

Unuk River

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# Penny stocks rear up again

Speculation sparks record VSE trading volumes after a report of gold in Unuk River, B.C.

By Gary Lamphier  
Senior Writer

**B**AD news for critics of the beleaguered Vancouver Stock Exchange: the high-risk penny-stock market has sprung back to life. And none too soon for action-starved brokers on Howe Street, Vancouver's clubby financial hub.

"We're very pleased," says Max Meier, president of Pacific International Securities Inc. "We've had nothing going on here all summer."

The source of the VSE's sudden revival: a handful of promising drill holes at the Unuk River project, a raw gold play just 10 kilometres south of the Eskay Creek gold deposit in northwestern British Columbia.

Speculative fever around Unuk River, a joint venture of TSE-listed Granges Inc. (50%) and two VSE juniors, Springer Resources Ltd. (37.5%) and Cove Resources Corp. (12.5%), drove daily VSE trading volumes to successive 1991 record daily highs last week, with a sizzling 30.4 million shares changing hands on Thursday.

That's about twice the usual daily volume this year, and the highest level in 15 months. Shares of Springer — which is being promoted by The Pez, a.k.a. Murray Pezim — and Cove accounted for fully 40% of Thursday's hefty volume on the VSE. Springer's share price, mired at 12 cents just a couple of weeks ago, closed Thursday at \$1.28 on volume of 6.3 million shares. Cove, a three-cent stock before Unuk River heated up, closed at 47 cents on six million shares.

"Remarkable volumes," says John Woods, editor of Stockwatch, a VSE market newsletter. "They indicate that there has been tremendous pent-up demand for something — anything — to follow among brokers and investors in this market. That something has finally come along, thanks to the promotional talents of Murray Pezim

and some good results."

Good, maybe, but not great. In fact, initial core samples from Unuk River, disclosed a couple of weeks ago, showed gold content of less than 0.2 ounces per short ton, plus about 4.5 ounces per ton of silver. But the complexion of the play changed last Tuesday, when Granges released results of a step-out hole that showed richer gold content — 0.98 ounces per ton over a 3.9m intersection — and suggested that there might be more than one mineralized zone within the 1,400m long play.

What's more, scuttlebutt on Howe Street (dismissed by Pezim, judged unlikely by Woods) is that Granges is sitting on even better news: a 27m intersect showing one ounce of gold per ton. Granges is mum. "We're resting on our press releases," says a company official. Granges' stock has traded heavily in recent days, closing Thursday at \$1.75 a share.

Granges shareholders could use some good news. Plagued by crummy prices for gold, copper and zinc, Granges lost \$3.9 million, or 11 cents a share, on sales of \$28.2 million in the first half. That ended a short-lived turnaround for the company, which had 1990 earnings of \$1.9 million, or six cents a share — Granges' first profitable year since 1987.

Despite the sudden burst of excitement over Unuk River, investors ought to be cautious. It's late in the drilling season. With winter around the corner, exploration will soon grind to a halt. Share prices, and VSE trading activity, could shrink in the winter doldrums.

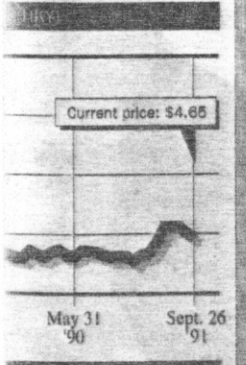
Even VSE spokesman David Laundy, perhaps mindful of the price swings that accompanied the Eskay Creek gold find, is reluctant to call last week's sudden upswing a turning point for the exchange. The VSE forecasts a \$1.8-million operating loss this year after losing \$2.3 million last year.



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Capital Corp. Together,  
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of the stock.  
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shed. In January 1990, it  
ed a coup by buying Coo-  
Canada Ltd. from troubled  
an Industries Inc. for \$30  
on. It earned \$8.7 million  
89 and \$8.4 million in  
1. A recent refinancing has  
ved the company to buy  
the last of the preferreds  
pay out accrued divi-  
s. Canstar stock remains  
s after a 20-for-1 share  
olidation in 1988, the  
traded last week at about  
\$, midway between its  
week high of \$6 and the  
of \$2.65. Desrosiers says  
star is considering rein-  
ing dividends "in grati-  
for the shareholders who  
stuck with us — it's been  
ng road back." More to  
point, the future looks  
lly promising.

ALLY  
has returned  
ng form



1991	1990	Change
2nd	2nd	
quarter	quarter	
\$46m	\$41m	12.5%
90.23	\$6.18	28%
-	-	-
-	-	-

## B.C.'S NEW GOLD FIND

The Unuk River project, just 10 km south of Eskay Creek, has revived interest in penny stocks



Financial Times  
Sep 30/91

Recent prices of investment funds supplied by Fundata Canada September 26, 1991. They are the net asset value per share or unit (NAVPS) last calculated by the fund, in accordance with its pricing practice as contained in the prospectus of the fund. Per cent change indicates change from previous week. Bold face fund names indicate increase.

Fund	NAVPS	% Chg
<b>20/20 GROUP FIN</b>		
American	10.86	+ 0.1
Cdn Asset A	3.78	+ 0.3
Cdn Growth	12.30	+ 0.5
Dividend	9.83	-
Income	9.04	+ 0.9
MMF(8.47)	10.00	-
RSP Growth	11.12	+ 0.6
Sunset	13.48	+ 0.3
US Growth	13.36	-
World	9.53	-
<b>ABC FUNDS</b>		
Fully Mgd (yn)	5.70	-
Fund-Value (yn)	5.80	-
<b>ADMAX INV.</b>		
Ame Perf (US)	4.58	+ 5.6
Ame Perform	5.18	+ 8.8
Cdn Incl (yn)	5.16	+ 0.2
Cdn Perform	4.81	+ 0.5
Polymetric	5.08	+ 0.4
<b>AGF GROUP</b>		
Amer Growth (x)	8.21	- 7.1
Cdn Bond	4.67	+ 1.4
Cdn Equ	8.34	+ 0.5
Cdn Res	7.58	+ 1.7
Conv Inc	8.24	-
Corp Inv (x)	11.65	+ 1.6
Corp Inv Stk	5.53	+ 0.2
Global	9.27	+ 0.4
Gth Equ	9.99	+ 0.3
HilIncome	9.45	+ 0.6
Japan (x)	4.78	+ 2.3
Special	10.00	-
US MMF (5.02)	6.77	+ 0.5
US MMF (5.02)	10.00	-
<b>AIC GROUP</b>		
Advantage	11.62	+ 0.6
Value	10.62	+ 2.1
<b>ALL-CANADIAN</b>		
Compound	13.32	+ 0.1
Dividend	9.39	-
Natural Res	2.74	-
Revenue Gth	3.35	-
<b>ALLIED CAPITAL MGMT</b>		
Cdn (yn)	4.61	+ 1.8
Dividend (yn)	3.86	+ 0.6
Income (yn)	6.71	+ 1.4
Int'l (Cdn) (yn)	4.67	+ 1.1
Int'l (US) (yn)	4.11	+ 1.0
MMF (7.12) (yn)	5.00	-
<b>ALTAIR</b>		
AltFund (n)	9.73	+ 0.3
Balanced (n)	10.20	+ 0.2
Bond (n)	11.22	+ 0.8
Capital Gwth (n)	9.00	+ 0.7
Diversified (yn)	8.72	+ 0.6
Equity (n)	17.72	+ 0.2
Global Money (n)	10.12	+ 0.3
Growth & Income (n)	5.90	+ 0.6
Income (yn)	6.98	+ 1.4
Resource (yn)	5.64	+ 4.0
Select Amer (n)	10.89	+ 1.1
Special Growth (n)	8.37	+ 0.4
<b>ASSOCIATE INVESTORS</b>		
Associate Investors (n) (x)	6.92	+ 0.2
<b>BANK OF MONTREAL</b>		
F.C. Balanced (n)	10.20	+ 0.2
F.C. Bond (n)	10.48	+ 1.0
F.C. Eqty Ind (n)	9.93	+ 0.7
F.C. MMF (7.94) (n)	1.00	-
F.C. Mortgage (n)	11.99	+ 0.2
<b>BEUTEL GOODMAN</b>		
AM & Int'l (yn)	5.04	+ 1.2
Balanced (yn)	10.81	+ 0.7
CDN Equity (yn)	10.18	+ 2.1
Income (yn)	10.53	+ 0.5
MMF (8.85) (yn)	10.00	-
<b>BOLTON TREMBLAY GROUP</b>		
Bond & Mgt (x)	5.28	+ 0.4
Cda Curul	14.23	+ 0.3
Cdn Bal (x)	4.70	+ 1.7
Discovery	4.74	+ 0.3
Income (x)	9.49	+ 0.3
International	7.41	+ 0.2
LDMK Ame	5.61	-
LDMK Bond (x)	6.26	+ 0.6
LDMK Cdn	5.14	+ 0.4
LDMK Int (6.85)	10.00	-
LDMK Int	6.08	+ 0.2
Money Fund (8.03)	10.00	-
Optiml Cdn	8.71	+ 2.3
Pfd Resources	10.82	+ 1.6
Taurus	5.17	+ 0.2
<b>BPI CAPITAL</b>		
Am Eq Growth	10.41	+ 0.5
Cdn Bond	10.29	+ 1.1
Cdn Equity	9.33	+ 1.5
EAFE Fund	5.55	+ 0.4
Global Equity	12.50	-
Global Inc	9.00	+ 0.3
High Yield	8.55	+ 2.8
MMF (7.50) (n)	10.00	-
One Decian Fd	10.72	+ 0.4
Option Equity	8.38	+ 0.8
<b>BULLOCK GROUP</b>		
American (Cdn)	16.30	+ 1.5
American (US)	14.36	+ 1.8
Balanced	9.92	+ 0.3
Bond	7.52	+ 0.2
CIF	6.39	+ 0.5
Dividend	10.14	+ 0.1
Growth	2.25	+ 0.9
MMF (8.91)	10.00	-
<b>CALDWELL SECURITIES</b>		
Associate (y)	5.46	+ 0.4
<b>CALPA</b>		
Gyro Bond (n)	10.83	+ 1.3
Gyro Equity (n)	10.04	+ 1.1
<b>CAN ANAESTHETISTS</b>		
Can Anesth (yn)	9.49	+ 2.1
<b>CAN NAT RES FUND</b>		
Can Nat Res Fund (y)	3.76	+ 4.9
<b>CANADA TRUST</b>		
CTIF Equity (yn)	56.65	+ 3.5
CTIF Income (yn)	9.76	+ 0.8
Ev Bal (yn)	11.19	+ 0.1
Ev Bond (n)	10.89	+ 1.1
Ev Int'l (yn)	15.65	+ 1.1
Ev MMF (8.10) (n)	10.00	-
Ev Nor Ame (yn)	25.37	+ 1.8
Ev Spec Eq (yn)	11.55	+ 2.5
Ev Stock (yn)	10.09	+ 0.7
Ev US Bond (n)	9.88	+ 0.4
Ev US Equity (n)	11.27	+ 0.7
RSP Equity (yn)	125.94	-
RSP Income (yn)	57.89	-
RSP Mtg (yn)	53.93	-
<b>CAPSTONE GROUP</b>		
CS Mgt (8.67) (n)	10.00	-
Int'l (Cdn) (n)	5.75	-
Int'l (US) (n)	5.06	-
Investment (n)	6.51	+ 0.4
<b>CDN BAR MGMT</b>		
CB Global (yn)	9.96	+ 0.2
<b>CENTRAL G TRUST</b>		
Fut Cdn Growth (yn)	11.36	-
Fut Govt Bond (yn)	10.31	+ 0.8
Fut Income (yn)	10.52	+ 0.4

Fund	NAVPS	% Chg
<b>CENTRAL GUARANTY</b>		
Inv Equity (yn)		
Inv Income (yn)		
Mortgage (yn)		
<b>CENTURY</b>		
CI (US)		
CHOU ASSOC MGT		
Associate (y)		
RSP (y)		
<b>CHURCH STREET</b>		
Equity (yn)		
Income (yn)		
MMF (9.47) (yn)		
<b>CIBC FUNDS</b>		
Balanced (n)		
MMF (7.82) (n)		
Mortgage (yn)		
Prem Bill (7.81) (n)		
US MMF (4.87) (n)		
<b>US Stock (n)</b>		
<b>CMP FUNDS MGMT</b>		
All Dyn IX (yn)		
All Dyn VI (yn)		
All Dyn VII (yn)		
All Dyn VIII (yn)		
All Dyn X (yn)		
All Dyn XI (yn)		
All Dyn XII (yn)		
All Dyn XIV (yn)		
All Dyn XV (yn)		
<b>CO-OPERATIVE TR</b>		
Growth (yn)		
Income (yn)		
Int Fund (yn)		
<b>CONCORDE</b>		
Hypothecate (y)		
<b>CONFED GROUP</b>		
Growth		
Mortgage (y)		
<b>COOPERANTS GRO</b>		
Amer Equity (US)		
Balanced (y)		
Cdn Equity (y)		
Income (y)		
Real Estate (y)		
<b>COUNSEL TRUST</b>		
Real Estate (y)		
<b>CSA MANAGEMENT</b>		
Goldfund (y)		
Goldtrust (y)		
<b>CUNDILL GROUP</b>		
Security		
Value		
<b>DOMEQUITY</b>		
Domequity (yn)		
<b>DUNEDIN</b>		
International (y)		
<b>DYNAMIC GROUP</b>		
Dyn Amer (CDN)		
Dyn Amer (US) (y)		
Dyn Cdn (y)		
Dyn Div (y)		
Dyn Glo Bond (y)		
Dyn Global (y)		
Dyn Income (y)		
Dyn MMF (8.13)		
Dyn Mgd P Follow		
Dyn Partners (y)		
Dyn Prec Met (y)		
Dyn Str Bond (y)		
Europe 92 (y)		
<b>ELLIOTT &amp; PAGE</b>		
E-P Bal		
E-P Bond		
E-P Eqty		
E-P World & 40 (y)		
<b>ETHICAL GROWTH</b>		
Ethical Gwth (y)		
<b>EXTRIO GROUP</b>		
Extra Tiger (y)		
International (y)		
<b>F.I. EXAR</b>		
Immobilier (y)		
<b>FIDELITY INV</b>		
Cap Build		
Cap Conserv		
Growth America		
Growth America		
Int P'folio (y)		
S Asset (7.94)		
<b>FINSCO FUNDS</b>		
JF Bond		
JF Balanced		
JF Cdn Equity		
JF Am Eq CS		
JF Am Eq USS		
MMF (7.89)		
T-Bill (7.42)		
US MMF (US) (4)		
<b>FIRST CITY FUNDS</b>		
Govt M (7.74) (n)		
Growth (n)		
Income (n)		
Real Fund (y)		
<b>FONDS DESJARDI</b>		
Actions (yn)		
Enviroy (yn)		
Equilibre (yn)		
Hypothecate (yn)		
International (yn)		
MM (7.51) (yn)		
Obligations (yn)		
<b>FONDS HFQ</b>		
Actions (y)		
Equilibre (y)		
MM (7.53)		
<b>FONDS SNF</b>		
Actions (y)		
Equilibre (y)		
MM (7.99) (y)		
<b>FRIEDBERG COM</b>		
Double Goldy		
Prec Metals (y)		
<b>GBC FUNDS</b>		
Bond (y)		
Canada (yn)		
MMF (7.92) (yn)		
<b>GLOBAL STRATEG</b>		
Americas		
Canadian		
Europe		
Far East		
Global Fund		
Income Fund		
Real Estate		
T-Bill (8.73)		
US (5.06)		
<b>World Money</b>		
<b>GUARDIAN GROU</b>		
American Eq		
Balanced		
<b>CIPF 86</b>		
Canada Bond		
Canadian Eq		