

DUSTY MAC MINES LTD.

823918

Current price: 30¢ - 40¢

1970 price range: 20¢ - 82¢

CAPITALIZATION

Authorized

Outstanding

Common shares

5,000,000 shs.

1,850,005 shs.

LISTED: Vancouver Stock Exchange (DUS)

COMPANY: Dusty Mac have two properties. They have retained over 20 claims out of 100 claims in the northern Highland Valley area which will be kept in good standing for a possible later program. The second and most significant asset is its Okanagan Falls silver property, located in the southern interior of British Columbia.

Prior to November, 1969, the company spent in excess of \$150,000 on its Okanagan Falls property in exploration and development work. This included 23 diamond drill holes to depths of 100 feet or less, one diamond drill hole to 500 feet, and 101 percussion drill holes to depths of 50 - 80 feet. A 180 foot tunnel with two raises was also completed. In addition over 7,000 feet of bulldozing trenching was undertaken in 14 trenches and 1,486 feet of rock trenching was completed with 300 tons of rock being removed for sampling purposes. One bulk sample of approximately 80 tons netted the company approximately \$63 per ton after freight charges of \$13 per ton and other additional costs.

In assessing this initial work the company's consultants advised that the property warranted further extensive exploration. Indicated tonnage of ore after this program was placed at 67,000 tons averaging .23 ounces of gold per ton and 4.97 ounces of silver per ton or 127,000 tons of lower grade ore.

OPTION AGREEMENT WITH NORANDA EXPLORATION CO. LTD.: In response to the recommendations of the company's consultant the directors of Dusty Mac decided to turn to a "major" mining company for outside financial assistance. An agreement was subsequently reached with Noranda Explorations which provides that Noranda in order to maintain its option, must spend certain minimum amounts on exploration and development. These are shown below:

- (a) Prior to December 31, 1970 - \$60,000.00
- (b) Between January 1, 1971 and December 31, 1971 - \$100,000.00
- (c) Between January 1, 1972 and December 31, 1972 - \$100,000.00

NORANDA'S EXPLORATION PROGRAM: Noranda commenced its on-site work on the claims in January, 1970 and continued to the end of April by which time they had completed 43 drill holes for a total footage of 7,645 feet. Noranda then suspended drilling in order to do geochemical and geophysical work on the property. This work revealed two high grade silver showings on the property,

and Noranda have now advised the company that they intend to diamond drill these areas with work expected to commence momentarily.

To date Noranda have expended far in excess of the amount called for in the agreement, although the exact amount is not known due to the work still being in progress.

OPINION: It seems fairly obvious that Noranda's attitude towards the property, after having spent seven months on the property with still further drilling assured must be taken as a very encouraging sign. Dusty Mac still have \$165,000 in the company treasury.

JULY 23/70