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June 2, 1971

DOLLY VARDEN - THE GREATEST ANOMALY

- . The largest known reserve of primary silver ore in the world.
- . Strong indications of the richest undeveloped potentials in B.C.
- . The most highly developed, feasible, unfinanced mine in Canada.
- . The most underpriced mining stock in North America.

Incredible, but apparently true! Each of the above points is a fair description of Dolly Varden Mines Ltd. Let's consider the facts.

Over \$3,000,000 has been spent during the past eleven years bringing Dolly Varden to its present stage of development, where it now has outlined 1,702,000 tons of silver-lead-zinc-cadmium ore at its sole property near tidewater at Alice Arm, British Columbia. \$4,900,000 is required to build a 700-ton per day mill and all other related facilities to bring the mines into production. Projected profits after taxes and all costs average \$1,700,000 per year over the 7-year life of the presently outlined ore. But that is only the beginning!

The further potential of the property almost boggles the imagination. Listed below are areas of potential profits, which could multiply the above projection many times over. There is concrete evidence suggesting that every one of these areas will in fact become a source of profit, and not one of them has been properly tested yet.

Additional Potentials (in random order)

1. Copper and silver on the Surprise claim (assays 18 oz Ag, 6.7% Cu, with corresponding S.P. and copper and moly geochem anomalies).
2. High grade silver 200 feet below present Wolf ore (assays 40 & 50 oz).
3. Silver in the Musketeer vein (assays up to 25 oz).
4. Silver in the Kitsol and V veins (assays up to 67 oz).
5. Extension of ore in the Dolly Varden vein another 1,500 feet (this might be an extension of the Red Point).
6. Copper at depth in the Dolly Varden, North Star and Torbrit veins (chalcopyrite is visible already).
7. Higher grade lead and zinc at depth in the Dolly Varden, North Star and Torbrit.
8. Copper and molybdenum on the Copper Belt (copper outcrops and geochem anomalies of both over an area 2 miles long).
9. Barite in all veins (some contain up to 30% barite).

J.H.S.	<input checked="" type="checkbox"/>
F.M.K.	<input checked="" type="checkbox"/>
G.M.H.	<input checked="" type="checkbox"/>
R.D.S.	<input type="checkbox"/>
B.C.B.	<input type="checkbox"/>
I.D.B.	<input type="checkbox"/>
M.D.R.	<input type="checkbox"/>
J.H.F.	<input type="checkbox"/>
E.C.I.	<input checked="" type="checkbox"/>

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KERR ADDISON MINES LTD.

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Note: Because the Wolf, Musketeer, Kitsol, V, North Star, Torbrit, and Dolly Varden veins now appear to be a series of three parallel vein systems faulted in various directions, it is likely that most of them will be extended considerably once mining starts and facilitates further underground exploration.

In addition to the above nine areas, if the price of silver should increase by another 50¢ an ounce, as many believe is inevitable, operating profits will increase by over \$1,000,000 annually. The U.S. Treasury announced early last year that it would cease selling silver in November. This resulted in virtually every metals dealer, fabricator, consumer and speculator throughout the world loading-up on as much silver as their finances would allow. In the six months since that time, very few buyers have had to come to the market place and consequently the price has remained soft, at around \$1.70 an ounce. This surplus hoard "above ground" will be consumed within a few more months, and the law of supply and demand will come back into play, when theoretically, a price of about \$3.00 would be required to bring about a balance. (This alone would double Dolly Varden's operating profit.) All economic projections indicate that the world consumption of silver will continue to outstrip production by more than 100,000,000 ounces per year, ensuing a healthy price well into the future.

Last year, General Manager George Aaltonen decided that Chief Geologist Marvin Mitchell and a small crew should explore the Copper Belt, which lies adjacent to the silver mines. It produced geochemical anomalies of both copper and molybdenum spread out over an area two miles long by 1,500 feet wide. No sooner had this discovery been made, when the price of copper dropped from 80¢ to 50¢ and consequently major mining companies lost all interest in acquiring new copper prospects.

As a result of the work on the Copper Belt, where several outcrops of copper averaging 0.95% were sampled (along with minor amounts of gold and silver), a high grade silver outcrop was discovered (named the V vein), which may be an extension of the Kitsol and Musketeer veins.

This summer's program which is now underway, will gather further evidence concerning the previously mentioned nine occurrences. It is felt that each one of these possibilities has a better than 50-50 chance of success; any one of them could add substantially to the profit picture. The outlook is exciting to say the least, and the possibilities are staggering.

Why is Dolly Varden stock, which is listed on the Vancouver Stock Exchange, selling below 50¢ a share? The history of the company since its formation in 1960 has been checkered with a series of unlucky events, which are now past history and have no bearing on the property today. What then, is holding Dolly Varden back? Nothing! Most of the geological information has only been pieced together during the past year; for example, a 500,000-ton increase in ore reserves was discovered just last month. The Company is now seeking the \$4,900,000 required to bring the property into production. There is little doubt that we will soon see one of Canada's most exciting and successful mining operations underway at Alice Arm, B.C.