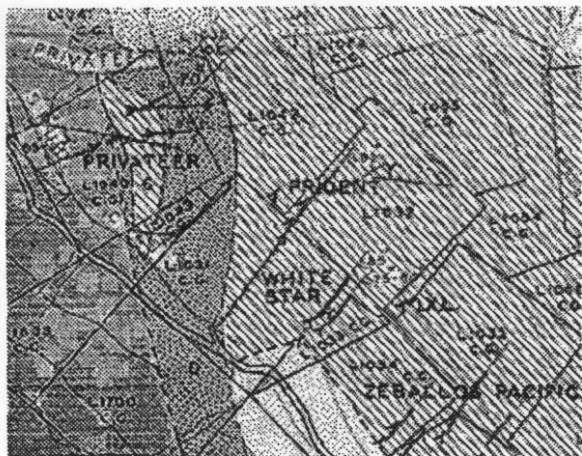


TOS → Zeballos



ZELLABOS PROJECT

British Columbia, Canada

The Company has recently acquired the former producing Privateer Gold mine at Zeballos, on the west coast of Vancouver Island. The sale includes all mining equipment and surface infrastructure.

Discovered in 1936 the Privateer was classified as a "wonder mine", and the Tacoma, Washington, smelter considered Privateer ore the richest and most extensively impregnated with free gold it had ever received. Production started in 1938 and mining took place on three veins along 1460 feet of strike and 600 vertical feet. From late 1939 through 1941, 2400 ounces of gold per month were produced. In 1986 the then operators discovered a new vein system just a few hundred feet in from the 1100 level. Drifting on this new vein produced some very high grade values, with assays over 100 ounces of gold per ton not unusual. One sample taken 127 feet into the drift assayed a bonanza value of 361.24 ounces of gold and 55.41 ounces of silver per ton.

The Privateer Mine for all its richness was caught in a number of binds, a manpower shortage due to the Second World War, its remote location, and the increasing cost of labour and supplies pegged to a \$35.00 gold price.

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In its first incarnation the Zeballos Mining Camp was renowned in the industry and explorers, prospectors and representatives of major mining companies were all seen on the streets of Zeballos. Over the years a number of companies have returned, each with varying degrees of success. From 1983, New Privateer Mines carried out considerable rehabilitation and underground work until 1986 when the new vein on the 1100 level was found. As so often happens, funds for continuing operations became harder and harder to raise and the famous old Privateer was left to slumber for another few years.

Newmex reports that permitting and planning are well underway and the company plans to re-open the mine and commence production within the next 4-6 months.

Bad Parameter used in counter script!

