

File 93 (British Columbia)

822335

2. Submissions Industrial Minerals

iffie Rd.
C.
1963.

in B.C.

Kerr-Ad
319 U.
Vancouv

May 1963

Dear Sir:

I have several mineral claims on Mica Mountain, about eight miles South-West of Fort Grahame on the Findlay River, in the Rocky Mountain Trench. These claims cover the area formerly held by General Holdings Co. of Edmonton and Mr. Ravanal. In 1924 - 1926 General Holdings did a considerable amount of reconnaissance and some development work on a few of the Muscovite bearing pegmatites. They recovered only a few hundred pounds of block Mica near the surface because of a number of reasons (mainly water in the tunnel and the high cost of transportation). The water in the tunnel has long since drained and transportation has been drastically improved and will be improved further with the advent of the Peace River Dam which will enable large tonnages to be shipped by barge. In addition the price of Mica has gone up and I am anxious to get started on development work.

My plan is to start in a small way to mine the sheet Mica. Mica mining is especially favourable to small scale

822335

3920 Shorncliffe Rd.
Victoria, B.C.
April 16th, 1963.

Kerr-Addison Gold Mines Ltd.
319 U. K. Building
Vancouver, B.C.

Dear Sir:

I have several mineral claims on Mica Mountain, about eight miles South-West of Fort Grahame on the Findlay River, in the Rocky Mountain Trench. These claims cover the area formerly held by General Holdings Co. of Edmonton and Mr. Ravanal. In 1924 - 1926 General Holdings did a considerable amount of reconnaissance and some development work on a few of the Muscovite bearing pegmatites. They recovered only a few hundred pounds of block Mica near the surface because of a number of reasons (mainly water in the tunnel and the high cost of transportation). The water in the tunnel has long since drained and transportation has been drastically improved and will be improved further with the advent of the Peace River Dam which will enable large tonnages to be shipped by barge. In addition the price of Mica has gone up and I am anxious to get started on development work.

My plan is to start in a small way to mine the sheet Mica. Mica mining is especially favourable to small scale

operations as most of the work does not require expensive equipment. Unit value of Mica being high, solves the transportation problem. River transportation now will cost only 4¢ - 5¢ per pound to the John Hart Highway and the old horse pack trail, with some improvement, will accommodate small tractors from the Mine to the Findlay River. Since the present price of 6" x 8" sheets is \$8.00 per pound, it will not take many tons of trimmed sheets to put it on a paying basis and prepare for the second phase of the operation.

This second phase would be timed to start after the creation of the artificial lake in the Rocky Mountain Trench by the Peace River Dam. This would shorten the haul to water by half (about 4 miles) and provide cheap transportation for large tonnages to rail. This phase would be an expanded operation to include the utilization of waste sheets and the country rock (Mica Schist) for ground Mica. The Mica Schist contains about 90% flake Mica and the supply is inexhaustible. This phase would necessitate a mill and therefore a fairly large investment. However, I am certain a few years of sheet mining, and with good housekeeping, assets can be built up to finance this plan.

My immediate concern is the financing of the initial operation so as to get Government assistance in the reconstruction of the old pack trail, purchase tractors, other necessary equipment, supplies and operating funds. I have

tried the Industrial Development Bank. They seemed interested in the future financing of the final phase of the operation, but suggested that I finance the initial phase by equity participation.

The property has been inspected and favourably reported on by several Provincial and Dominion geologists in the following reports:

B.C. Minister of Mines Annual Reports

1925	--	page 145
1926	--	" 151 to 155
1927	--	" 161

Geological Summary Report

1927 A	--	page 32
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Second Annual Report, Mineral Resources of Alberta

1920	--	page 76
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If you are interested in one of the very few commercial deposits of an essential industrial mineral that is in very short supply on the North American Continent, I would suggest you read the above mentioned reports and communicate with me.

Thanking you, I remain

Yours truly



M. A. Paulson

WESTERN SILICA PRODUCTS LTD.

(N.P.L.)

942 CAMBIE ROAD
RICHMOND, B.C.

March 13, 1963

Wm. M. Sirola, Managing Director,
Kerr-Addison Gold Mines Limited,
#506, 409 Granville St.,
Vancouver, B. C.

Dear Sir:

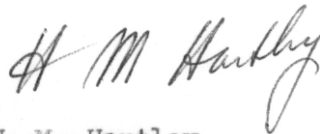
Western Silica Products Ltd. (N.P.L.) are the owners of certain high grade Silica Deposits and Mineral Claims in the Province of British Columbia.

The Directors of the Company are desirous of raising funds for the purpose of developing these claims and marketing its products.

Please consider the enclosed Brochure and bring its contents to the attention of your Associates.

We will be pleased to hear from you.

Yours very truly,



H. M. Hartley,

President.

WESTERN SILICA PRODUCTS LTD (N.P.L.)

1300 SOUTH WEST MARINE DRIVE,
(Registered Head Office)

Tel. No. 266-2351

VANCOUVER 14, B. C.

HISTORY.

CAPITAL STRUCTURE

PROPERTIES

MARKET REPORTS

HISTORY

The Company was originally incorporated as Western Canada Silicate Products Ltd. on March 12th, 1959, as a Specially Limited Company under the Companies Act of British Columbia, with registered offices in the City of Kamloops, B. C.

Subsequently, on April 3rd, 1959, the company name was changed to Western Silica Products Ltd. (Non-Personal Liability). Registered offices are at 1300 S. W. Marine Drive Vancouver, B. C.

A total of five million shares of common stock is authorized, of which 1,350,005 have been issued: 900,000 for properties and 450,005 for \$54,153.00 in cash. There are approximately 196 shareholders.

The general purpose of this company is to develop its silica deposits to produce merchantable silica and to process silica for various industrial and commercial purposes. The company has extensive claims of silica deposits in two separate areas of British Columbia.

Company activities to date have included exploration and testing, and the accumulation of market survey data. Expenditures on Industrial and Mineral Surveys to date have exceeded \$20,000.

BALANCE SHEET
(June 30, 1962)

ASSETS

CURRENT ASSETS

Cash on Hand and in Bank		725.46
MINERAL CLAIMS (at cost)		\$ 467,857.80
DEFERRED DEVELOPMENT EXPENSES		
Balance, June 30, 1961	\$ 31,624.73	
Additions during 1962	<u>3,062.51</u>	
		34,687.24

PRELIMINARY EXPENSES

Commissions on share sales	9,152.50	
Incorporation costs	<u>3,305.00</u>	
		12,457.50
		<u>\$515,728.00</u>

LIABILITIES and SHARE CAPITAL

CURRENT LIABILITIES

Current instalment on long term debts		1,200.00
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LONG TERM LIABILITIES

Payment on mineral claims monthly instalment of \$100.00	6,950.00	
Deduct Payments due in next year	<u>1,200.00</u>	
	\$ 5,750.00	
Balance due on mineral claims payable out of first profits of the company from operations	<u>4,000.00</u>	9,750.00

OTHER LIABILITIES

To be extinguished by the issue of 5,000 common shares at 12½ cents		625.00
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SHARE CAPITAL

Authorized		
5,000,000 shares of no par value		
issued		
1,350,005 shares issued as fully paid		<u>504,153.00</u>
		<u>\$ 515,728.00</u>

Of a total of 5,000,000 common shares without nominal or par value a total of ~~1,350,005~~ 1,350,005 shares have been issued, 900,000 for the Longworth property (Ceader Claims One to Twelve). One share has been issued to each director, and 450,000 issued by public subscription at a price of 12.5¢ per share.

PROPERTIES

The company has acquired and is the registered owner of the following properties:

1. Seventeen claims known as the Cedar Group, located about four and one half miles north and east of Longworth Station on the Canadian National Railway. This is a major deposit of silica, with at least an estimated 100,000,000 tons in the ore body available.

Claims one to twelve were registered March 26, 1959, and have been registered each succeeding year. Expiry date of the present certificate of work is March 26, 1964

Claims fourteen to eighteen were registered July 17, 1961. Expiry date is July 17, 1963.

2. Eight claims known as the Marble Group, located near Marble Point on Shuswap Lake. Approximately 4,000,000 tons are in sight in this deposit.

The claims (one to eight) were registered February 2, 1959 and each succeeding year. Present expiry date is February 2, 1964.

PLANS FOR DEVELOPMENT

The company has consistently checked the market for silica, both as to bulk users and small quantity users (commercial and retail) and construction users. These markets have shown a steady growth and a capacity for expansion in such items as building block, residential use for driveways and walks, sand blasting etc.

The construction and building market during the past five years has shown a net increase of approximately 12 per cent per year. The price of construction or commercial silica as differing from large bulk users such as melting or glass making ranges from \$25.00 to \$30.00 per ton and more if bagged in smaller quantities.

Bulk users in lower Mainland	42,000 tons
Vancouver area (commercial)	15,000 tons
Bulk users in Alberta	150,000 tons
Edmonton, Calgary area (commercial)	10,000 tons

Bulk buyers and commercial users have advised that the quality of the samples are acceptable and equal to or better than the standard silica they are at present buying. Most of this silica is imported by rail or truck. Prospective buyers have stated they are prepared to give advance orders provided the company gives proof of their intentions, to developing production and can show a minimum stock pile to draw from in order to thoroughly test the product with adequate tonages.

It has been decided that with market conditions looking favourable and growing, preliminary development should be started sufficient to stock pile about 200 tons, crushed, at Vancouver. in the first instance. This development will require a capital outlay as follows;

Road building, site preparation	
and loading	\$ 9,700
Labor	4,000
Loading at siding, freight	
crushing, storage and delivery	7,000
	<u>20,700</u>
In addition overhead expenses	
such as legal fees, annual claim	
retention fees are required	4,200
Geological determination, mapping	
analysis and estimates	<u>2,000</u>
	\$26,900
Reserve for unknown factors	8,100
	<u>35,000</u>

As a rough estimate, the total capital cost when in full operation would be approximately \$400,000. provided all equipment required was purchased. The development is however based upon a minimum production of 50,000 tons per annum which may take less than a year of operating time. It would appear to be more desirable to rent or lease the necessary equipment during the first year or two of operation reducing the capital

cost appreciably. A better insight as to the capital and yearly operation costs will be available from the report of the consulting mining engineer's examination in 1963.

The geological work and report should precede any other development decisions. No part of the estimated total required for the initial development is to be spent on salarys or disbursements other than detailed here.

PRO FORMA PROFIT & LOSS STATEMENT

		%
Sales	55,000 tons	
		\$359,000
		100.00
Operating Costs:		
Milling & Loading	\$137,500	
Haulage	55,000	
Mining	27,500	
Loading	13,750	
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		233,750
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Gross Profit		65.1
Management		
	\$125,250	34.9
	25,000	7.0
		<hr/>
Depreciation*		
	\$100,250	27.9
	25,950	7.2
		<hr/>
Net Profit before Income Tax		20.7
	\$ 74,300	

% Net Profit (before Income Taxes) on 450,000 investment**16.5%

* 10% on buildings of \$75,000.00 and 20% on equipment of \$236,000.00, averaged first ten years.

** Present cash investment of \$54,000.00 plus estimated capital investment required of approximately \$400,000.