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B.C. shaping up as significant gold producer

By David Duval

VANCOUVER — Mining may soon replace forestry as B.C.'s largest industry. It's also becoming "little business" in the province since smaller companies are playing ever more important roles in bringing new mines into production.

No longer is it beyond their capabilities to raise \$10-20 million for a mining venture. Although much of this funding is available through Canadian financial institutions and private groups, Europeans are also contributing large amounts for a piece of the action.

While the trend in new mines appears to be towards the development of smaller mining operations (mostly in the precious metals sector) the majors were responsible for nearly all of the large capital expenditures made by the industry during 1980. And these companies will continue to lead spending in the foreseeable future analysts agree.

In the Highland Valley, Teck Corp. spent about \$150 million bringing its Highmont mine into production at 25,000 tons per day, while nearby, Lornex Mining budgeted \$160 million to increase its capacity 68% to 80,000 tons per day beginning in July, 1981. Cominco's huge Valley Copper deposit, situated near Lornex, is expected to be developed at a cost of \$500 million or more in the near future. The company recently acquired an additional 26% equity interest in Bethlehem Copper raising its interest to 65%. Bethlehem has a 5.1% interest in Valley Copper Mines and a 20% interest in the billion ton Lake Zone deposit which straddles both companies' border.

Above the Arctic Circle on Little Cornwallis Island, Cominco is spending \$150 million to develop the Polaris mine. The operation will treat 2,000 tons daily and it will be one of the larger zinc-lead producers in the world.

Placer busy

Amax of Canada, owned by the huge U.S. molybdenum producer Amax Inc., is reopening its Kitsault molybdenum mine situated on Alice Arm in B.C. at a cost of \$145 million. Expected to come on-stream by July 1981, the operation will have a throughput of 12,000 tons per day.

Owned 70% by Placer Development, Equity Silver Mines \$107 million Sam Goosley project near Houston began production in September. With a mill rate of 5,000 tons per day, Equity is designed to

produce over 5.6 million oz. silver, 14.1 million lb. copper and 10,900 oz. gold annually.

Elsewhere in the province, Placer increased molybdenum output by more than 300,000 lb. per year at its Endako mine. Cost of the project was \$12.5 million. The Gibraltar Mines' East Pit orebody was prepared for mining in a \$40 million program. Canada Wide Mines, the Esso Minerals Canada subsidiary, reopened the Granduc copper mine near Stewart at a cost of \$20 million in October of last year. An improvement in the mining method is expected to enhance the profitability of the mine. A production rate of 4,000 tons daily is scheduled.

Noranda Mines is also getting into the act with plans for a copper-zinc mine in the Goldstream Valley, 80 km north of Revelstoke. At a capital cost of \$62 million, it will produce 75,000 short tons of copper concentrate and 11,600 tons of zinc concentrate annually, starting in the third quarter of 1982.

Meanwhile, mill capacity is being expanded at Noranda's Bell Copper division. An increase to 17,000 tons per day is planned for this year, part of a \$19 million program. At the Boss Mountain division near 100 Mile House mill rate is to be increased from 1,800 to 3,000 tons per day by early 1982. The \$12.5 million program is intended to reap profits from projected price increases for molybdenum in the future.

New gold mines

The province may soon rank as a significant gold producer with a number of new mines coming on stream. Carolyn Mines and its joint are planning production in early 1981 from the \$20.4 million Ladner Creek gold project near Hope. Mill capacity is designed for 1,500 tons per day. At a smaller price tag, Du Pont of Canada Exploration has allotted \$12 million to bring its high grade Baker gold-silver deposit at Chapelle into production at 100 tons per day early in 1981. Scottie Gold Mines, managed and controlled by Northair Mines, has plans for a 200 ton per day gold-silver operation at Stewart scheduled for production by mid-year.

Late last year, Scottie secured \$15 million in financing to develop the property. Payback period is estimated to be less than a year. Some of the smaller companies are taking

advantage of the low capital cost involved in developing small tonnage but high grade precious metal deposits around the province. Among these companies is United Hearne Resources and its joint venture partner Taurus Resources. In a 60-40 split, they are constructing a 150 ton per day mill at their gold prospect in the Cassiar area of B.C. Cusac Industries has also set up a 30-50 ton portable mill in the same area. Even more significant is Nu Energy Developments' Erickson gold mine joint venture, now being expanded to 200 tons per day at a cost of \$450,000.

Near Stewart, British Silbak Premier Mines is working to a resumption of production based on a 100 ton mill rate for its gold-silver mine, South of Golden, B.C. Ruth Vermont Mines expects to produce 500 tons daily from its precious metals property starting in April.

Dekalb Mining reopened the OK Copper Mine in the Highland Valley at 700-800 tons per day last year. About 200,000 oz. silver and 3,300 oz. gold are expected from the mine annually. Mosquito Creek Gold Mining and Peregrine Petroleum are operating their gold mine near Wells at 100 tons per day and Robert Mines Boundary Falls gold-silver property expects to produce at the same rate.

The Yukon is also reaping the benefits of higher metal prices with United Keno Hill Mines deciding to reactivate the Venus property near Carcross. Nearly \$7 million will have to be spent to bring the former gold-silver prospect into operation at 100 tons per day.

Near Faro Cyprus Anvil Mining has announced a \$240 million eight-year program to develop the Grum and Vangorda deposits east of the Faro mine. Modifications are planned to the mill as part of the program which will see open pit life in the Anvil District extended to 1997.

Klondike fever has hit both large and small companies alike with Copperfields Mining Corp., Canada Tungsten, Queenslake Resources, Forum Resources and Crescent Mines all involved in placer operations around Dawson City and throughout the Yukon. An important \$10 million underground explo-

ration program is being conducted by Hudson Bay Mining and Smelting on its Tom claims near Macmillan Pass. Most analysts believe the lead-zinc-silver prospect will become a producer. In the same area, Amax of Canada is contemplating a production decision for its Maetung deposit straddling the Yukon-N.W.T. border near Macmillan Pass.

VSE listed Cadillac Explorations intends to develop a silver-lead-zinc mine in the Nahanni district of the N.W.T. by spending \$35 million for a 1,000 ton per day mining operation. Production is scheduled to begin in late 1981.

Jaridge Explorations

Jaridge Explorations has agreed to acquire a 50% interest in five mining claims in Lincoln County, Nevada. Payment of \$5,000 has been made as part of the deal. Once matters pertaining to the lease and title of the property are taken care of, a more definitive arrangement will be reached, with Jaridge responsible for 50% of future expenses as well as for any expenses already incurred by Midpines Explorations, Inc., which holds the remaining 50%.

On Aug. 31, Jaridge had working capital of \$102,297, slightly higher than \$100,500 a year earlier.