	0.08%	0.10%	0.10%	0.14%	0.08%	0.11%	0.11%

Notes: Hole S-2 abandoned, because of drilling difficulties
 Hole S-3 abandoned, drilling difficulties, core recovery poor
 Hole S-5 not sampled, no mineralization of interest

As can be seen, all of the holes are fairly short, and furthermore all are sloping holes, so that depths below the surface are comparatively shallow.

RECOMMENDATIONS FOR FURTHER EXPLORATION

The program of prospecting, geological mapping, geochemical testing and drilling completed in the 1965 and 1966 seasons has indicated the probable presence of a stock about 2000 feet long by about 1400 feet wide, similar in its geological features to the one on the B.C. Molybdenum property, which contains a substantial ore body. (Ore reserves published, 40,000,000 tons above 1600 elevation) The drilling done to date by Bell Molybdenum has been preliminary only, has been shallow, nevertheless has been sufficient to indicate the presence of promising

mineralization, and has suggested a rough outline of a zone containing mineralization which should be tested in order to see if an ore zone can be outlined. For purposes of indicating the possible scale of program required, it is of interest to note that B.C. Molybdenum had completed 44,648 feet of drilling in 66 holes when the decision was made to put the property into operation. So far 12 holes have been drilled on the Bell Molybdenum property, for a total of 3,167 feet of drilling.

It is now proposed to start drilling vertical drill holes on the southeastern portion of the 400-foot grid pattern already laid out. The first holes will be drilled on 400-foot centres, to about 500-foot depths, and, in the more promising areas, fill-in drilling will then be done on closer spacing to at least 1000 feet in depth. It is expected that such a program should have a good chance of locating and perhaps defining an ore zone, which may, of course, merit further exploration.

The scope and estimated cost of the program which is recommended for the 1967 season is shown below:

PROPOSED 1967 PROGRAM

FOR PERIOD MAY 15TH TO DECEMBER 15TH, 1967

(7 MONTHS)

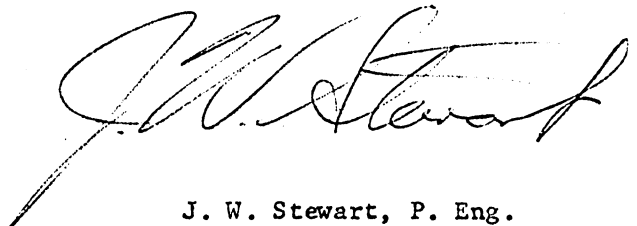
<u>OPERATION</u>	<u>ESTIMATED COST</u>
Diamond drilling (B.X. wireline) - vertical holes	
Preliminary @ 400' centres - 20,000'	
Fill-in drilling - 5,000'	
Total 25,000' @ \$12./ft.	\$ 300,000.
Linecutting and soil sampling	9,000
Helicopter rental 35 hrs./month x 7 mos. x \$120/hr.	30,000
Geological surveying and mapping	14,000
Core splitting	9,000
Assaying - 2,000 samples @ \$6./sample	12,000
Bunkhouse & cookhouse	14,000
Tractor operation	10,500
Camp operation including general labour	14,000

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<u>OPERATION</u> (Cont'd.)	<u>ESTIMATED COST</u>	(Cont'd.)
Miscellaneous supplies	4,000	
Temporary buildings	10,000	
Move-in and move-out	18,000	
Supervision	8,500	
Tractor, light plant, transit & small equipment	20,000	
	<u>Total</u>	473,000
Head office, including legal and transfer fees, accounting, etc.		<u>17,000</u>
	<u>TOTAL</u>	<u>\$ 490,000</u>

Respectfully submitted,

DOLMAGE, MASON AND STEWART LTD.



J. W. Stewart, P. Eng.

Dated at Vancouver, B.C.

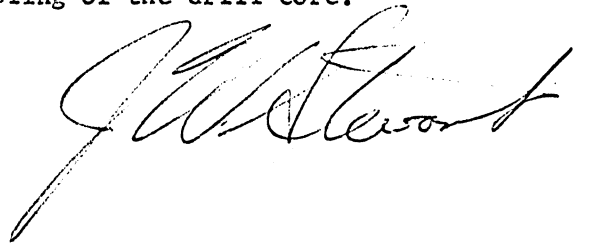
March 22, 1967.

DOLMAGE, MASON AND STEWART LTD.

CERTIFICATE

This is to certify that:

- 1) I, John W. Stewart, am a resident of Vancouver, and live at 1576 West 28th Avenue.
- 2) I am a graduate of the University of British Columbia with the degree of Bachelor of Applied Science in Mining Engineering (1939).
- 3) I am a member of the Association of Professional Engineers of British Columbia, and have been practicing my profession continuously for twenty-seven years.
- 4) I have no interest, direct or indirect, nor do I expect to receive any, in the properties of Bell Molybdenum Mines Limited.
- 5) This report is based on a study of reports and documents in the possession of the Company, information from other sources described in the report such as the 1964 Minister of Mines report, on a visit to the property on March 20th, 1967, and on personal examination of a random sampling of the drill core.

A handwritten signature in black ink, appearing to read "John W. Stewart", is written in a cursive style. The signature is positioned to the right of the list of certifying points.

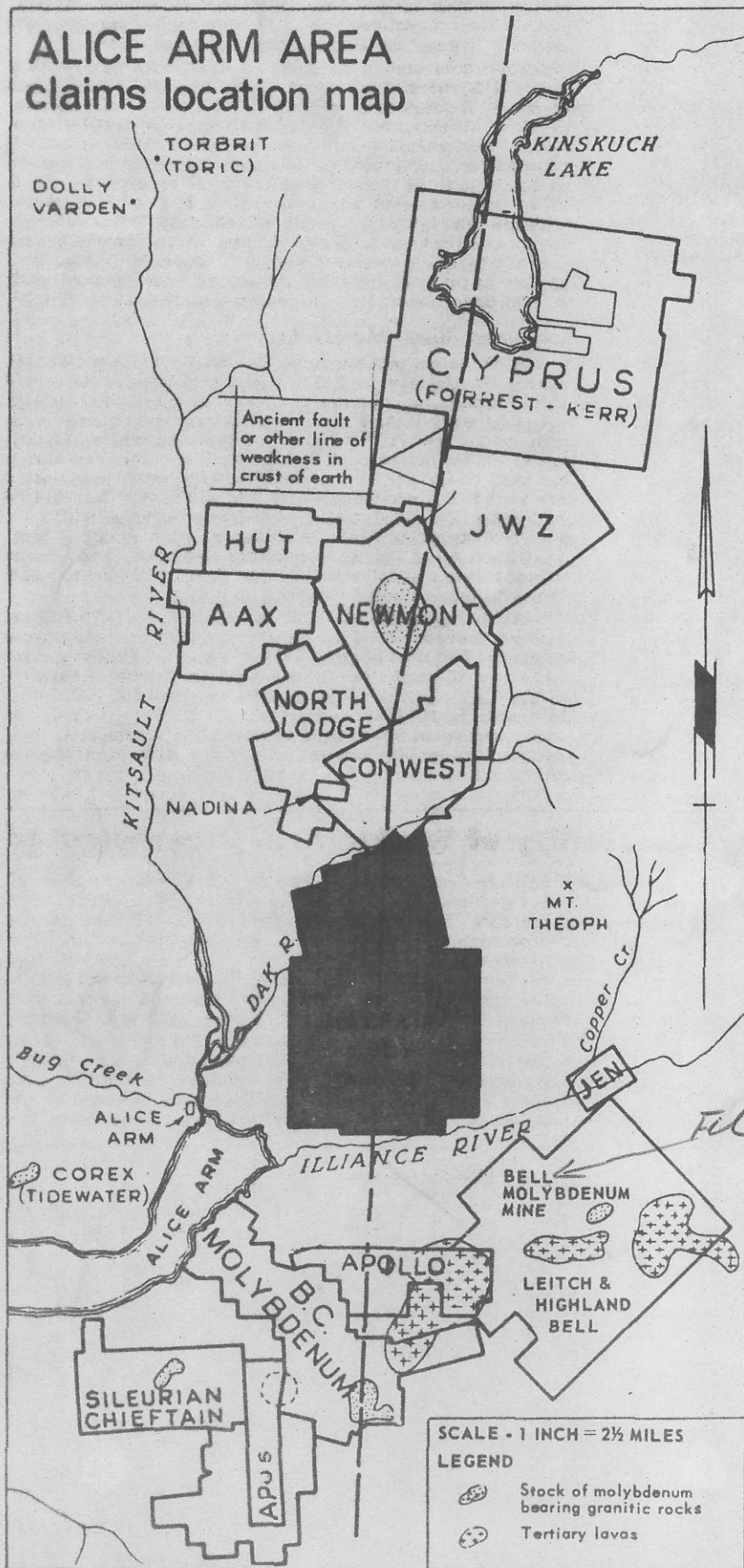
MAYFAIR MOLY MINES LTD.

Non-personal liability

Molybdenum Property
at Alice Arm, B.C.

First Public Offering
300,000 Shares at 35c

ALICE ARM AREA claims location map



Mayfair Moly Mines Ltd. is a recently incorporated B.C. company with administrative offices at Suite 34, 485 Hornby Street, Vancouver, and registered office at 201 - 846 West Hastings Street, Vancouver, and authorized capital of 5,000,000 shares of 50c par value of which 964,787 shares are issued. Of the issued shares, 676,485 shares are in escrow, having been issued for property, and 288,302 shares were sold at 10c per share for a total consideration of 28,831.

Directors of the company are: Norman E. Jenkinson, Sam Winrob, Miss K. Berar, Robert Shaw, and S. David Anfield.

The company holds 160 claims in the area three miles north and east of Alice Arm, B.C., near the properties of B.C. Molybdenum and Newmont Mining, as shown on the map to the left.

The company is currently making its first public offering in the amount of 300,000 shares at 35c per share, subject to a maximum selling commission of 25% of the selling price.

A November 1, 1966, report on the property by Dr. H. A. Quinn, consultant, states that the property is in the north-trending Alice Arm molybdenum belt which contains molybdenum-bearing granitic stocks of probable Tertiary age at intervals for 80 miles or more. He states that it seems probable that the belt will become, eventually, one of the world's greatest sources of molybdenum.

Many mineralized zones and areas were found on the property of Mayfair Moly during the First World War and many dozens of adits and trenches were dug. Three of the adits are 1,160 feet, 600 feet and 200 feet long respectively.

Mineralization includes copper, molybdenum, gold, silver, lead, zinc, arsenic, iron and other metals. The geology is complex with highly fractured and faulted rocks.

The consultant recommends a two-stage programme of \$82,265 for the first stage to include prospecting, mapping, magnetometer survey and a second stage of \$286,270 for follow-up work and drilling.

Executive Office:

34 - 845 Hornby Street
Vancouver 1, B.C.
Telephone: 683-9658

A purchase of these securities must be considered as speculative.

BELL MOLYBDENUM MINES LIMITED

HIGHLAND-BELL LTD.

LEITCH GOLD MINES LTD.

+ Interesting Alice Arm Molybdenum Property Currently being Drilled

Bell Molybdenum Mines Limited was recently incorporated in B.C. with offices at 502 - 1200 West Pender St., Vancouver, and an authorized capital of 4,000,000 shares of no par value. The company was formed to acquire approximately 140 claims in the Alice Arm area of B.C. about four miles east of B.C. Molybdenum Mine of Kennecott on Lime Creek. Bell Molybdenum Mines Limited is held jointly by Highland-Bell Ltd. and Leitch Gold Mines Ltd. which companies are providing the funds on a private basis for the initial phases of Exploration.

J.J. Crowhurst, vice-president of operations for Highland-Bell Ltd., has reported that the work on the property has included soil sampling and prospecting in the 1965 season followed by further soil sampling and prospecting in the 1966 season. The recent work has been the drilling of six short drill holes. The drilling has encountered molybdenum mineralization the grades of which can not be reported as yet but they are stated to be encouraging.

The soil sampling and prospecting located an anomalous area some 2,500 feet by 2,500 feet over a structure which appears to be of the same geological structure as the B.C. Molybdenum Mine.

Work is continuing and if results continue encouraging, it is expected that public financing may be sought in the reasonably near future.

COMINCO LTD.

<u>Nine Months to Sept.30,</u>	<u>1966</u>	<u>1965</u>
Sales of all products	\$170,600,000	\$151,900,000
Earnings before following items	65,900,000	64,400,000
Add:		
Income from investments	2,600,000	4,600,000
Net Gain from sale of Investments		200,000
Total	\$ 68,500,000	\$ 69,200,000
Deduct: Depreciation & Depletion	11,500,000	10,300,000
Income Taxes & Mining Taxes	12,300,000	18,000,000
Minority Interest in net earnings of Pine Point Mines	<u>7,800,000</u>	<u>2,500,000</u>
NET EARNINGS.....	\$36,900,000	\$ 38,400,000
Net Earnings per Share.....	\$2.21	\$2.30

GENCONA MINES LIMITED

EXPLORATION AGREEMENT - Jules Baert, president of Gencona Mines Limited, has reported to WITH NORANDA COMPLETED shareholders in an October 17, 1966, letter that the company has completed negotiations with Noranda Exploration Company, Limited on the '104 claim group' at Soab Lake, south of Thompson, Manitoba. Under the terms of the agreement, Noranda has paid the company \$6,500 cash and is to drill seven known electro-magnetic conductors as soon as ground conditions permit. Noranda will also complete a geophysical program on the 18 claims which were unable to be finished this spring. If the option is exercised by Noranda, the company will receive \$100,000 cash plus a 30% interest in a new company to be formed.

With the increased activity in this area, the directors have authorized a staking of an additional 100 claims immediately to the south of the ground under option to Noranda. Also, a 54 claim group has been optioned adjoining the Falconbridge-National Malartic ground at Bowden Lake. Indications are that a new mine of major proportions is likely to be established in this area. A complete geophysical will be carried out this winter on these new claims.

Preliminary investigations of "Project Pioneer" which is currently being carried out by the Provincial Government outlined a large magnetic anomaly on the "6 Claim Group" at Wallace Lake, Manitoba. Reports on file show that the property has previously been prospected for gold with continuous references to sulphide occurrences on the ground. An electro-magnetic survey is currently underway on the group to determine if a base metal prospect of some significance has been overlooked.

Gencona Mines Limited currently has approximately \$75,000 in cash.

SUNSHINE MINING COMPANY

FIRST HALF - Sunshine Mining Co., Kellogg, Idaho, reports net income for first half 1966 PROFITS UP at \$1,248,943 vs \$620,899 in first half 1965, or 74¢ per share vs 37¢. The result includes \$498,198 from income from sources other than operations vs \$59,839. In the 1966 half year, this included \$432,237 from sale of securities. Income from oil operations in Saskatchewan continued up to maximum allowable capacity.

FOR THE RECORD - Kamloops Copper Consolidated Ltd. reports that T.K. Laidlaw & Co. Ltd. failed to exercise its option on 200,000 shares at 35¢ per share due Oct. 13.



This may be one reason why the second nationalization of British steel has caused much less cheering and weeping than the first.

Another factor is the fading distinction between state owned and private industries. Men like Lord Melchett run their industries much like a private company, with efficient production as a major goal. Even under the Tories, the publicly-owned Richard Thomas and Baldwins Ltd. was allowed to buy up a supply firm—Whitehead Iron and Steel—rather than have it swallowed by a competing private firm. The result extended public ownership but the motive was one of business rather than ideology.

The Wilson government is exploring means of control without outright ownership. On the day the steel industry was taken over, a Labor Party study recommended against nationalization of North Sea gas on grounds that it could be controlled in other ways and the payment of compensation to present owners would strain the balance of payments.

But steel remains a political symbol in Britain. Living on an ideological see-saw hasn't done the industry any good but the big problem facing Lord Melchett is how to get British steel in shape to compete in an increasingly difficult world market. Steelmaking capacity is in surplus everywhere and the first task will be to reorganize the British industry, now split into many small plants, to meet the competition of the giants of the United States, Soviet Union, Japan and Germany.

No charges

Rolling Hills cleared

An investigation into the affairs of Rolling Hills Copper Mines Ltd. has ended with a decision to lay no charges either under the B.C. Securities Act or the Criminal Code of Canada.

This announcement was made Monday by the B.C. Securities Commission as the result of advice from the attorney-general's department which took over the investigation.

The investigation was initiated in January 1966 when reports and rumors of drill results from a Rolling Hills mining property at Thubun Lake, N.W.T., caused prices of the company shares to jump on the Vancouver Stock Exchange.

It was particularly aimed at checking the veracity of reports which circulated in brokerage circles on the drill results.

At the time that the market bidding appeared to be getting out of hand, the stock exchange, at the request of the promoters Murray Pezim and Earl Glick asked for an investigation.

The investigation by the securities commission was turned over to the RCMP and an agent of the attorney general at Vancouver.

"The commission is now in receipt of advice from the investigators to the effect that they have concluded their investigation and are of the opinion that charges under the Securities Act and Criminal Code would not be justified insofar as the directors and promoters of the company are concerned."

Rolling Hills will hold its annual meeting here next Monday. A motion is planned by vice-president Robert Campbell to make changes in the board of directors.

Survey shows slower rate of profit rise

TORONTO (Special) — The Financial Post Survey of Industrials for 1967, just out, reported net profits of investor-owned Canadian corporations were up 5.3 per cent in 1966, a slower rate of growth than the year before when they rose 8.8 per cent.

Bell Moly encouraged by drilling

Bell Molybdenum Mines Ltd. is receiving "relatively encouraging results" from development so far on its property 4½ miles from Kennecott's B.C. Molybdenum Co. property at Alice Arm.

The crew, using two wireline drills, has put down 12 holes so far. It is expected that 40 holes will be drilled this summer to cover the known favorable area. They are on a 400-foot grid, being drilled 500 feet deep, with every fifth or sixth going to 1,000 feet.

"All holes successfully drilled so far have carried mineralization but complete assay results have been received from only four holes," says the company report. "Extensive low-grade molybdenite mineralization has been disclosed by these holes with assay values in line with the results from the 13 holes drilled last year, as reported by the prospectus.

"Some high-grade intersections have been encountered, particularly to depth, and once the presently known area of mineralization has been roughly defined, deeper drilling within this area will be the next consideration. A further progress report will be made toward the end of August."

seeing mutual fund sales charges reduced.

EXCESSIVE COMMISSIONS

The unusually high commissions paid to mutual fund salesmen — which can run as much as nine times those paid to sellers of ordinary stocks — provide an incentive to brokers and their salesmen to sell fund shares, rather than common stocks, Cohen explained.

The result, he said, has been a very rapid growth in the size of mutual funds and an "unprecedented concentration of investment decision-making power" in the hands of a relatively small number of fund managers.

This concentration is "putting a bit of strain on our securities markets" and has caused "mounting public disquiet" about the possible consequences of such concentration of power, Cohen said. The trading tactics of mutual fund managers who buy and sell large blocks of stock in very short periods of time to take advantage of short term swings in market price also are a concern.

RAPID GROWTH

Mutual fund assets have grown 100-fold since 1940 to \$4 billion, Cohen said. In the last year alone, fund assets grew to \$7 billion.

Cohen conceded that a reduction in the sales charges from the present typical charge of more than 9 per cent to the per cent maximum proposed by his agency might drive some

HARBOUR FERRIES LTD.

NORTH FOOT OF DENMAN STREET, VANCOUVER 5, B.C.

A COMPLETE HARBOUR CHARTER AND TOUR SERVICE

Chairman of the Board: E. C. WARNER
President: D. M. EMERY
Vice-President: R. E. BRACE
Secretary-Treasurer: Harold H. RIDGEWAY
Directors: C. F. DOMONEY, J. GOODRIDGE, W. J. KEENAN, CAPT. D. FARINA

HARBOUR FERRIES LTD., a newly incorporated private company, is pleased to outline its equipment now in service and new equipment under construction and proposed.

FERRY SERVICE UNITS

- M.V. "HOLLYBURN"—Capacity 300. In service. Charter. Boys camp runs. Granite Falls Resort and charter service.
- M.V. "HARBOUR PRINCESS"—Capacity 300. In service. Charter. Boys camp runs. Granite Falls Resort and charter service.
- M.V. "SCENIC"—Capacity 140. In service. Mail, shore-to-ship service. Indian Arm and boys camp runs. Overload to Granite Falls Resort and charter service.
- M.V. "HARBOUR QUEEN"—Capacity 200. Now being rebuilt at McKay Cormack Shipyard, Victoria. Will be in service by Spring, 1968. Dine and dance facilities on board for select charter groups.
- P.W. "YUKON QUEEN"—Capacity 33 (leased). In service for harbour tours and special charters.
- P.W. "YUKON BELLE"—Capacity 33. In service for harbour tours and special charters.

HARBOUR SERVICE UNITS

- M.V. "HARBOUR GARB"—Now under construction at McKay Cormack Shipyard, Victoria. To be in service by Fall, 1967. Sullage and dunnage, pick-up service from ship to shore.
- M.V. "HARBOUR JOE"—Dunnage barge and harbour service unit. Oil spill unit.
- HARBOUR BARGES—(leased or built as required)—Used for dunnage service.
- HARBOUR RECOVERY—Proposed oil recovery barge for ship bilge pumping. Oil spill recovery. (To be built by McKay Cormack, Victoria.)
- M.V. "HARBOURDEL"—In service. Fall, 1967. Shore-to-ship stores. Freight-Personnel delivery.

As the above analysis shows, Harbour Ferries Ltd. now is a completely equipped and diversified Shipping company, and would summarize its operations as follows:

- The company operates the public passenger traffic terminal at Granite Falls Lodge, Indian Arm, where complete dining and picnic facilities are available.
- Their new sullage barge—the first in Vancouver Harbour for 20 years—is a fully hydraulic sanitary unit and will be in service by August, 1967.
- Ship-to-shore, freight and personnel service by existing and new units fully operative by the Fall of 1967.
- Dunnage service will operate in conjunction with the sullage service by the Fall of 1967.
- The fascinating stern-wheelers "Yukon Queen" and "Yukon Belle" are already on harbour tour service from The Bayshore Inn and the Harbour Ferries terminal at the north foot of Denman Street.
- The new M.V. "Harbour Queen" will be available for special charter service in the Spring of 1968.
- Barges and scows will be leased or built as required.

August 1/67

Province

B.C. COMPANIES ACT

Igloo National Oil Corporation Ltd. was incorporated as a B.C. company on September 12,1967, with registered office at 714-718 Granville St., Vancouver, and authorized capital of 10,000 shares of no par value.

Mount Nelson Developments Ltd. was incorporated as a B.C. company on September 8,1967, with registered office at 8 Eighth Avenue South, Cranbrook, B.C., and authorized capital of 3,000,000 shares of no par value.

Selwyn Explorations Ltd. was incorporated as a B.C. company on September 8,1967, with registered office at 201-846 West Hastings St., Vancouver, and authorized capital of 5,000,000 shares of 50¢ par value.

Shenandoah Oil Corporation has registered within B.C. as an extra-provincial company with head office outside B.C. at 406 Mutual Savings Bldg., Fort Worth, Texas, and head office within B.C. at 1403-1030 West Georgia St., Vancouver. Paid-up capital of the company is \$51,500.

Adanac Metals Ltd. did on September 11,1966, change its name to Adanac Mining and Exploration Ltd.

B.C. SECURITIES ACT

Silver Star Mines Ltd. has received B.C. Securities Act registration covering the sale of 400,000 shares at 60¢ per share under an Aug. 31,1967 prospectus.

Territory Mining Ltd. has received B.C. Securities Act registration.

BELL MOLYBDENUM MINES LIMITED

PROGRESS REPORT - Following is the text of a September 22,1967, progress report from the company.

"On the Bell Molybdenum property in the Alice Arm area, B.C., about 4½ miles east of the B.C. Molybdenum property, 36 diamond drill holes have been drilled for a total footage of about 17,000 feet. This has indicated extensive low grade molybdenum mineralization.

"Since drilling was resumed this year in June, two drills using BQ wireline equipment have completed twenty-three holes, totalling 13,943 feet. These holes have roughly outlined a fractured elliptical monzonite mass intruding hornfels approximately 2,200 feet long by 900 feet wide, extensively mineralized with molybdenite. Within this area, a zone 1,100 feet by 650 feet (59,500 tons per vertical foot) outlined by nine drill holes averaging 620 feet in depth, carries from 0.10% MoS₂ to 0.15% MoS₂.

"Care has been taken during the drilling to collect sludges which have also been assayed. Composite assays for all the holes are currently being estimated.

"The diamond drill holes averaged 500 feet in depth but five holes were put down to plus 900 feet in order to test the deposit at depth. At present one of these holes, which returned values of better than 0.15% MoS₂ at depth, is at 1,000 feet and still deepening.

"There has been some indication of tungsten values in the ore. Sheelite can be seen under the fluorescent lamp as sparse, small specks indicating very minor quantities and a considerable amount of testing will have to be done before any economic significance of the tungsten content can be determined."

WEST COAST RESOURCES LTD.

PROGRESS REPORT - Weymark Engineering Ltd. in a Sept. 21st report to West Coast Resources Ltd. states that "during the period June 6 - Sept. 20/67, the programme on the Oro Denoro properties at Greenwood, B.C. involved completion of the topographic surveys the section of the Oro Denoro Fraction mineral claim that has been designated as the possible mine-mill plant site, the area (foreshore) around Wilgress Lake and the right of way section between Wilgress Lake and the Oro Denoro Fr. claim. Compilation of these surveys is now in progress."

According to information received from the engineers of Furukawa Mining Co. Ltd., the firm of Chapman, Wood & Griswold Ltd., Consulting Engineers has been engaged to assess on a definitive basis all the information obtained to date by West Coast Resources as well as Furukawa, relating to the copper-gold-silver mineral potentialities."

"No forecasts have been given as to the target dates for the completion of these studies or release of the findings."

NORCAN MINES LTD.

PROGRESS REPORT - Norcan Mines Ltd. has reported that the No. 3 diamond drill hole on the company's Howson Basin property, 25 miles south of Smithers, B.C., has cut a 62 foot section grading 1.84 oz. silver and 3.97% copper. This hole is on the Duchess zone in the area of trenches which cut some good grade mineralization reported earlier. Drilling is continuing on the zone in an effort to define the area of commercial values.

Gem Explorations Ltd. The annual general meeting of shareholders is scheduled for Sept. 27, at 10:00 a.m. in the Georgia Hotel, Vancouver.

Riviera Mines Ltd. The first annual general meeting of shareholders is to be held Oct. 3/67, at 9:30 a.m. in the Canada Trust Bldg., 905 W. Pender St. Vancouver.

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BELL MOLYBDENUM MINES LIMITED

SOME HIGHGRADE SECTIONS - The property of Bell Molybdenum Mines Limited, situated 4½
DEPTH DRILLING CONSIDERED miles from Kennecott's B.C.Molybdenum Mine in the Alice Arm area
of B.C., is receiving relatively encouraging results from
development work done so far.

A thirty man camp has been established in plywood buildings on the site and helicopters provide the transportation from the camp site to the town of Alice Arm.

Two diamond drills using B.Q.wireline commenced drilling in mid-June on three shift basis and to date have succeeded in putting down 12 holes. These drills and their towers are mounted on Muskeg tractor type trailers and are moved by muskeg bombardier tractors which allows great economy in time and money in the laborious process of pulling the casing on a finished hole, moving the rig and collaring a new hole. The vertical holes, spaced at 400 feet centres over a grid that covers the presently known extent of the central monzonite stock and the surrounding hornfels alteration, are being completed to 500 feet in depth, with every fifth or sixth one being carried to 1,000 feet. Great care is being taken to collect sludge samples from which a representative portion is assayed. Sludge assay results are combined with core assay values to arrive at an average result for the hole. Core and sludge recovery so far has been good to excellent.

It is expected that about 40 holes will be completed during the summer season which will cover the known favourable area.

All holes successfully drilled so far have carried mineralization but complete assay results have been received from only 4 holes. Extensive low-grade molybdenite mineralization has been disclosed by these holes with assay values in line with the results from the 13 holes drilled last year, as reported in the prospectus.

Some highgrade intersections have been encountered, particularly to depth and once the presently known area of ore mineralization has been roughly defined, deeper drilling within this area will be the next consideration.

A further progress report will be made toward the end of August.

SEABOARD LIFE INSURANCE COMPANY

PREMIUM INCOME - Seaboard Life Insurance Company has reported that an increase of 20%
INCREASED 20% in premium income has been indicated for the first half of 1967 over the
same period of 1966.

The company reports that the Equivest insurance policy which combines low cost life insurance with dollar protection through equity investments is selling well. The policy includes a variable annuity which enables the policy holder to choose upon retirement to receive an income which will vary with the performance of the common stocks comprising the equity fund.

All preliminary steps required for the increase in the company's paid-up capital have been completed. The company is now licensed in B.C. as a security issuer for 275,000 common shares at a price of \$7.00 per share. The company is also entitled to sell this issue in Saskatchewan and application has been made in Alberta.

STAMPEDE OILS LTD.

TEST WELL UNDERWAY - Stampede Oils Limited of Calgary and Vancouver has announced that drilling started on July 10,1967 of the Stampede B.A.Strachan 6-33 well and that the major target is the Devonian reef at a projected depth of 13,500 feet and at a cost of about \$450,000.

The test project is being operated under the direction of A.A.W.Kryczka, P.Geol., K.P.Bottoms, P.Geol., and J.W.McLeod, geologist, all of Stampede Oils Ltd.

Tamarack Petroleum Limited of Calgary under the direction of J.K.Farries, P.Eng., have been retained by Stampede Oils to direct and supervise the engineering operations of the test venture.

D.L.Flock Consulting Engineers Limited, a reservoir engineering firm of Calgary and Edmonton are consulting for Stampede in the test project. R.W.Adams, P.Eng., will represent the firm.

The 6-33 is being drilled on land acquired under farmout from the British American Oil Company Limited. It is being drilled as a tight hole.

Partners in the project are: Amerada Petroleum Corporation; Canadian Industrial Gas & Oil Ltd., Bata Resources Limited; Galaxy Copper Limited; Silver Arrow Explorations Limited and Cariboo Gold Quartz Mining Limited.

A \$50,000 seismic evaluation has been completed by Amerada on behalf of the group to aid in the acquisition of Crown land. No specific information pertinent to the well may be released.

P.C.E. EXPLORATIONS LTD.

LISTED VANCOUVER - P.C.E.Explorations Ltd. shares were called for trading on the Vancouver Stock Exchange July 31,1967, with 5,880,000 shares issued of the 6,000,000 shares authorized. There are 105,000 shares in escrow. Eastern and Chartered Trust Co. is the transfer agent.

BETHEX EXPLORATIONS LTD.

ALICE ARM AND BABINE LAKE - Molybdenum in the Alice Arm area and copper in the Babine Lake CHIEF PROJECTS FOR 1967 area are the chief targets for 1967 as outlined in the second annual report of Bethex Explorations Ltd. In the year to Feb. 28, 1967, Bethex added \$188,945 to its funds including \$186,840 as proceeds of 312,000 treasury shares. The company spent \$130,276 on exploration and \$34,101 on administration and had working capital of \$15,088 at end of the period. Under its agreement with Bethlehem Copper, the latter is obligated to exercise its options to a minimum of \$100,000 in each year to Feb. 28, 1971, and will retain the right to elect a majority of the Bethex directors if it continues to meet this obligation. As at Feb. 28, 1967, there were 1,957,250 Common shares and 200,000 common B shares issued. Bethlehem has options on 550,000 common shares at 50¢ p/s; on 750,000 shares at 75¢ p/s and on 1,000,000 shares at \$1.00 p/s.

The report, signed by J.A. McLallen, chairman and P.M. Reynolds, president, says that properties on which work was done in Tulameen area and in Agassiz area last season were not proceeded with due to disappointing results and that due to heavy commitments for this year, a property at Kalamalka Lake has been abandoned.

The commitments for this season relate to the molybdenum property of Sileurian Chief-tain Mining Co. Ltd. at Alice Arm and to 100 claims in Babine Lake area, 3 miles N.E. of the Granisle producing copper mine.

At Silerujan, Bethex will use its staff and facilities to conduct an exploration program and will provide 25% of the exploration funds. The contract provides for expenditure of a minimum of \$100,000 by Feb. 29, 1968, and, to keep it in good standing, for a further \$100,000 per year in each of the succeeding 3 years. After \$400,000 has been spent, a new company will be formed if Bethlehem and Bethex elect to continue development of the property, and they will be obligated to provide the new company with the money required to bring the property into production at not less than 500 tons per day. The equity shares in the new company will be divided: 35% to Sileurian, 15.75% to Bethlehem and 16.25% to Bethex. The report says that in 1966, Sileurian drilled 43 diamond drill holes for a total length of 7516 ft. High grade mineralization was encountered in some of the holes and there is every indication that the property has a better than average chance of becoming a producing mine, it adds.

At the Babine Lake prospect, 3 anomalies outlined by magnetometer and I.P. methods in 1966 will be diamond drilled. Half of the claims as yet unprospected will be explored on the surface.

In partnership with Siscoe Metals, Bethex is conducting an aerial reconnaissance over a designated B.C. area, using a Flux Gate Magnetometer, E.M., Scintillimeter and a Gravity indicator. Areas indicated to be of interest will be staked and a ground exploration program will follow.

Robin E. Anderson is manager of exploration and C.J. Coveney is exploration consultant. Both are professional engineers.

BELL MOLYBDENUM MINES LIMITEDHIGHLAND BELL LIMITED

DRILLING TO START WITH TWO DRILLS THREE SHIFTS DAILY - Bell Molybdenum Mines Ltd., in which Highland Bell Ltd. has 581,240 shares, will have 2 large BQ wireline vertical drilling machines at work on a 3-shift daily basis early this month at its property, 4 miles east of Kennecott's B.C. Molybdenum mine at Alice Arm, B.C., on which a 6,000 tons per day mill has been built for operation later this year. Bell Molybdenum plans 25,000 ft. of drilling with holes to a minimum depth of 500 ft and spaced at 400-ft. centres to explore a quartz monzonite stock about 2,000 ft. long by 1,400 ft. wide, together with the surrounding alteration zone. This geological environment is similar to that at B.C. Molybdenum, the company says, adding that open pit mining with a low waste ratio is contemplated. The report is signed by J.J. Crowhurst, vice-president.

Bell Molybdenum says also that in 1966, shallow, angled, reconnaissance holes, totalling about 3,000 ft., were drilled in this area and encountered mineralization assaying from 0.08% MoS₂ to 0.14% MoS₂ throughout their length. The best section was 50 ft. assaying 0.29% MoS₂. Equipment and materials for the current season including a Muskeg tractor and a small bulldozer, together with camp facilities for 35 men will be moved from Alice Arm to the property by Sikorsky S-58 helicopter during the next few days. When snow conditions permit, geological surveying and mapping, linecutting, soil sampling, and other surface exploration work, will proceed.

WESTERN MINES LTD.

SHIPPING SCHEDULE MAINTAINED - C.M. Campbell, Jr., general manager, Western Mines Ltd., has issued the following statement: "The wildcat strike which hit Western Mines 10 days ago is over and the men are returning to work as required by the company. The mill was shut down only for 17 hours and several days trucking time which was lost is now being made up without interference in the company's shipping schedule. On May 27, 1650 tons of zinc concentrate was shipped to Japan and another 2500 tons of zinc concentrate will be loaded in a barge for shipment to the Anaconda smelter in Montana on June 1. Some 3300 tons of copper concentrate is scheduled to be loaded for Japan next week and this will be followed on June 25, by a 2500 ton zinc shipment also destined for Japan.

BELL MOLYBDENUM MINES LIMITED

→ **ORE ZONES LARGE ENOUGH FOR OPEN PIT** - Prior to proceeding with the current program at its **CONSTITUTE TABLETS FOR 1967 PROGRAM** Alice Arm, B.C., property, Bell Molybdenum Mines Limited had completed 12 diamond drill holes totalling 3,167 feet. K.J. Springer, president, says the results showed there were good possibilities for developing a large tonnage of molybdenum bearing rock of economic grade. He points out that only shallow holes had been drilled and that all except one, which did not penetrate bedrock, had shown mineralization to the bottom of the holes, indicating the mineralization goes to greater depth. He concludes that the simple association of molybdenite in a granitic or hornfels rock with no impurities observed indicates excellent metallurgical recoveries. Mr. Springer adds that it is reasonable to expect that ore zones large enough for open-pit operations, with a low waste-to-ore ratio, can be found.

As reported in GCNL No. 86 (1967), Brink, Hudson & Lefever Ltd. underwrote 700,000 treasury shares at 70¢ p/s. Proceeds of \$490,000 will be used to carry out exploration and development recommended by J.W. Stewart, P.Eng., at an estimated cost of \$473,000 and for administration and general costs estimated at \$17,000.

As shown on the company's map, the molybdenum mineralization being explored on the Bell property is about 4 miles northeast of the molybdenum deposit currently being prepared for production by B.C. Molybdenum Ltd. on an adjoining property, based on reported ore reserves of 40 million tons.

As outlined by Mr. Stewart, Bell Molybdenum has 140 located claims on which \$109,228 has been spent on preliminary exploration and drilling. This work has discovered a geological environment and mineralization which appear to be very similar to those on the B.C. Molybdenum property which is scheduled to start operating at 5,000 tons per day rate in October, 1967. Results of the Bell program, which starts this month, will determine what further development may be justified. The Bell claims are at elevations of from 2,200 to 2,500 feet above sea level and about 5 to 6 miles from tidewater. Access at present is by helicopter about 10 minutes from the Alice Arm settlement. The B.C. Hydro transmission line to supply power to B.C. Molybdenum crosses the Bell property. Ample water supply is available from surrounding lakes.

Mr. Stewart, in summarizing results, says the drilling by Bell to date has indicated the probable presence of a stock about 2,000 feet long by about 1,400 feet wide, similar in its geological features to the one on the B.C. Molybdenum property, which contains a substantial orebody. The drilling, so far, while shallow, has been enough to indicate the presence of promising mineralization and has suggested a rough outline of a zone containing mineralization which should be tested in order to see if an ore zone can be outlined.

For purposes of indicating the possible scale of the required program, Mr. Stewart notes that B.C. Molybdenum had completed 44,648 feet of drilling in 66 holes when the decision was made to put the property into operation. Only 12 holes had been drilled on the Bell property to March 22, 1967, the date of his report, for a total of 3,167 feet.

The program will consist of vertical drill holes on the SE portion of a 400-foot grid pattern already prepared. The first holes will be on 400-foot centres, to about 500-foot depths, and in the more promising areas fill-in drilling will then be done on closer spacing to at least 1,000 feet in depth. Such a program he expects, should have a good chance of locating and perhaps defining an ore zone, which may, of course, merit further exploration, he states.

Bell Molybdenum Mines Limited has authorized capital of 4,000,000 shares, no par, of which, prior to the first public offering, 1,274,980 shares were issued, including 750,000 for properties and 527,980 for cash or in reimbursement for expenditures at 10¢ p/s. Of the issued shares 750,000 have been escrowed, of which 731,250 are returnable in event the property should not be proceeded with.

Of the shares issued for properties 375,000 each were allotted to Mastodon-Highland Bell Mines Ltd. and Leitch Gold Mines Ltd. or to their respective nominees. The company sold 30,000 shares for cash at 10¢ p/s and issued 494,980 at 10¢ p/s, 247,490 to Mastodon and 247,490 to Leitch in reimbursement for \$49,498 in expenditures on the property. The 494,980 shares are subject to a pooling agreement for 90 days after completion of primary distribution of the first public share offering.

In addition to Mr. Springer, directors are F.E. Hall, vice-president, J.J. Crowhurst, P.Eng., R.E. Purvis, attorney, R.J. Springer, and J.D. Munroe, secretary-treasurer.

The prospectus relating to the first public share offering notes that of the 750,000 vendors' shares, 37,000 shares were issued to W.R. Bacon, P.Eng., exploration manager of Mastodon; 37,500 to E.R. Wozniak, prospector; 18,750 shares to Michael Labchuk, prospector and 18,750 shares to Uldis Anins, prospector.

CREE LAKE MINING LTD.

CORRECTION - In the GCNL No.87, Mar 4, 1967, page three the story on Cree Lake Mining Ltd. states that Welbay Securities Ltd. intended to underwrite 100,000 shares at 35¢ per share net. This information was given in the auditor's notes to the balance sheet and referred to an agreement which was later cancelled. Welbay did not underwrite the stock and does not intend to underwrite the stock since the broker-dealers license held by Welbay has been surrendered.

RECEIVED
3-5-67

George Cross News Letter

NO.86(1967)

"Reliable Reporting"

NO.86(1967)

MAY 3,1967

MAY 3,1967

WESTERN CANADIAN INVESTMENTS TRANS MOUNTAIN OIL PIPE LINE COMPANY

Quarter to March 31,	1967	1966
Operating Revenue	\$8,689,000	\$8,541,000
Investment Income	196,000	189,000
Total	\$8,885,000	\$8,730,000
Operating Expenses	989,000	1,001,000
Taxes(not income tax)	348,000	345,000
Interest Expense	637,000	736,000
Depreciation	1,302,000	1,263,000
Bond Retirement Loss	120,000	170,000
Total	\$3,396,000	\$3,515,000
Profit before taxes	\$5,489,000	\$5,215,000
Income Taxes	2,779,000	2,665,000
NET PROFIT	\$2,710,000	\$2,550,000
NET PER SHARE	36.0¢	33.8¢

E.C.Hurd, president, Trans Mountain Oil Pipe Line Company, states that deliveries during the quarter ended March 31, 1967, averaged 258,187 barrels per day, including 8,979 barrels per day of propane, 64% of the oil deliveries were made to refineries in the State of Washington and 36% to refineries in British Columbia. During the first quarter of 1966, oil deliveries averaged 241,208 barrels daily and the relationship between destinations was substantially the same.

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

Quarter to March 31,	1967	1966
Net Sales	\$26,594,200	\$23,963,500
Cost of goods sold	19,321,900	17,428,500
Depreciation, etc.	2,356,500	2,050,800
Selling & Admin Exp.	1,358,800	1,137,400
Interest Expense	399,100	440,200
Income Taxes	720,000	560,000
Add Other Income	242,900	59,200
NET INCOME	\$2,680,800	\$2,405,800
Net Per Share	67¢	69¢

The B.C. Forest Products Limited quarterly report states that the operations of Alexandra Forest Industries Ltd., acquired as a wholly owned subsidiary on Jan. 4, 1967, are progressing to a satisfactory level and the potential of this northern operation, located at Mackenzie, B.C., some 120 miles north of Prince George, should be realized in the near future.

COMINCO LTD.

ZINC PRICE - Cominco Ltd. has announced that effective May 2, 1967, their Canadian zinc price is reduced by 3/4¢ per pound to 13.75¢ per pound for Prime Western Zinc grade. Premiums remain unchanged for high grade and special high grade zinc at 0.60¢ and 1.00¢ per pound respectively. High grade zinc will now be 14.35¢ per pound and special high grade zinc will be 14.75¢ per pound.

FARGO OILS LTD.

FIRST QUARTER RESULTS - Fargo Oils Ltd. has reported the following results for the quarter ended March 31, 1967, with the results for the 1966 quarter following in brackets. Gross income \$871,792 (\$826,315); lease operating expenses \$195,142 (\$183,431) general and administrative expenses \$81,251 (\$71,194), depletion and depreciation \$192,461 (\$190,426), non-operating lease rentals \$55,592, (\$46,355), dry holes \$123,328 (\$10,377), leases surrendered \$7,365 (\$26,198), miscellaneous \$2,881, (\$452), interest \$74,127, (\$66,475), net profit \$139,645 (\$231,407).

The operating figures show oil and gas liquid sales in total barrels 373,555 (356,803) this is equal to -barrels per day 4,150 (3,964), natural gas in total thousands of cubic feet 825,843 (808,522) equal to thousands of cubic feet per day 9,175 (8,983).

BELL MOLYBDENUM MINES LIMITED

+ Brink, Hudson & Lefever Ltd. offered 700,000 shares at 80¢ per share

Bell Molybdenum Mines Limited is a recently incorporated B.C. company headed by Karl J. Springer which has an authorized capital of 4,000,000 shares of no par value of which 1,274,980 shares have been issued. Of these, 750,000 were issued to Mastodon Highland Bell and Leitch Gold Mines for the 140 claims in the Alice Arm area of B.C. close to the B.C. Molybdenum property and the Newmont Mines property. (See GCNL No. 19, Jan. 27, 1967, page three) Leitch and Mastodon have in addition purchased 30,000 shares at 10¢ per share and received 494,980 shares at 10¢ per share for work done. Exploration work prior to the incorporation of the company amounted to \$59,000. To provide the funds for the further exploration of the property, Brink, Hudson & Lefever Ltd. has underwritten 700,000 treasury shares at 70¢ per share to net the treasury \$470,000 with these shares to be sold to the public at 80¢ per share.

Work on the property has included, prospecting, reconnaissance and detailed soil sampling plus diamond drilling of 12 holes drilled at irregular intervals of several hundred feet mainly along the northern margin of a quartz monzonite stock that is almost completely covered by overburden. The holes ranged from 46 feet to 411 feet long and returned grades from 0.08% to 0.14% MoS₂.