825961 May 14/81

East Coast III Group, a
-formed consortium of Pan-
an Petroleum, Norcen Ener-
Roxy Petroleum (ASE), will
offshore Labrador and New-
and. PanCanadian is project
of the group and will share
sition of operator with Nor-
en acreage is acquired.

* * *

water Oil and Gas has com-
the Minnelusa oil discovery
ok County, Wyoming, pump-
bbl. of oil and 161. bbl. of
per day. An offset well is being
leted after recovering 5,000 ft.
during a one-hour drill stem
the 7,040 to 7,060-ft. interval.
other Wyoming exploration
the second well in a series of
as been spudded. The play will
re the Leo sand trend in Wes-
nd Niobrara Counties, Wyo-
and Fall River county, South
ta. Bluewater will own a 30%
ing interest after payout in the
sites and in 5,368 surrounding

* * *

nEnergy Resources (ASE) has
a preliminary prospectus for
ale of 2,000 units (at $10,000
consisting of Class A common
s, warrants and the right to earn
C common shares. Of the total
million in proceeds, half will be
on a new Canadian explora-
program to be completed in late
. involving nine other compa-
GenEnergy retains a first right
cquire up to a 65% interest in
drilling prospect.
he remaining $10 million will be
on development of the com-
's current Canadian program,
un last year in conjunction with
n other companies, as well as
U.S. exploration. The Canadian
gram has resulted in 11 produc-
or indicated oil wells and 14 gas
ls. Additional drilling is sched-
l for this year.

* * *

rapper Resources (ASE) is plan-
g to increase its asset and explo-
on base with base with the acqui-
on of Pivot Petroleums, a pri-
ely-owned Alberta company.
ot currently holds oil and gas
erests in western Canada and the
. Negotiations between the two
npanies are under way and any
eements reached will be subject
shareholder approval.

* * *

Delta Petroleum (ASE) has can-
led an underwriting of 700,000
ares due to poor stock market
nditions. The company reports
t the current slump prevented the
ares from maintaining the price
iginally agreed upon. Delta says it
y go ahead with an underwriting
en the market picks up.

* * *

potential 3-zone oil well, and the fourth is being completed as a potential gas well.

* * *

A diamond drill program is planned for the coming summer on the Thompson Island gold-silver prospect in northern Saskatchewan, held by **Kintla Explorations** (ASE) 20% as operator, **Rupertsland Resources** (ASE) and the **Saskatchewan Mining Dev. Corp.** 50%. Although the partial assay results available on last year's drilling program are encouraging, the partners advise it is too early to determine commercial value of the gold and silver deposits.

* * *

Following completion of a recent rights offering, **Tiverton Petroleums** (ASE) has acquired a 40% working interest in about 14,500 gross acres located mainly in Kansas, Wyoming and North Dakota. Tiverton plans to drill at least 20 prospects on the acerage during 1981. An initial well has gone on production at a rate of 40 bbl. oil per day, while a second well in the program has been cased.

* * *

Assay results have been encouraging on the first three drill holes completed on the Briscoe gold prospect in northeastern Ontario. The property is jointly owned by **Windjammer Power** and **Yvanex Developments,** both ASE listings.

* * *

Detailed geological, geochemical and geophysical surveys being carried out this summer on **Stargazer Resources'** (VSE) gold prospect northwest of Thunder Bay, Ont., may lead to a diamond drilling program later this year. An airborne geophysical survey completed in February shows favorable results, the company reports.

* * *

Southern Tier Gas Producers (ASE) has amalgamated with **Red Leaf Oil** under the Southern Tier name.

* * *

Kelvin Energy (ASE) has accepted a previously-reported offer of $2,948,000 as payment for the sale to **S.E.R.U. (Canada)** of Kelvin's interests in the Dawn Lake, Waterbury Lake and McArthur River uranium joint ventures in Northern Saskatchewan.

Fording coal sale to Taiwan company tops $230 million

CALGARY — Fording Coal Ltd. of Calgary has signed a long-term agreement with the China Steel Corp. of Taiwan for the supply of 350,000 tonnes of high volatile coking coal annually over a period of 10 years. It's Fording's first long-term

Report from Vancouver

Cinola proves surface (

By David Duval

Consolidated Cinola Mines President Kenneth G. Sanders told shareholders at the annual meeting that the company is encouraged by initial results from the pilot program on the Queen Charlotte gold deposit. He said the adit, now being driven in ore grade material, is definitely confirming surface diamond drill results. He added that the pilot mill tune up period is virtually completed.

The adit, designed to provide metallurgical research material and to verify grade and composition, was driven into a cliff face several hundred feet south of the deposit. The mining contract calls for a lateral heading totalling 550 metres in length.

To date, approximately 190 m or 30% of the adit has been driven. As planned, the first 93 m were driven in lower than cut-off grade material. The next 60 m were driven in low grade mill feed which has been used during the preliminary mill tune up period. The last 26 m for which assays have been received is grading better than the average calculated grade for the deposit of 0.054 oz. gold per ton. The assays averaged 0.087 oz. gold per ton over this length, and some visible gold was encountered in this section.

Mr. Sanders noted than an added bonus has been the silver content of the material. Silver assays are now being regularly processed and to date the silver content averages better than one to one with the gold content.

Mr. Sanders said the 50-ton-per-day pilot mill has been producing a gold concentrate for several weeks. The concentrate is expected to be processed through the remainder of the milling circuit in the near future for final gold extraction. Once a significant amount of concentrate has been run through the entire circuit the company expects to report a meaningful recovery figure.

The pilot program will be running through to mid-fall. Final feasibility studies and project financing arrangements are being undertaken in conjunction with the pilot mill program.

* * *

Joy Industries President Clarence Conn reports that the company, through its wholly-owned U.S. subsidiary **Techperlco,** has successfully completed the drilling of its first five wells in Montgomery County, Kansas.

"The wells are located on the 720-acre Prim Property," said Mr.

on its major plays in Kans
Pennsylvania, the Okanagan-
exploration company is invol
a 5,000-acre play, and a 9,00
play in the East Bloomfiel
Field area of Ontario County
York.

* * *

Bounty Resources, reports
entered into an agreement t
out half of its approximately
acre oil and gas lease inter
Adair and Cumberland Co
Kentucky. The farmee, a p
individual engaged in the dri
oil and gas wells in the are
earn interest in the Boun
sources' holdings by drilling
imum of 125 wells on 10-acr
ing per well on alternate drilli
in the lease blocks. The farm
retain 100% of the working i
per site, until his drilling an
pletion costs have been rec
Then Bounty will receive 25%
working interest.
According to the terms
agreement, the farmee mu
two wells within six months fr
time of the signing of the agr
and one additional well ev
months thereafter to earn i
interest in the Baker-Ra
Lease. The farmee will shar
mation from its drilling ac
with Bounty Resources, sa
nard Fitch, president.
In another aspect of th
pany's oil and gas activiti
Fitch reported that the Texa
No. 1 Well, drilled to the
Chalk formation at a depth
ft. in Frio County, Texas, h
acidized and swabbing a
have been completed. The w
of the Magna Texas No. 2
program, has been determin
a commercial oil well. Pro
figures are expected shortly
Bounty owns 10% workir
est in the $10 million Texas
No. 2 program. The progr
result in the drilling of up to
on leases totalling 12,585
Texas.

* * *

Great Western Petroleur
a new independent Va
based petroleum and miner
ration company and its
Prism Resources (VSE),
tional Petroleum (VSE), a
Berry Canada, have agreed
into an offshore drilling v
the Bay of Biscay, Spain. T
agreed to pay 8% of the cos
ing two exploratory wells i
acquire 4% working in
245,300 acres in the shallo

McAdam-Muscocho

From Page A1

Mr. McAdam is still optimistic about the potential for asbestos — especially in the third world, where it is still a relatively cheap binding agent for construction materials.

Turning to **Muscocho Exploration,** where Mr. Flanagan is president and Mr. McAdam vice-president, both men were emphatic that this will be a mine at current gold prices. If the Montauban area, Quebec, project gets the go-ahead soon from Soquem, which is the operator, it could conceivably be in production by the end of the year, explains Mr. Flanagan.

Right now operations have stopped while all of the drilling, metallurgical, transportation and other development information is fed into a computer. Once accumulated, this information can be juggled around to come up with optimum mining rates and methods. It is expected that the computerization could be finished by the end of July.

Mr. Flanagan adds that grades have been pretty consistent in the 0.23 oz. gold per ton area. Some of the development muck ran lower because it was essentially from areas outside the ore zone. "This may have been behind the recent speculation in Montreal newspapers," he mused.

The underground workings are pretty well ready for production with the 1,400-ft. 10° ramp completed and cross-cuts driven into the North gold zone on three levels. Some drifting and raising has also been done on each level.

Metals accounted for approximately 30% of total mineral value produced in Canada in 1980; non-metals for 7.7%, structural materials for about 5.2% and coal for some 3%.

Stralak

From Page A1

the new zone has traced it for a considerable length.

Stralak, whose treasury stands at about $150,000 at the moment, has been able to arrange new funds totalling $400,000 as a result of the new find, and an accelerated program which will include drilling is being mounted.

Between Mar. 14 and Apr. 14 the company was able to complete 1,500 ft. of drilling on previously known targets. Five holes were drilled on the so-called "West zone," the best section being 5.52% zinc and 3.35 oz. silver over 10.2 ft.

Drilling to the East zone, where previous operators had outlined 363,680 tons of lead-zinc-copper-silver material to depth of 157 ft., was cut short by the break-up.

The new finds lie at right angles to previously known targets and field men who have seen them describe them as potentially important.

Gold in B.C.

From Page A1

workings has been completed and diamond drilling has already commenced, says W. S. Gilmour, Aquarius secretary.

Another major B.C. gold project, of course, is the **Consolidated Cinola Mines — Energy Reserves Canada** joint venture now under full development on the Queen Charlotte Islands, 400 miles north of Vancouver. Present indications are that this large low grade deposit will be able to support a 10,000-ton-per-day open pit operation, at an estimated cost of some $170 million.

Lower capital spending and weakness in the automobile and housing industries in 1980 were reflected in the softening of many mineral prices toward the end of the year.

Teck's Highmc

From Page A1

approximately 200 km northeast of Vancouver, consists of seven mineralized zones. Two of these zones, a west and east pit, are being developed on the western slopes of Gnawed Mountain at elevations ranging from 5,200 to 5,700 ft.

The west pit is forecast to contain some 23 million tons of 0.25% copper and 0.079 % MoS_2 at a 0.20% Cu equivalent cutoff and a strip ratio of 2.0 to 1.0. The east pit is projected to contain about 110 million tons of 0.26% copper and 0.038% MoS_2 at a 0.20% copper equivalent cutoff at a strip ratio of 1.0 to 1.0. In addition, a third zone on Gnawed Mountain has a potential reserve of 48 million tons averaging 0.27% Cu and 0.04% MoS_2. These reserves were compiled through a total of 98,000 ft. of core drilling. Eventually, the west pit will measure 2,000 x 1,400 x 300 ft. deep and the east pit will measure 3,200 x 1,500 x 330 ft. deep at stage 1.

The official announcement that the project would proceed was made on Apr. 24, 1979. Site preparation began on May 10 by Dawson Construction. Commonwealth Construction, the main contractor, working in conjunction with Wright Engineers completed the plant construction on Mar. 4, 1981. Pre-production mining of the open pit area began on June 2, 1980, and as of March, 1981, a total of nine million tons of waste rock, low grade ore, and high grade ore has been mined. The over-all open pit mining rate is roughly 76,000 tons per day to sustain 25,000 tons of ore per day to the concentrator. Run-of-mine ore is delivered to a 54 x 74-in. 600 hp gyratory crusher at a rate of 24,000 tons/hour that was completed December, 1980.

Construction was finished on the first circuit in the concentrator in December, 1980, and March, 1981, for the second circuit. The feed ratio is automatically controlled to maintain a set h.p. with water addition proportioned automatically. Water supply for the project is obtained from three wells in the eastern part of the Highland Valley. The wells have been completed, and the fresh-water pipeline, as well as the reclaim water pipelines were in full operation by November, 1980.

Highmont utilizes bulk rougher/scavenger flotation cells with a total storage capacity of 98,000 U.S.G. which is sufficient to sustain operations for 30 hours. The bulk concentrate is then pumped to the molybdenum separation circuit and subjected to 10 stages of cleaning. The entire flotation/separation circuits were completed by December, 1980, and are able to process 12,500 U.S.G.P.M.

Tailings totally enclosed

The tailing disposal system is

Properties: (1) Zinc-copper pros, 33 pat cls, Flin Flon area, Sask-Man border. Hudson Bay Mining & Smelting Co has option on 80% int in prop & explor same underground from own adj workings; 1979, drift driven on 1,690-ft level. (2) Uranium pros, 16 pat cls & 1 leased cl, Twp 149, Elliot Lake area, N Ont; Kerr-McGee dropped option on prop in 1976; inactive.

Finances: Feb 23, 1981, curr assets $115,255, incl invests at mkt val $96,500; curr liabs $1,750.

CONS CANADIAN FARADAY LIMITED (TSE)

EX.O.: 1010, 85 Richmond St W, Toronto M5H 2G1. M.O.: Werner Lake, Ont. DIR & OFF: W. C. Campbell, chm; J. C. Lamacraft, pres; C. C. Coolican, exec v p; M. P. Connell, J. Loeb, H. A. Masson, R. D. H. Thorburn; dirs. W. M. O'Shaughnessy, sec-treas. INC: 1949, Ont chart. CAP: Auth, 5,000,000 shs, iss 3,568,800. TR AG: Guaranty Trust, Toronto; Bank of Montreal Trust Co, New York. May 1967, name changed from The Canadian Faraday Corp L, sh for sh & acq Metal ML, 1 new sh for 2 old & Augustus Explor L, 1 new sh for 5 old. Dec 1963, name changed from Faraday Uranium ML, 2 new shs for 5 old.

Major Shareholder: May 1981, International Mogul Mines L holds 1,106,743 shs (31%).

Interests: (1) Werner Lake, former nickel-copper prod, 128 pat cls, Gordon Lake, 55 mi NW of Kenora, NW Ont. Two 3-compart shafts & winze, No. 1 shaft to 360 ft with level at 300 ft. No. 2 shaft 2,700 ft W of No. 1 to 1,700 ft, 11 levels. Both shafts connected at 300-ft horizon; 450-ft winze, 800 ft N of No. 2 shaft from 1,200 to 1,650 ft, 3 levels.

700 ton per day mill began milling stockpiled ore Sept 20, 1962; expansion to 1,200 tons per day completed June 1969 to treat ore from Dumbarton ML prop Oct 1969. Prod at Werner Lake ceased Sept 7, 1972. Prod at Dumbarton ceased Dec 1974.

(2) Holds 49% dir int in opers of Madawaska mine through formation of Madawaska Mines L — Cons Canadian Faraday Jt Vent; Madawaska Mines L owns remaining 51% (wholly owned subsid of Federal Resources Corp).

(3) Holds 25% int in Conwest Group's int in various explor programs, of which major one is Canadian Uranium Jt Vent with Eldorado Nuclear L, on 291,000 ac on edge of Athabasca Basin, Sask, & 106,500 ac in Que; co has 25% of group's 12.5% oper int & 3% gross prod rylty in ac.

(4) Holds 11.01% int in 18 sections of prod natural gas ac, Redcliffe area, Alta; incl 66 prod shallow gas wells; additional 10 wells drilled in 1980.

(5) Holds 24% int in Hydra Explorations L. (6) Holds 3.6% int in Pelly River Mines L, through its holdings in Rose Creek Vangorda Mines L (Pelly River controlled by Cyprus Anvil Mining Corp).

(7) Holds 38% int in Prairie Potash Mines L.

(8) Held 51-unit apartment complex in Fort Myers, Florida, which sold June 1980 for net $1,228,000.

Earnings: In yr to Dec 31, 1980, revenue $14,390,000; costs & exp $12,230,000; equity int $31,000; inc taxes $1,380,000; inc from discont'd opers $647,000 inc tax reduction $629,000. Net earnings $2,087,000 or 58¢ per sh. Co's share of uranium sales $12,426,000.

Finances: Dec 31, 1980, curr assets $10,224,000; curr liabs $1,353,000. Mar 31, 1980, working cap $10,376,000. In quar to Mar 31, 1981, net income $1,394,000 or 39¢ per sh ($1,708,000 or 48¢ per sh in 1980 quar). Working capital Mar 31, 1981, $10,376,000.

CONS CANORAMA EXPLORATIONS L — Ont chart cancelled Feb 1980. Inc 1944.

CONS CHURCHILL COPPER CORP LTD — All outstanding shs purchased by Amalgamated Brameda-Yukon L (wholly owned subsid of Teck Corp), Sept 1979, at $2 per sh. Subsequently, Churchill purchased assets of Lamaque Mining Co L (wholly owned by Teck Corp), & Dec 1979, name changed to Lamaque Mining Co 1964 Ltd. (wholly owned subsid of Amalgamated Brameda-Yukon L).

CONS CINOLA MINES LTD (VSE) — 402, 595 Howe St, Vancouver. V6C 2T5. M.O.: P.O. Box 128, Port Clemens, BC. A. Tosi, chm; K. G. Sanders, pres; N. Peterson, sec; W. R. Green; dirs; R. Calabrigo, v p; G. Sanders, v p. Inc: 1962, BC chart. Cap: 5,000,000 shs; iss 4,371,426 (174,566 escrowed). Tr Ag: Crown Trust, Vancouver. Jan 1973, name changed from Cinola Mines L, 1 new sh for 2 old shs.

WARRANTS: 500,000 shs may be purch at $1.35 per sh to Jan 3, 1982.

LONG TERM DEBT: Energy Reserves Canada L financing co's sh of jt vent expenses at prime rate plus 1%, repayable from co's sh of prod profits. Dec 31, 1980, Cons Cinola owed $430,638.

Property: Gold pros, 52 cls, Graham Isl, Queen Charlotte Isls, Skeena div, BC; explor & d d by prev ints; 1977, d d 3,000 ft in 15 holes; 1978, metallurgical tests & d d 1,227 m in 8 holes; encountered a high grade section from 152 m to 176 m deep aver 0.85 oz gold per ton over 24 m; 1979, jt vent with Energy Reserves Canada L, which can earn 50% int by expend $5,000,000 on explor & dev & preliminary feasibility study, based on open pit mineable res est 35,700,000 tons aver 0.055 oz gold per ton & milling oper 10,000 tpd; explor incl d d to confirm & define apparent high gr zone.

In 1980, jt vent expend over $5,200,000 on underground sampling & construction of 50 tpd pilot mill, begun 3rd quarter. To yr end 1980, Energy Reserves expend $5,800,000 to earn 50% int. Plans final feasibility study mid 1981 with prod decision late 1981. Late 1980, Cinola Operating Co L formed to manage project (Cons Cinola holds 66.67%).

Reserves: Dev d indic 43,365,000 tons aver 0.054 oz gold per ton.

Finances: Dec 31, 1980, curr assets $809,986, incl cash $730,363; curr liabs $100,888.

CONS CITEX RESOURCES INC — BC chart cancelled Dec 1978. Inc 1966. Revived June 1979, & name changed to Pacific Foam Form Inc, July 1979, 1 new sh for 5 old shs. Latter is not engaged in mg.

CONS COPPER-LODE DEVELOPMENTS INC (TSE:MSE) — 1001, 55 Yonge St, Toronto. S. E. Malouf, pres; J. T. Tokarsky, sec-treas; T. R. Heale, W. J. Sutton, M. Younan; dirs. Inc: 1964, Ont chart. Cap: 7,000,000 com shs, 2,000,000 pref shs, 1/10¢; iss 4,254,550 (52,667 escrowed) com shs, 500,000 pref shs. Tr Ag: Crown Trust, Toronto, Montreal. Auth cap incr Dec 1980, from 5,000,000 com shs. Name changed June 1977, from Copper-Lode ML, 1 new sh for 10 old shs.

Major Shareholders: May 1981, S. E. Malouf held 500,000 pref shs. Campbell Resources Inc held 150,000 com shs with wts to purchase additional 737,000 shs.

Properties: (1) Copper-zinc-silver pros, 32 cls (Groups A & E), & 12 cls adj Group A, Belanger twp, Uchi Lake area, NW Ont; airborne & ground geophys surveys & 83,208 ft d d; on A Group (12 cls) indic 236,400 tons aver 1.94% copper, 1.22 oz silver per ton; 1977, geophys work, d d on A Group; E Group (20 cls) acq by Selco M'g Corp for expend in excess of $50,000 in explor; co to receive 7½% prod royalty of net proceeds.

(2) Participating with Camchib Resources Inc, each 50%, (Camchib's int acq from Zinc Metal Corp L; see) in jt vent on Beaurox Mines L gold pros, 44 cls & 1 concession, 1,840 ac, incl Norbeau mine, McKenzie twp, Chibougamau area, Que; 1980, feasibility study, announced plans to bring prop to prod; 1981, dewatering main workings, underground rehabilitation; 10,000 ft d d 1,800 ft E of Norbeau shaft to outline new discovery on which plans open pit prod. Plans to purchase 8 adj cls from Camchib Resources for 100,000 shs.

Reserves: Sept 1980, 111,200 tons aver 0.20 oz gold per ton above 1,200-ft level.