

\$300,000 mine deal announced

By BILL RYAN

Vancouver Province Business Editor

A \$300,000 mining deal announced today brings B.C.'s Highland Valley, near Ashcroft, into greater prominence as one of the province's most promising new mining areas.

Chimo Gold Mines Ltd., Toronto, has signed a \$300,000 deal with Trojan Exploration Ltd., relating to the latter's copper property in Highland Valley. The money has been paid to Trojan and if Chimo exercises other options it holds on Trojan shares the total deal would go beyond \$2,000,000.

THE CHIMO offer—Chimo is considered a major company in the exploration field—was accepted in preference to a number of other offers by major companies, said Trojan president, A. J. McClellan.

Recently another "major," American Smelting & Refining, signed an important agreement with Bethlehem Copper relating to its holdings in the copper-rich valley, 15 miles south of Ashcroft.

A SCRAMBLE for claims has been under way in the area for some time. McClellan predicted that "50 or 60 companies will be in the area by next summer." Jackson Basin also holds property there.

The Chimo-Trojan deal was signed in Vancouver Tuesday afternoon. Chimo Engineer Leon La Prairie was quoted as saying copper has been found over a 1900-foot stretch, at least 200 feet wide, on Trojan claims, averaging better than 2 percent copper.

Chimo controls Black Bay Uranium Ltd. and Iron Bay Mines Ltd. and has property adjacent to Gunnar Mines Ltd. in the Beaverlodge area of Saskatchewan.

ACTIVE STOCKS

Consolidated Mining and Smelting moves into \$38 level as increase in extra year-end dividend payment widely expected. For some weeks there has been keen interest in the amount of the December declaration (usually declared about mid-month). One year ago the company declared payment of 40 cents plus 35 cents and in July of this year 40 cents plus 40 cents.

This year company's zinc production has been up to former peak levels. It has realized better prices for zinc, lead, and silver than in the year previous. There is an excellent possibility that earnings this year may top \$2 per share. Net last year was equivalent to \$1.54 per share.

Trojan Explorations trades in heavy volume on unlisted section of Vancouver Stock Exchange, up from 40 cents in the past month to sell at \$1.10 in Wednesday trading. Shares finally closed on profit taking at 93 cents. Trojan management told The Herald on Wednesday that company had negotiated an important financing agreement with the well diversified Chimo Gold Mines Ltd. of Toronto.

The financial agreement: Chimo immediately places \$300,000 in the Trojan treasury through purchase of 500,000 shares at 60 cents. Chimo then receives options on a further 300,000 shares at 70, exercisable within six months; a further 300,000 at 80 cents within nine months; a further 300,000 at \$1.00 within 12 months; 300,000 shares at \$1.25 within 15 months; and 300,000 at \$1.50 within 18 months. It is understood that in keeping with its usual policy Chimo will sell half its optioned stock to a large Toronto brokerage house.

Chimo holds large interest in Black Bay Uranium and Iron Bay Mines Ltd. On Trojan's Highland Valley property near Ashcroft, B.C., the ore zone now has been traced for a length of 1200 feet with an indicated width of 300 feet. Average grade of ore is running just over 1½ per cent copper. Four additional drills will be placed on the property immediately.