

DIANA EXPLORATIONS LTD.

CORPORATE STRUCTURE

Inc.: B.C., 13Apr66; public, 3Mar67.
H.O.: 411-470 Granville, Vancouver 2.
Reg. Off.: 1250-505 Burrard, Vancouver 1.
Auditors: Wolrige, Mahon & Co.
T.A. & Reg.: Guaranty Trust Co.
Authorized Capital: 3,000,000 shs. 50¢ par.

Shares Issued:
 For Paco claims 122,500
 Issued shs. available for purchase of mineral claims 369,498
 For \$46,451 net cash 300,702
 Outstanding, 31Aug72 & 5Apr73 *792,700
 Offered, 5Apr73 160,000
 To be outstanding if all sold 952,700

*Incl. 491,998 escrowed, BCSC.
Financial Position: Work. Cap. deficit, 31Aug71 was \$31,874. In year to 31Aug72 the company issued 53,600 shs. for \$11,962 cash and received \$375 as advances by shareholders, total, \$12,337. Cash spent was \$8,499 and the increase of \$3,838 left deficit at \$10,036.

Public Share Offering: by prospectus, 5Apr73, registered B.C. Sec. Comm. 24May73, the company offers 160,000 shs. at 25¢ p/s subj. to 6 1/2% commission to net if all sold, \$30,000.

FUNDS SOUGHT TO FOLLOW-UP KNOWN MINERAL OCCURRENCES ON PRINCETON AREA PROSPECTS

Silver, lead, zinc and copper have been determined present by past exploration on the Amanda and Paco claim groups acquired in 1970 by Diana Explorations Ltd. The two groups are about one mile apart near the junction of Galena and Siwash creeks about 30 miles north of Princeton, B.C. These properties are about one mile almost due west of Brenda Mines.

The company plans to carry out a program recommended 27Sep71 by D.W. Tully, P.Eng.

In his conclusions, Mr. Tully says past work has shown zinc values of 400 parts per million (ppm) that are considered anomalous. Also, 6 significant zinc anomalies are evident on both the Paco and the Amanda-Amie groups. Lead values of 100 ppm and more were plotted and one possible lead anomaly was noted on Amanda claim No. 6. Copper results are not considered strong enough to be significant other than the fact that they correlate with anomalous zinc. He advises that geological mapping and magnetic surveying is warranted since lead-zinc mineralization is known to be associated with magnetite in a breccia-pipe zone on the adjoining Spa Mines property. Silver results

are not considered anomalous. He adds that 42,800 lineal feet of check geochemical soil sampling at 200 foot intervals is warranted. He recommends spending a total of \$27,427 on the Paco and Amanda groups to include additional geochemical sampling with profile soil samples at 400 foot intervals, as a check on transported fluvio-glacial material and geological mapping and magnetic surveying at 200 ft. intervals on the present survey control grid at 400 ft. line spacings, plus 1,000 feet of AX wireline diamond drilling to test any resultant geochemical and Mag. anomalies. He says the recommended work should delimit D.D. targets particularly in view of the strong results in zinc obtained so far. Anticipated \$30,000 in new funds is allocated by the company: \$23,350 for the program, \$5,000 for accounts payable and \$1,650 for general company purposes.

The Amanda group was acquired 5Feb70 and 17Aug70 from W.A. Later for \$2,725 and an agt. to pay him 15% of net smelter returns should production ensue. The Paco claims were staked for the company 27Aug70 for 120,000 shs. of which 62,500 were allocated to W.A. Later and 57,500 to Tulameen Motors Ltd., Princeton, who held 25% interest in certain of the claims.

Directors of Diana are T.W. Connell, pres.; J.A. Hanna, and P.D. Connell, sec'y.

FOR THE RECORD

Correction: An official of the B.C. Department of Mines & Petroleum Resources advises that, concerning amendments to the Mineral Act reported in GCNL 149(73), the increase from \$100 to \$200 in the required annual expenditure per mining claim does not become effective until 1Jan74. Also effective 1Jan74 is the \$20 annual rental charge per claim shown in the Table of Fees as payable in the second and subsequent year a claim is held. However, that is payable only if \$200 cash is paid in lieu of spending \$200 on the claim. If the \$200 is actually spent on the claim then the rental is dropped to \$10. Also, effective 1Jan74 the \$5 fee for recording work done will no longer be levied.

Giant Explorations Ltd. president L.P. Starck briefly reports that limited exploration programs have been conducted at Nahwitti Lake, Vancouver Island (where "an interesting new discovery of zinc and copper mineralization" has been found) and in the Nickel Syndicate area, Harrison Lake, B.C. He says the firm has continued to examine various properties in Canada and the U.S. Financing requirements are being reviewed. After receiving \$2,332 in 6 months to 31May73 and spending \$32,979, working capital was reduced to a deficit of \$6,245 at the period's end.

GOLDER, BRAWMER & ASSOCIATES LTD.

VANCOUVER FIRM AWARDED- U.S. ASSIGNMENTS Golder, Brawmer & Associates Limited president C.O. Brawmer reports that the Vancouver-based consulting geotechnical and mine stability engineering firm has recently become involved in several projects in the U.S. These include: a contract to evaluate slope stability, pit slope angles and groundwater for a proposed major coal mine in Wyoming for Atlantic Richfield Ltd.; engineering studies to assess stability of tailings dams at Deneen Mining Company in South Carolina and site investigation for the new headquarters complex for Johns-Mansville in Denver, Colorado.

B.C. COMPANIES ACT

NEW INCORPORATION: Secretariat Resources Limited-19Jul73, registered off. is 401-789 W. Pender St., Vancouver, and auth. cap. is 3,000,000 shs. of 50¢ par value each.

File DIANA EXPLORATIONS

AMBASSADOR MINES LTD.

MODEST PROGRAMS ON TWO PROPERTIES OUTLINED - The further engineering study currently underway on Copper Mt., Princeton area property of Ambassador Mines Ltd. is to be followed by a program of trenching says Mr. Williams, secretary. A bulldozer will strip anomalous areas and will also clean out and strip to greater depth, old trenches which were hand dug at the beginning of the century. These old trenches are at the property's northern end adjacent to Newmont Mining's Granby No. 1 claim, which in turn is adjacent to the Granby open pit mine. He says consultant J.H. Montgomery, Ph.D., P. Eng., reports that float pieces from the old trenches show considerable amounts of bornite. Results of this trenching will be correlated with those from the geochemical, magnetic and induced polarity surveys, already completed, with the aim of selecting diamond drill sites. The company expected to seek participation in the further development of this property.

Mr. Williams says that as a result of recent geochemical work on the property at Witch Lake, some 50 miles north of Fort St. James, B.C., Dr. Montgomery, reports that a copper anomalous zone showing zinc and molybdenum values was outlined. He has recommended further soil sampling on a more detailed grid and its extension by 1000 feet further to the south. Weather permitting, this work is expected to be completed by mid-December, says Mr. Williams, however, correlation of results with those of previous work is unlikely to be completed this calendar year.

NICKEL HILL MINES LTD.

RESULTS OF FIELD WORK ON COAL LICENSES REVIEWED - Nickel Hill Mines Ltd. reports that it spent some \$130,000 during this past field season, ended mid-September, on its coal properties in NE B.C.

In the Pink Mountain area, Nickel Hill holds 100 licenses which were organized into five groups - Pink Mountain, Spruce Mountain, Cypress Creek, Chicken Creek and Stone Groups. Exploration (from early June through mid-September) was centred on the Pink Mt., Spruce Mt. and Cypress Creek groups.

The work consisted of detailed geological mapping, extensive trenching and sampling. One diamond drill hole was put down to a depth of 207 ft. to obtain fresh unweathered samples. A total of 20 coal seams, with widths varying up to 25 ft., were located. Sampling of these seams, however, showed the coal to contain a high sulphur content, which would prohibit its use in industry at present. Sampling from the drill hole intersections showed that the sulphur content continued to depth. The company's consultants have tried a number of methods to eliminate or reduce the sulphur content but have not met with any success to date. Further tests will continue to be made.

The four week program in the Portage Mountain area, some 10 miles from the town of Hudson Hope, started in early August. It comprised reconnaissance mapping over half of the 43 sq. miles under these licences. Mapping was designed to define the favourable geological conditions for coal-bearing formations.

Coal does not outcrop at all on these licences, but a total of 17 seams were located on directly adjoining ground varying in thickness up to 5.0 ft. Records for nine samples obtained in previous programs show that no sulphur is contained in this coal.

The company's consultants are further evaluating results to determine which licences should be retained for future exploration. (For previous report on the properties, see GCNL 140, 21 Jul 71).

DIANA EXPLORATIONS LTD.

FURTHER WORK PLANNED FOR ANOMALIES ON PRINCETON CLAIMS - Thomas W. Connell, director of Diana Explorations Ltd., has reported that since the company was reactivated last year a program of line cutting and soil sampling has been carried out on the two properties located northeast of Princeton, B.C. Six sizeable and significant anomalies were found in the program with the high reading being 3,000 parts per million zinc. Donald W. Tully, P. Eng., consultant, shows in his report on the program that copper indications and anomalous results in lead coincide with the zinc anomalies. Three of the anomalies are in excess of one half mile long with a maximum width in one instance of 1400 feet. Mr. Tully also reported that, the area is in a favourable geological environment with known mineralization present.

Recent chip samples from the properties assayed 33.4 and 9.00 oz. silver per ton, 0.32% and 0.06% copper, 8.71% and 2.80% lead and 0.07% and 0.27% zinc.

The company plans to carry out the further exploration work recommended including additional sampling, magnetometer and mapping work prior to establishing drill targets. Proceeds from the current primary issue of 250,000 shs. at 25¢ each by a 15 Jun 71 prospectus, now in progress will be used for this purpose. (See GCNL No. 167 page 4, 27 Aug 71).

FOR THE RECORD

Altair Mining Corporation Ltd. has received an underwriting of 250,000 shares at 10¢ each from Carlisle, Douglas & Co. by an Oct. 29/71 agt.

Pace Industries Ltd. has received an underwriting of 100,000 shs. at 70¢ each from Jones, Gable & Company by a 2 Nov 71 agt.

B.C. COMPANIES ACT

NEW INCORPORATIONS:

Avalon Mines Ltd. - 1 Nov 71, registered office is 612-475 Howe St., Vancouver 1, and authorized capital is 75,000 common shares of no par value.

Challenger Exploration Ltd. - Oct. 25/71, registered office is 711-475 Howe St., Vancouver, and authorized capital is 3,000,000 shares of 50¢ par value.

Siuya Explorations Ltd. - Oct 26/71, registered office is 1840-777 Hornby St., Vancouver, and authorized capital is 100,000 no par value shares.

BRENDA MINES LTD.

NORANDA MINES LIMITED

NEW FINANCING AGREEMENT - Last week, Brenda Mines Ltd. announced that a new financing agreement had been entered with Noranda Mines Limited to bring the property into production. The only condition of the contract that prevents an immediate start on construction is the doubt about the continuation of the three year tax free period created by the Carter Commission recommendations.

Under the new financing agreement, if Noranda takes the property to production and exercises its share purchase options, then Noranda will own 1,900,000 of the 4,150,000 common shares of Brenda Mines Ltd. which will be outstanding. Under the original agreement, Noranda had the option to purchase 1,000,000 shares of Brenda Mines at \$8.00 per share with 100,000 of these shares to be purchased to provide funds to complete the feasibility study. When additional financing was required for the feasibility study, Noranda obtained an option on a further 100,000 shares at \$8.00 per share for a total 1,100,000 shares. To date, Noranda has purchased 160,000 shares of Brenda at \$8.00 per share from the company treasury. There remains 940,000 shares under option to Noranda Mines Limited.

The new part of the financing agreement is that Noranda has agreed to purchase an issue of Brenda Mines Ltd. income debentures in the amount of about \$20,000,000 when the property is taken to production and, as a bonus for purchasing these debentures, Noranda Mines is to receive a further 800,000 shares of Brenda Mines Ltd. at no cost. This would therefore bring Noranda's holdings to 1,900,000 shares or 45.8% of the total 4,150,000 shares to be issued.

The second change in the agreement is that, by the original agreement, Noranda was to buy the 1,000,000 shares of Brenda for cash to the treasury. Under the new agreement, Noranda will buy a debenture issue and have the right for 10 years to convert to the shares at \$8.00. That is Noranda has the right to either take its money back or convert to shares.

DIANA EXPLORATIONS LTD.

SEVERAL CLAIM GROUPS NEAR MERRITT, B.C. AND A SILVER GROUP IN COBALT, ONT. TO BE EXPLORED - Recently formed public company Diana Explorations Ltd. has acquired several groups of claims near Missezula Lake, 20 miles southeast

of Merritt, B.C., and a three claim silver property near Cobalt, Ont., both of which are to be explored with the proceeds of the company's first public offering of 300,000 shares at 25¢ per share. The share offering is being made by a March 21, 1967, prospectus which provides for a 25% selling commission and to net the treasury \$56,250.

A program of fracture density study, soil sampling, prospecting, and line cutting has been recommended for the Missezula Lake claim groups by A.C.A. Howe & Associates Ltd., consulting engineers. Recent prospecting on these properties has located some high grade copper showings where immediate followup work will be done.

In an August 24, 1966 report, the engineers recommended a \$20,520 program for the company's three claim silver-gold-lead claims in the Cobalt area and adjoining to the south of the Glen Lake Silver Mine. The engineer anticipates that further drilling of 10,000 feet at a cost of \$50,000 will be warranted to test areas of interest indicated in the program and also to explore the subsidiary fractures in the area of the flat vein and also on the boundary with Glen Lake Silver.

Sampling on one of the veins on the Diana property in Cobalt gave values of 1.64 oz. silver and 9.45% lead across two feet and 2.2 oz. silver and 17.24% lead across 1.5 feet. The initial three phases of exploration recommended for this Cobalt group, namely, line cutting, geological mapping and soil sampling survey have been completed and the next phase of diamond drilling will be carried out as soon as conditions permit. The same basic geology which has given rise to three producing mines on the Glen Lake property is believed to continue onto the Diana claims and this structure is now to be tested in detail.

Of the authorized capital of 3,000,000 shares of 50¢ par value, 401,998 shares were issued for property and 165,502 shares were sold for \$16,551. Vendors of the claims near Merritt, B.C. are: W.H. Muskeyn 164,000 shares, L. Stuckey, 163,999 shares, A. Edwards, 163,999 shares. Company's administrative offices are at, 207-470 Granville St., Vancouver 2, B.C.

