

W.A. NO.

NAME *TILLICUM*

SUBJECT *EXTERNAL PUBLICATIONS*

*82FW234-04*  
PROPERTY FILE

002519



**WELCOME NORTH MINES LTD.**

1027 - 470 Granville St., Vancouver, B.C. V6C 1V5 • Telephone (604) 687-1658

January 10, 1985

Mr. Vic Preto  
MINISTRY OF ENERGY, MINES  
& PETROLEUM RESOURCES  
Parliament Buildings  
Victoria, B.C.  
V8V 1X4

82FNU234.

Dear Vic:

Please find enclosed short summaries covering the 1984 exploration programs conducted by both Esperanza Explorations and Mt. Calvary Resources.

Feel free to make duplicates before returning the slides.

All the best.

Yours truly,

WELCOME NORTH MINES LTD.

Wayne J. Roberts  
Exploration Manager

WJR/gb

Enc.

LOG NO.	1.15	U 2
ACTED	Vic	
FILED		

ESPERANZA/LA-TEKO

i) - total drifting - 260 ft.  
- total expenditures - \$470,000 W.R.

#### SUMMARY AND RECOMMENDATIONS

In 1984 a comprehensive exploration program of soil sampling, geological mapping, trenching, diamond drilling and underground development was completed. Soil sampling was extended northwards into the London-derry Creek area. Access roads were constructed to the Silver Queen and Arnie Flats silver geochemical anomalies which were subsequently backhoe trenched. The Silver Queen, East Ridge and Jenny Zones were diamond drilled and a 260 foot adit was driven along the upper part of the Heino-Money Zone.

Underground bulk sampling of the Heino-Money Zone confirmed grades obtained from previous drilling programs and substantiated the existence of high grade stopes with muck samples averaging up to .93 oz/ton over lengths of up to 26 feet. The previously reported reserves of 40,000 tons grading 0.6 oz/ton gold remains unchanged and open to the south and to depth.

Diamond drilling extended the up to 100 foot thick East Ridge Zone to over 1800 feet on strike and for 200 feet down-dip with the zone remaining open in all directions. To date, 25 drill holes and a 200 foot underground cross cut have outlined an inferred open pittable reserve of 5 million tons grading in the 0.05 to 0.07 ounce per ton range. These reserves could be potentially increased by the parallel No. 2 and BBB-Blue Zones. Drilling on the Jenny Zone intersected low-grade gold values.

An important new silver-gold zone was discovered on the 3000 x 1000 foot Arnie Flats silver geochemical anomaly. The zone, which averages 20 feet wide has been traced by backhoe trenching along strike for over 650 feet. Channel samples taken from trenches yielded grades up to 7.6 oz/ton silver and .02 oz/ton over a 29 foot width. Based on the extent of the Arnie Flats silver geochemical anomaly, there is excellent potential to significantly increase the strike length of the zone.

Preliminary trenching and drilling on the Silver Queen have outlined elongated stratabound zones of silver mineralization over an open strike length of 2000 feet with trench sampling assaying up to 11.7 oz/ton silver over 20 feet. Twelve drill holes completed along the known strike length intersected silver grades to 3.6 oz/ton over 24 feet.

GOLD MINERALIZATION AT THE TILLICUM GOLD PROPERTY,  
SOUTHEASTERN BRITISH COLUMBIA

By: Wayne Roberts and John McClintock, Welcome North Mines Ltd.,  
1027-470 Granville Street, Vancouver, B.C. V6C 1V5

At the Tillicum Gold Property, situated 30 km southeast of the town of Nakusp, in southeastern British Columbia, gold mineralization occurs in upper Paleozoic-age rocks of the Milford Group. On the property, the Milford Group is divisible into a series of basaltic andesite flows and agglomerates that are gradational into a series of andesitic tuff, tuffaceous siltstones and volcano-sedimentary wackestones, and occasional andesitic flows. Intrusive into the Milford Group are sills and dykes of diorite porphyry, that are possibly related to andesitic flows higher in the sequence. The Milford Group and diorite porphyry have been intruded and metamorphosed to lower greenschist facies by quartz-diorites of the Cretaceous-age Goat Canyon and Halifax Creek stocks. Subsequent to emplacement of the quartz-diorite stocks, lamprophyre dyke swarms intruded the Milford Group.

Gold occurs in calc-silicate-quartz skarns that have been developed in andesitic tuffs and tuffaceous sedimentary rocks. The skarns are spatially related to diorite-porphyry sills and dykes. Within the skarns, free gold forms fine to coarse disseminated grains and fracture fillings in and along the walls of quartz impregnations. Gold is often associated with minor amounts of pyrrhotite, pyrite, sphalerite and galena.

Several distinct auriferous skarn zones have been discovered of which the five most prominent are: Heino-Money, East Ridge, Jenny, 950 and Grizzly zones. To date, most of the exploration effort has been directed to the Heino-Money and East Ridge zones with the remaining zones receiving only preliminary evaluation. In addition to the known gold-showings, several prominent gold and silver soil anomalies remain to be tested.

In the Heino-Money zone, a thin andesitic tuff adjacent to the lower, basaltic andesite series has been selectively skarnified. Within the skarn, a



600 by 150 foot ore shoot with an average thickness of 6 feet has been outlined by trenching and drilling. Drill indicated reserves of the zone are 40,000 tons of 0.6 oz/t Au.

The East Ridge zone occurs at the contact between a diorite porphyry sill and volcano-sedimentary wackestone. Intrusion of the diorite has altered a 50 to 100 foot thick section of the adjacent clastic sedimentary rocks to skarn. Gold in the skarn is erratically distributed, characterized by short, higher-grade sections separated by lower-grade material, with an average gold content of the skarn in the order of 0.05 oz/t over 50 feet. The East Ridge zone has been traced by drilling over a 1650 foot strike length and remains open both along strike and to depth. The zone forms a dip slope with the hill and is ideally situated for mining by open pit methods.

Silver mineralization has been discovered in the Arnie Flats and Silver Queen areas. On Arnie Flats, a gold-silver zone has been discovered in a 3000 x 1000 foot silver-in-soil geochemical anomaly. Prospecting in the westernmost part of the anomaly discovered silver mineralization with assays up to 103 oz/ton Ag and 0.22 oz/ton Au in a siliceous and potassic replacement of sheared meta-sedimentary rocks. Silver mineralization consists of finely disseminated argentite associated with fine-grained disseminated pyrite, sphalerite and chalcopyrite. Backhoe trenching extended the zone along strike for 650 feet. The zone has an average width of 20 feet and is open to depth and along strike. Channel samples from the trenches yielded grades up to 7.6 oz/ton Ag and 0.02 oz/ton Au over a 29 foot width. Based on the extent of the Arnie Flats silver geochemical anomaly there is excellent potential to extend the strike length of the zone.

In the Silver Queen Zone, silver mineralization occurs as pyrrhotite and tetrahedrite associated with pyrite, sphalerite and galena in and adjacent to dolomitic replacements stratabound to calcareous meta-sedimentary rocks. The silver-bearing replacement zones are spatially related to diorite porphyry sills. Drilling and trenching have outlined several elongate stratabound replacement zones over a strike length of 2000 feet with trench samples assaying up to 11.7 oz/ton Ag over 20 feet. Twelve drill holes completed along the known strike length intersected the mineralized horizon with variable grades to 3.6 oz/ton Ag over 24 feet.

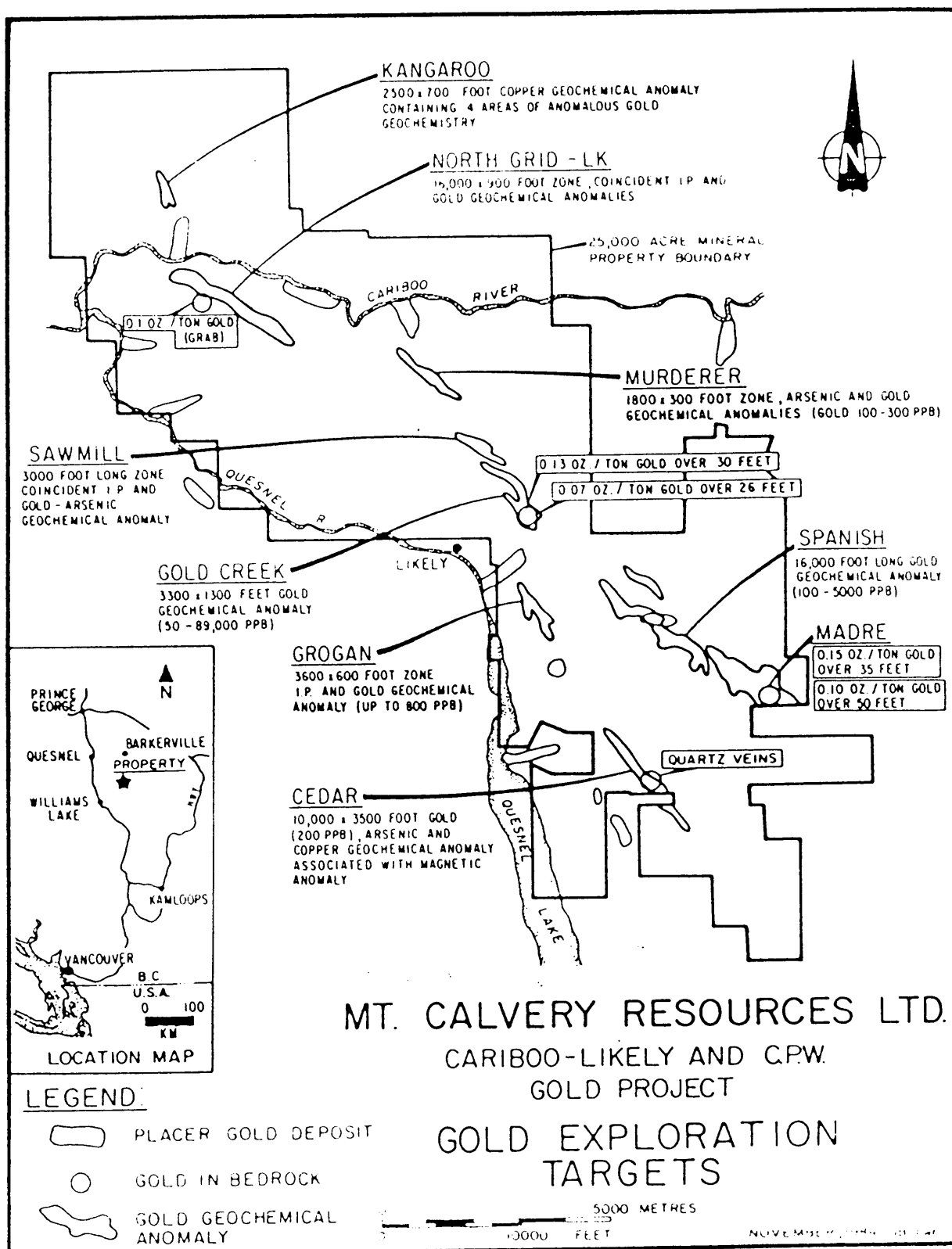
# **Mt. Calvary Resources Ltd.**

1027 - 470 Granville Street, Vancouver, B.C. V6C 1V5 • Tel: (604) 687-1658

## 1984 SUMMARY

Mt. Calvary in a joint venture with Carolin Mines (on the 500 claim Cariboo-Likely Property, in the Cariboo-Quesnel Gold Belt) completed a comprehensive program of geological mapping, grid soils, ground mapping and I.P., back hoe trenching, cat trenching, diamond drilling and reverse circulation rotary drilling for a 1984 expenditure of \$650,000.

Exploration highlighted with the discovery of nine gold exploration targets of which the most prominent is the Madre Zone containing strata controlled gold mineralization with typical assays up to 0.15 oz/T gold over 36 feet.



# SURVEY OF EXPLORATION

## EXPENDITURES

	ACTUAL* 1984		PROPOSED 1985	
	HARDROCK	COAL/PLACER**	HARDROCK	COAL/PLACER**
BRITISH COLUMBIA	\$ 680,000	\$ —	\$ 300,000	\$ —
YUKON	\$ —	\$ —	\$ —	\$ —
OTHER	\$ 5,000	\$ —	\$ —	\$ —

\* ESTIMATE TO YEAR-END

\*\* SPECIFY COAL, PLACER, ETC.

## SUMMARY OF EXPLORATION ACTIVITY 1984

### PROPERTY EVALUATION:

Corbiac-Likely - C.P.W. property - near Likely B.C.  
 - 360 km grid + soil sampling (7440 samples)  
 - 47 bench-hoe trenches & pits  
 - 70 km I.P. and magnetometer surveys  
 - geological mappings @ 1:50000 extent 500 d. unit property.

### DRILLING PROJECTS:

1500' NQ diamond drilling on C.P.W. property  
 2000' Reverse circulation rotary drilling on C.P.W. property.

### RECONNAISSANCE PROJECTS:

Z.P.

### UNDERGROUND EXPLORATION:

NIL

### COMPANY

ATTN. A.J. SCHMIDT  
 MT. CALVERY RESOURCES LTD.  
 1027-470 Granville Street  
 VANCOUVER, B. C.  
 V6C 1V5

CONTACT: Andy Schmidt  
 (please correct if necessary)

TELEPHONE: 687-1658

# Mt. Calvary Resources Ltd.

1027 - 470 Granville Street, Vancouver, B.C. V6C 1V5 • Tel: (604) 687-1658

84-7

December 10th, 1984

## NEWS RELEASE

Interesting gold assays continue to flow from Mt. Calvary's surface trenching program on the Madre Gold Zones on Spanish Mountain, near Likely, British Columbia.

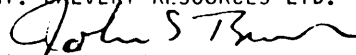
To date, 17 bulldozer and backhoe trenches have been completed; assay results are tabulated below as well as on the accompanying sketch map:

	<u>Trench</u>	<u>Width (Feet)</u>	<u>Gold Assay (Ozs/Ton)</u>
CENTRAL ZONE	A(a)	49.0	0.03
	includes	13.0	0.05
	A(b)	7.0	0.06
	B(a)	36.0	0.06
	includes	13.0	0.09
	B(b)	39.0	0.03
	includes	10.0	0.10
	G	30.0	0.05
	includes	10.0	0.06
	H	26.0	0.05
	I	36.0	0.05
	includes	10.0	0.11
	LE(a)	30.0	0.08
	LE(b)	30.0	0.107
EAST ZONE	Prospect Pits(a)	3.3	0.06
	(b)	3.3	0.32
	(c)	4.3	0.11
	D	6.6	0.08
	E	26.0	0.153
	F	No significant values	
WEST ZONE	N	No significant values	
	M(a)	10.0	0.05
	M(b)	20.0	0.03
	includes	10.0	0.06
	L	13.0	0.06
	NORTH	72.0	0.08
	includes	36.0	0.14
	J(a)	49.0	0.10
	includes	13.0	0.20
	J(b)	23.0	0.067
	includes	13.0	0.09
	J(c)	46.0	0.05

The Central, East and West Zones may be interpreted to be sub-outcrop exposures of the same gold-bearing stratigraphic horizon. All trenches have been located within a gold geochemical soil anomaly that assays greater than 200 parts per billion gold. Exploration results received to date continue to indicate potential for a gold deposit of large tonnage which could be minable by low-cost, open-pit methods.

Ten diamond drill holes have been completed to date. A reverse circulation rotary drill has recently commenced testing extensions of mineralized horizons to depth. Drill hole assays are expected by mid-December.

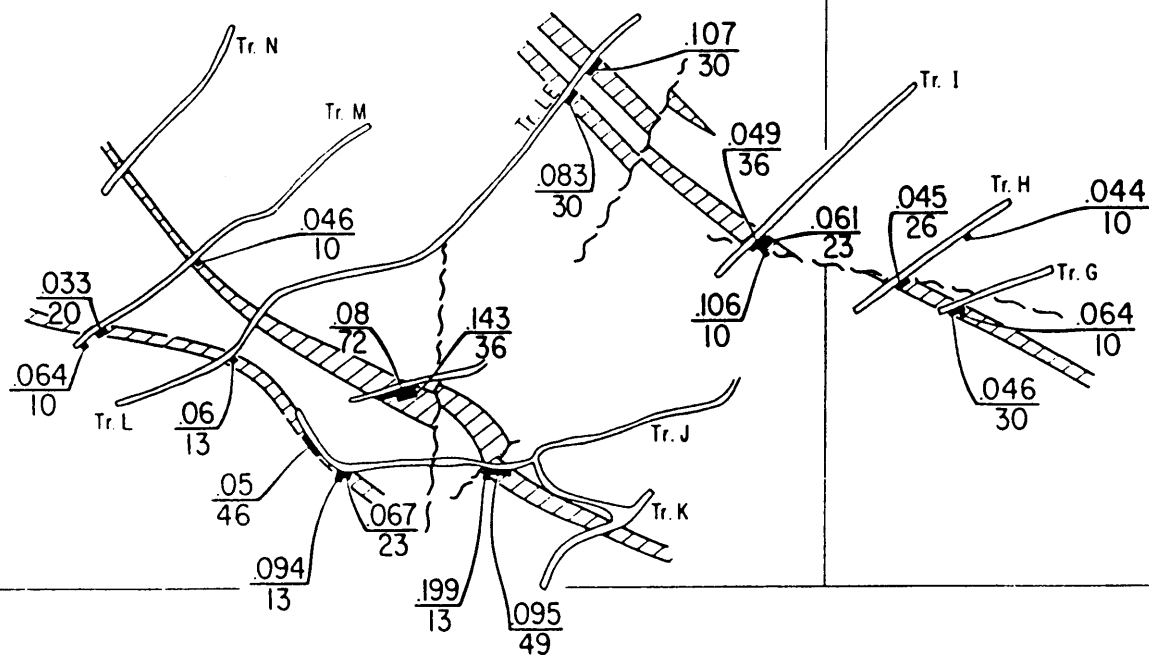
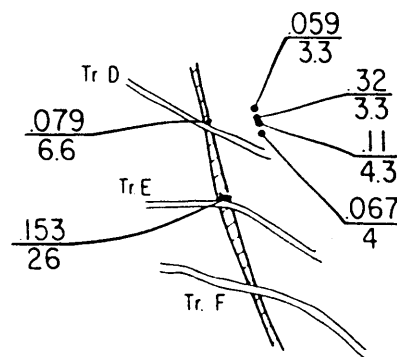
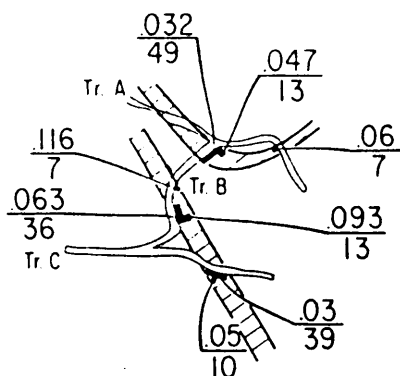
MT. CALVERY RESOURCES LTD.

  
JOHN S. BROCK,  
President.

This report has been prepared by John S. Brock, President of the Company, who accepts full responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of this release.



BASE LINE



L 10+00S

LEGEND:

== TRENCH

094/13 OZ. / TON  
FEET

GOLD ZONES

0 50 100 Metres  
0 300 Feet  
SCALE

MT. CALVERY RESOURCES LTD.  
CPW CLAIM  
MADRE ZONE  
SPANISH MTN. AREA  
GOLD ASSAYS

# Mt. Calvary Resources Ltd.

1027 - 470 Granville Street, Vancouver, B.C. V6C 1V5 • Tel: (604) 687-1658

#84-8

December 18th, 1984

## DIAMOND DRILL RESULTS FROM MADRE GOLD ZONES

Ten diamond drill holes have been completed and rotary drilling is underway on the Company's CPW claims located east of Likely, B.C. Assays from the diamond drilling on the Madre Gold Zones have confirmed depth continuity of gold mineralization.

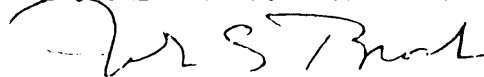
Within the Madre-Central Zone, surface sampling of two parallel gold horizons yielded assays of 0.08 and 0.10 ounces per ton gold over widths of 30 feet. Diamond drill holes MD 7, 8 and 9 intersected the down dip extensions of these horizons. Assay results are tabled below:

<u>DIAMOND DRILL HOLE</u>	<u>TOTAL DEPTH (Feet)</u>	<u>ANGLE DRILLED</u>	<u>INTERVAL (Feet)</u>	<u>WIDTH (Feet)</u>	<u>GOLD ASSAY OUNCES/TON</u>
MD 7	175'	-30°	20 - 43'	23'	0.09
			49 - 56'	7'	0.07
			69 - 102'	33'	0.06
			148 - 161'	13'	0.09
MD 8	225'	-60°	23 - 39'	16'	0.05
			138 - 151'	13'	0.03
MD 9	75'	-40°	26 - 52'	26'	0.08

Seven additional diamond drill holes have intersected anomalous values. However, it is suspected that poor core recovery coupled with the possibility of washing of free gold from the loosely consolidated rock are contributing to lower than actual gold values. Several diamond drill hole locations are being redrilled with a reverse circulation rotary percussion drill to ensure reliable sampling of the gold zones. The rotary drill program will also test portions of the Madre-West, Central and East Zones prior to crews leaving the property for Christmas vacation. All assay results will be received and compiled early in the New Year.

The objective of the Madre exploration program is to define potential for a bulk tonnage deposit grading in the order of 0.07 ounces per ton gold, minable by open pit methods. Exploration is being financed by Teck Corporation, who have recently subscribed to a private placement of 200,000 shares of Mt. Calvary at a price of \$1.00 per share. A public underwriting is in process to finance additional work on adjacent claims held under option from Carolin Mines.

MT. CALVERY RESOURCES LTD.



John S. Brock  
President.

This report has been prepared by John S. Brock, President of the Company, who accepts full responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of this release.

---

# **Mt. Calvery Resources Ltd.**

*Exploring for gold in the Cariboo*

---



# Mt. Calvary Resources Ltd.

## HISTORY

Mt. Calvary Resources Ltd. is a publicly financed mineral resource company of long standing. Originally incorporated in 1956 as Jericho Mines Ltd. (N P L) the company has since undergone a number of corporate reorganizations to emerge as Mt. Calvary. Recently reactivated with newly appointed officers and directors, financed through a rights offering to shareholders and reinstated for trading through the facilities of the Vancouver Stock Exchange, Mt. Calvary has established the basis for aggressive and ambitious mineral exploration.

## CURRENT ACTIVITY

Mt. Calvary holds interests in five mineral properties, three of which are gold prospects within the Cariboo-Quesnel Gold Belt in south-central British Columbia. Plans are now being formulated for a major exploration program on the Cariboo-Quesnel properties in 1984.

## MANAGEMENT

### *President and Director:*

John S. Brock, a geologist with 21 years experience in the mineral exploration industry, has been involved with the Welcome North Group of companies, including Esperanza Explorations Ltd., since 1973.

### *Secretary:*

Irene M. Wilson, Corporate Secretary with over 21 years experience in the field of publicly financed resource companies, has been with the Welcome North Group since 1973.

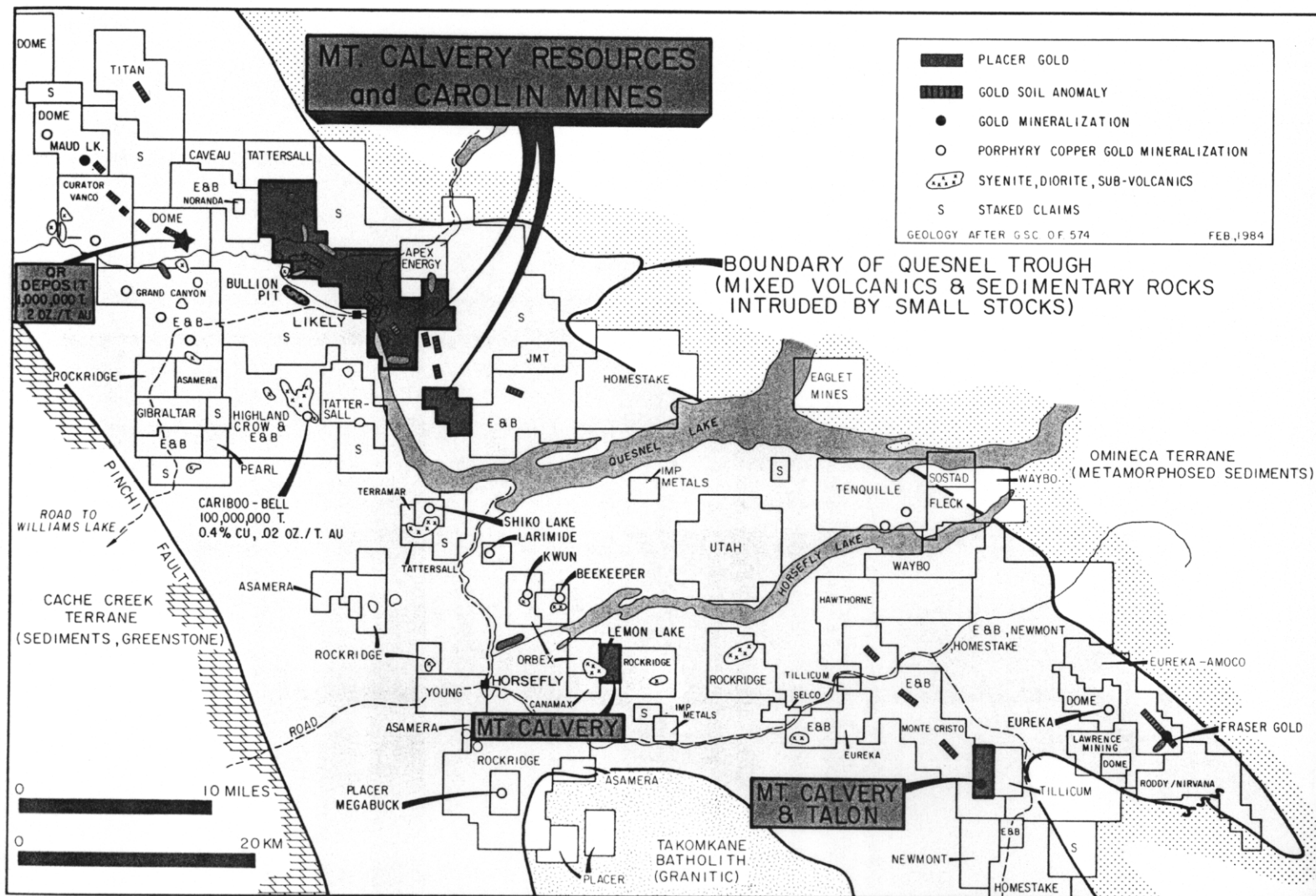
### *Director:*

John L. May, a geological engineer, is president of Teck Explorations Limited, a position he has held since 1965. He also serves as a director of a number of resource companies.

### *Director:*

Hector H. Waller, a mining engineer with 50 years prior experience including service as Vice-President and Manager of Highmont Mining Corporation. Mr. Waller has recently retired but continues to be associated as a director with several mining companies.

*Technical and Engineering Services* are provided by the geological staff of the Welcome North Group in consultation with Teck Explorations Limited.



## CARIBOO-QUESNEL GOLD BELT

Mt. Calvery Resources Ltd. has committed to an intensive gold exploration program within the 150 km long Cariboo-Quesnel Gold Belt in south-central British Columbia. The program is directed towards acquisition of known gold occurrences and well-defined exploration targets. Exploration activity throughout the Cariboo region over the past year has risen to a level comparable to that seen in the Highland Valley during the 1960's with close to 100 majors, juniors and independents holding over 5,000 claims. The Cariboo-Quesnel Gold Belt will be one of the 'hot-spots' of exploration activity in British Columbia in 1984. To date, Mt. Calvery has acquired three gold properties in the Cariboo-Quesnel Gold Belt.

Summary: Carolin Mines has spent \$600,000 defining three coincident geophysical and gold geochemical anomalies of impressive magnitude within a geological setting similar to that of Dome Mines' nearby QR gold deposits. The QR deposit is reported to contain potential for reserves of several million tons of 0.2 ounces per ton gold, minable by open-pit methods. It is important to note that the

greatest concentration of placer gold in the Cariboo-Quesnel region occurs within and immediately around the Cariboo-Likely Property, suggesting additional promise for the discovery of lode-gold deposits.

**McKee Lake Property**

Commodity: Gold

Interest Held: 50% (subject to option agreement)

Claims: 31 claim units

Location: Bassett Creek, Cariboo Mining Division, B.C.

Summary: A shaft (now caved) was sunk on a quartz-rich zone in volcanic rocks, which reportedly assayed 0.3 ounces per ton gold over 12 feet. The target area is central to surrounding claims being explored by Newmont, E & B and Monte Christo. Geochemical and geophysical work is planned in 1984 by the optionee.

**Lem Property**

Commodity: Gold-Copper

Interest Held: 80% (subject to option agreement)

Claims: 12 claim units

Location: Near Horsefly, Cariboo Mining Division, B.C.

Summary: Gold is often associated with copper mineralization in the Cariboo area. Previous trenching of the Lem encountered significant copper values of up to 0.25% Cu over 70 feet; however, no gold assays were undertaken. Proposed exploration will consist of testing copper-rich sections for gold content as well as diamond drilling a geophysical anomaly within a favourable geological setting.

**WENATCHEE AREA**

**Wenatchee TKX Property:**

Commodity: Gold

Interest Held: 100%

Claims: 10

Location: Wenatchee, Washington, U.S.A.

Summary: Steeply dipping silicified sandstones associated with faulting and Tertiary intrusives host gold mineralization in the Wenatchee Breakwater Camp of eastern Washington State. There is a good possibility that the favourable host rocks occur on the TKX Property, and prospecting is recommended.

**HIGHLAND VALLEY AREA**

**Jericho Property**

Commodity: Copper

Interest Held: 30% NPI (Optioned to Highmont Mining Ltd.)

Claims: 76

Location: Highland Valley, B.C.

Summary: The Jericho Property contains reserves of 300,000 tons of 1% copper adjacent to Highmont Mining's open-pit copper mine. Highmont will maintain its option in good standing pending an increase in the price of copper, at which time the Jericho deposit could be mined by Highmont.

## **Mt. Calvery Resources Ltd.**

*Head Office:*

1027 - 470 Granville Street,  
Vancouver, B.C. V6C 1V5  
Tel: (604) 687-1658

*Registered Office:*

25th Floor - Three Bentall Centre,  
595 Burrard Street,  
Vancouver, B.C. V7X 1L1

*Transfer Agent:*

Guaranty Trust Company of Canada,  
800 West Pender Street,  
Vancouver, B.C. V6C 2V7

*Auditors:*

Coopers & Lybrand,  
1111 West Hastings Street,  
Vancouver, B.C. V6C 3R2

*Solicitors:*

Lawrence & Shaw,  
25th Floor - Three Bentall Centre,  
595 Burrard Street,  
Vancouver, B.C. V7X 1L1

*Directors and Officers:*

President & Director: John S. Brock  
Secretary: Irene M. Wilson  
Director: John L. May  
Director: Hector H. Waller

*Stock Exchange:*

Vancouver — Resource Section  
Ticker symbol — MCY

*Capitalization:*

Shares Authorized — 10,000,000  
Shares Issued — 2,460,696  
(as at Feb. 7, 1984)



# Esperanza's High Hopes Glow with the Golden Tillicum Mountain Strike

David O'Keefe

Outside of the state of the economy and some spectacular Dow Jones action, Vancouver's financial district's major topic is gold. The Hemlo Gold Camp is dissected, Detour Lake is examined, the Stikine is probed and then, inevitably, Esperanza, La Teko and Tillicum Mountain.

The only punters who didn't know about the Tillicum gold strike were sporting tans garnered from some remote tropic isle, by the time they were clued in their smiles were as broad as those of Esperanza's John Brock and his Tillicum partner, La Teko Resource's Jim Billingsley.



Discoverers Elaine & Arnie Gustafson with John Brock in field office.



Helicopter leaves with first bag of samples.



Where it all began.

For the last couple of months this writer has been living with the Burton gold strike east of British Columbia's beautiful Arrow Lakes. Checking back on my information looking for a fresh angle the final paragraph in the story that touched off the rush and turned Howe Street on its ear, caught my eye - with acknowledgements to the Arrow Lakes News - "Clark Marshall who recently wrote the mining history of the Burton area in 'Whistle Stops Along the Columbia River Narrows' said Monday that he thinks there will be lots of activity once the news gets out about the Tillicum find." Clark, with some 20 plus companies jostling for claims you possibly never made a better prediction.

Shortly after the joint Esperanza/La Teko announcement of the strike some of the I.P.&D staff were given the opportunity to view some of the samples from the property - under John Brock's watchful eye - visible veins of gold running through the ore samples and nodules that just begged to be prised off.

The town of Burton had been the centre of an 1895 gold camp and it's estimated that some 500 men were placer mining along Caribou Creek. At the turn of the century the hardrockers moved in and a number of mines were established, including the Millie Mac, Mountain Meadows, Tillicum, Chieftan and the Hailstorm, which according to prospector Alex Strebchuk is now owned by The "Spud" Huestis Estate, a prominent name in B.C.

mining. Ore in the early days being shipped out 23 miles by pack train.

The initial high grade gold surface occurrences were discovered in 1980 by prospectors Arnold and Elaine Gustafson and optioned as a joint venture by Esperanza and Welcome North Mines. Surface exploration in 1981 by these Vancouver-based companies confirmed the existence of at least two gold bearing zones. Early in 1982 Esperanza acquired Welcome North's 50% interest and in 1982 Esperanza entered into an agreement with La Teko Resources to develop the 14,500 acre, 237 claim property. The agreement calls for Esper-



Prospector Dave Heino Drilling into the Tillicum.



L. to R. Jim Billingsley, Joe Merrin, Jack Guild (top of ladder), Roy McKay, Dave Heino.





## HARD ROCK GOLD PROSPECTS WANTED

for

**Purchase, Option or Joint Venture  
contact**

**Emerald Star Mining Exploration Ltd.**

432 - 8th Street,  
New Westminster, B.C.  
V3M 3R7

**(604) 521-3422**



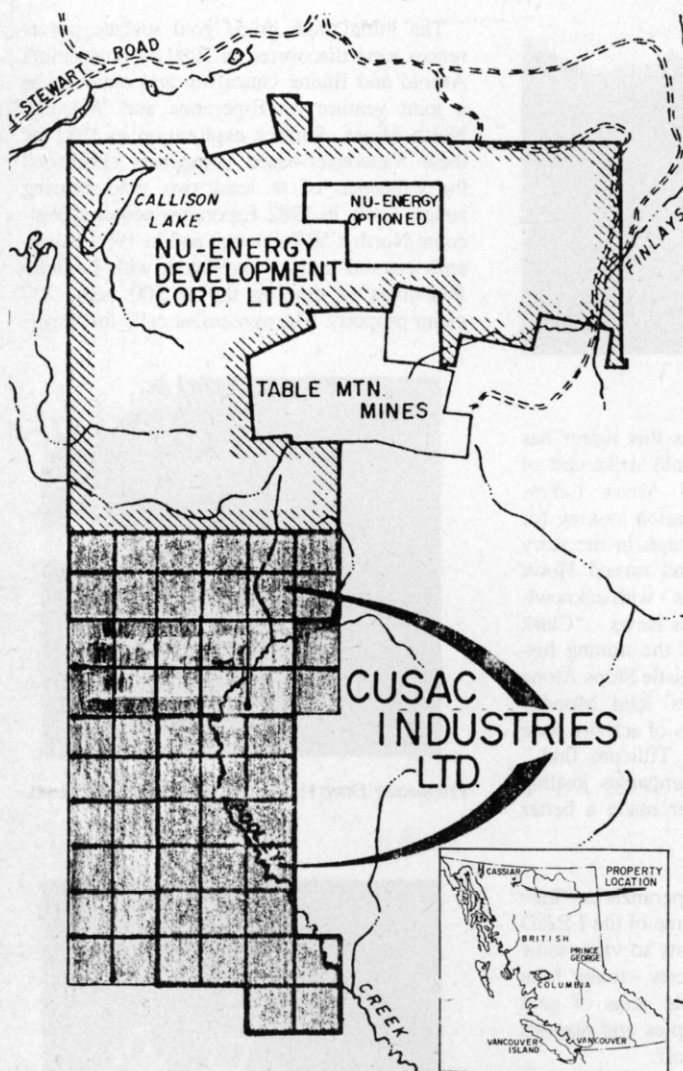
**THE LETTER SHOP LTD.**

INSTANT PRINTING . DUPLICATING . PHOTOCOPYING  
TYPING . ADDRESSING . MAILING

*Serving downtown Vancouver for over 60 years.*

811 WEST PENDER STREET,  
VANCOUVER, B.C. V6C 1K6

PHONE: 685-9422 685-4616



## U.S. Financial Publication Rates Cusac No. 1

In a table that summed up present American gold mining companies the Wilsonville, Oregon — published International Investor's View-point of 5th October 1982 rated Cusac as of number one value to stock buyers presuming gold to drop to \$250.00 or even as low as \$150.00 per ounce. At \$350.00 per ounce Cusac rated 4th place, where the company still ranked at the future level of \$600.00 gold. But at \$850.00 Cusac had significantly climbed to 3rd place. (3)

## LOW GRADE GOLD CONCENTRATES REQUIRE LOW COST PROCESSING

**Zen Precious Metals Ltd.** of Vancouver, B.C. offers rapid, low cost hydrometallurgical processing of hardrock and placer concentrates containing a minimum of 5 ounces ton of gold and or platinum. Minimum lot size of one ton.

For further information contact:

Jonathan Vanderloop  
**Zen Precious Metals Ltd.**  
P.O. Box 397,  
Aldergrove, B.C. V0X 1A0  
(604) 856-9726

Giovanni Zen, President,  
Corporate Office,  
**Zen Precious Metals Ltd.,**  
#12, 3683 East Hastings,  
Vancouver, B.C. V5K 4Z7  
(604) 299-9526



anza to grant La Teko the right to purchase 3,450,000 shares (50.4%) by contributing \$5.1 million before December 31, '84

The possibility of a significant gold deposit firmed up in 1981 with a 64 ton bulk sample averaging 2.3 ounces gold per ton. Trenching on the Heino-Money Pit high grade zone in 1982 established a strike length of 440 feet within a zone mapped over 775 feet in length. The trenched zone averages 7 feet in width and is returning 1.544 ounces gold, with some spectacular values over an 8 foot width of up to 12.98 ounces gold per ton.

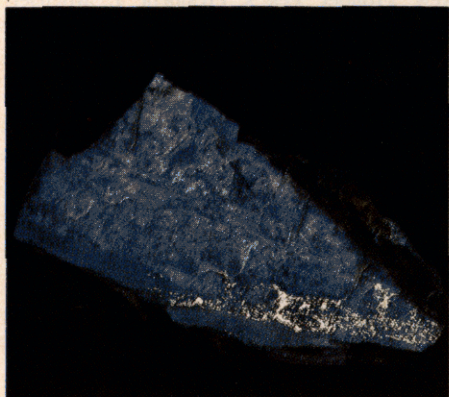
Of the six new sulphide rich zones found during current exploration, the Eastridge Zone



Visiting Geologists jam the Money Pit.

running roughly parallel 1000 feet east of the Heino-Money Pit is the company's present target. This zone has been traced for 1200 feet and is open to the north and south. Four trenches between these two zones has been the focus of recent exploration. Trench samples ranged from a low of 0.05 ounces gold over 97 feet to a selected sulphide rich sample of 6.12 ounces gold per ton.

The Esperanza-La Teko venture has now completed 25 diamond drill holes, results from 17 of these have been released, all samples showing mineralization from a low of 0.091 ounces gold over 3.3 feet from hole 82-3 to a high of 11.175 ounces gold over 1.5 feet from hole 82-6 with hole 82-1 showing impressive values of 1.104 ounces over 11.2 feet, 1.416



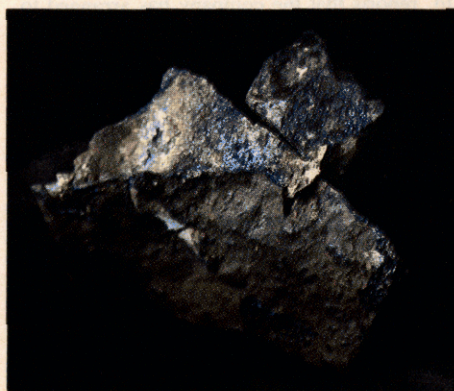
ounces over 8.5 feet and 9.105 ounces over 1.1 feet.

The 50% showing of economic holes so far drilled is 2½ times the average for the gold mining industry. Esperanza's President Brock reports that the pods of "angel-type" ore found locally on the surface in the Heino-Money Pit could reasonably be expected to occur at random intervals at depth. A few tons of this bonanza material, grossing \$75,000 a ton would add appreciably to the over-all average grade of the deposit.

The Heino-Money Pit Zone is well suited for low cost underground development, feasible down to a level 700 feet below the surface outcrop.

In addition to Esperanza's Tillicum property, the company holds the right to acquire the Wisconsin Gold Property located near Nelson, B.C. Geologically inferred reserves are in the order of 100,000 tons of 0.35 ounces per ton gold.

Esperanza has granted Vancouver trader Golden Rule Resources an option to acquire the Hixon Gold Property located south of Prince George, B.C. Esperanza would retain a 2.5% net smelter return interest from production.



Why the commotion started.

The company has granted Esso Minerals of Canada an option to earn an 85% interest in the Lead/Zinc Reb Property. This massive shale hosted sulphide occurrence is located south of Cyprus Anvil's Cirque deposit in British Columbia's Williston Lake area. Esperanza will retain a 15% net profits interest.

Esperanza trades on the Vancouver Stock Exchange Symbol EEP

**For Ad Rates  
Phone 684-8032**

## Spencer Davis' Friends Gather At Memorial



Spencer Holt Davis with friend At Ambleside West Vancouver

A group of family friends and associates paid their last respects to their old comrad "Spence" Davis, who died November 7th in his 83rd year.

Spencer Holt Davis — self-termed Bushrat — had prospected over almost every geologically likely area in Western Canada from The Pas in Manitoba to Stewart in the Portland Canal area of northern B.C. Since 1967 as President of Spenko Mines, a major part of his mineral interests have been in prospects and options in the Princeton area in old mining properties in the Okanagan.

In 1972 his interests spread to silver deposits near Kaslo in the Slocan area of B.C. and to gold-silver-base metals properties in the vicinity of Stewart where rich mineralization first caught world attention in 1900 the same year that "Spence" first opened his blue eyes in the city of Cardiff, Wales.

He was the youngest of three sons of an Anglican Minister who took his family to Duluth, Minnesota when "Spence" was two years old. At 15 he ran away from home in order to take part in World War 1 as a trooper and bugler in Lord Strathcona Horse. From the day of his discharge from the Canadian Army in 1919 he was almost solely occupied with the prospecting, staking and development of mining properties until early in the 1940's when he ventured into the roofing business.

Operating from offices in Vancouver Spencer Davis successfully pursued his roofing operations until the mid '50's when he disposed of the business to return to prospecting for and the development of mineralized ground.

"Spence" will be greatly missed by his friends, associates and relatives.



## Fair Game

The night was early but already the office stag was moving briskly, with at least one glass to every pair of hands, when the office bully reverted to his favorite attention-getter: baiting the shy and completely bald-headed little accountant. The bully, who was also a big and lusty company salesman, had just finished a loud and derisive version of the quiet little accountant's sex life. Now he unexpectedly ran a hand over the bald, shining pate and whooped "Hey, you guys! Bert's head feels just like my girl friend's bare bottom." But here the patient little accountant's face changed quite suddenly from a look of embarrassed toleration to one of grave seriousness and, quite quickly, he stepped back behind a screen of his fellow revellers, out of reach of the meaty, fumbling paw. All eyes were on Bert and you could have heard the proverbial pin — even his tormentor had fallen silent. Still looking deadly serious, the little guy raised his own hand to his scalp and passed it experimentally over the smooth surface. Then that look changed. The eyes widened, the eyebrows rose and a relishing smile played on his lips as he cried "By God George you're right! You're absolutely right! That's exactly how it feels!"

### Circle Seven Oil & Gas Inc. NASDAQ-CSOG

In his annual reported dated Sept. 24, '82, Circle Seven's President G. Hunter Enis said the company's held participation interests in the Fort Worth Basin of North Central Texas where to date 33 gas wells had been drilled and 10 were producing, 3 more waiting on pipeline or contract, 4 were completing or testing, 1 was still drilling and 15 were dry holes. "There has been no significant curtailment of gas delivery in this area and prices are escalating every month," said Enis. Reviewing the company's other participation interest he named a 5% w.i. in one producing well in Ward County, Texas, a 5.4% w.i. in approximately 40,000 acres in Baldwin County, Alabama, where Texas' Amex Petroleum will be Operator, drilling to commence before '82's end, 100% ownership of 11 royalty acres on three of 640 acre proration units in the Morganza field of Pointe Coupee Parish, Louisiana where Operator Amoco is testing the Tuscaloosa Sand with initial potential rates of about 10 million cfb per day from each well, further small w.i.'s in 279 acres Amoco is currently drilling and in 35 as yet undrilled acres.

**JIM FORTUNE**  
**CANADIAN MARKET NEWS**  
 P.O. BOX 159,  
 COLORADO SPRINGS, CO. 80901  
 (303) 634-3777  
 Publishing every 2 weeks  
 \$75.00 Canadian  
 (24 issues per year)  
 Anyone subscribing annually  
 will receive as a bonus the book  
 "INVESTING WITHOUT BORDERS."

### Coastline Petroleum, Ltd. VSE-CSY

Vancouver-based Coastline Petroleum says its wholly-owned subsidiary, Coastline Exploration Inc. in Houston Texas, has announced completion of the No. 1 Charles Muil discovery well in Jim Wells County, Texas, where Coastline has a 16 2/3% w.i. until payout increasing to 29% thereafter. The well was completed with a one million cubic feet of gas per day on absolute open flow from the Frio Sand at 3,878' - 3,885'. The well is being connected to a transmission pipeline delivering an initial 300,000 cubic feet per day at \$3.13 per m. on a contract with escalation clause. One mile to the south on the same acreage Coastline, as developers, has staked location for a 5,600' Vicksburg wildcat with 5 potentially productive zones where drilling is scheduled to commence before year's end.

### Grand Canyon Resources Inc. VSE-GRC

Vancouver-based Grand Canyon's Barry Mann reports negotiations well underway from Grand Canyon's acquisition of Equity Energy Corp. of Nashville Tennessee. Equity assets include 15 producing oil wells netting from \$8,000 to \$12,000 revenue per month in Tennessee's Fentress County. In the immediate vicinity Equity also holds 1,500 acres of undeveloped oil and gas leases. The Grand Canyon acquisition is subject to the B.C. regulatory authorities.

### NRD Mining Ltd. VSE-NMN

J. Michael Wigley, President of NRD Mining Ltd. reports that the company has arranged to convert \$2,137,326 US of its debt into 712,442 shares of common stock of NRD, equivalent to \$3.00 per share. As a consequence the company will show a positive net worth of approximately \$600,000 US. The proposed conversion is subject to regulatory bodies. The shares are to be issued to three unaffiliated European Investment Corporations. In commenting on the transaction Wigley said "I appreciate the faith in NRD evidenced by the fact that the debt holders are willing to accept \$3.00 per share, well in excess of the current market."

### Hallmark Resources Ltd. VSE - HKR

John Wilson, Chairman of Vancouver-based Hallmark states that his company is in the final stages of a \$millions plus financing to put its Smithers BC silver-lead-zinc mine into 1983 production. The financing will be sufficient to continue exploration, development, complete mill construction and provide working capital. A geological evaluation in early '82 shows the deposit to be a bedded massive sulphide, a structure type that has produced a number of large, successful mines.

### Hallmac Mines Ltd. ASE:HLC

Calgary-based Hallmac Mines has commenced a 3 week drilling program to prove the strike depth on the extension of the company's producing silver vein at Sandon, B.C. Hallmac's Bill Wheeler also reported the following shipment of high grade silver ore to Cominco: shipment No. 18 on August 29, 1982 of 167 tons; No. 19 on September 17 of 100 tons; No. 20 on October 29 of 240 tons.

### Abo Oil Corporation VSE:ABU

Abo Oil Corporation, North Vancouver and Tai Resources, Calgary, have acquired 3.75 sections of land 2 miles of Vermilion, Alberta, in 50-50 partnership and for a total of \$46,000. The acreage has a potential of 15 oil wells from the Duvernay formation, of 20 to 45 barrels per day capabilities at approximately 2800 feet. The Abo-Tai partnership has also made a deal with Hudson's Bay Oil & Gas, Merland Oil & Sulpetro to drill 2 wells and earn 50% interest in a further 2 sections of adjoining land, with the first well spudded mid October. The partnership also owns gas-oil participation interests in other Saskatchewan and Alberta production.

### Imperial Metals Corporation VSE-IPM

Imperial Metal's Alan Savage has told his shareholders of a successful Viking Sand oil well in the Brazeau River area of Alberta, west of Edmonton, wherein the company participates with a net interest of 15 1/2% in the well and 1,120 surrounding acres. Savage said the well had stabilized at 25 barrels per day and the oil will receive new Canadian pricing. Savage also revealed that Imperial's 3% working interest in 250 million tons of Alberta coal in the Ram River was moving closer to payoff with two major Canadian companies discussing consortium-type financing and development. Success would provide Imperial with an additional \$480,000 per year royalty at indicated production rates.

### Genoveva Resource Inc. VSE:GNV

Among B.C.'s latest producing mining operations is that of Genoveva Resource for which company President and Mining Engineer Felix A. Reyes is drawing his mill feed from the slag heaps of such old precious metal producers as Anyox and the old Cumberland operation on Vancouver Island. From the slag Engineer Reyes is recovering abrasives like silicon and supplying the needs of sand blasting operators who clean such as building exteriors and ships' hulls, the latter of noticeably growing demand with Genoveva supplying the lions share in the ports of Vancouver and Seattle and eyeing other large markets in Hawaii, Guam and the Philippines.

### New Frontier Petroleum Corporation VSE-NFR

New Frontier Pete's President J. Michael Mackey, told International Prospector the company's latest Texas gas well interest is drilling ahead below 11,600 feet, only 1000' from target depth which it was scheduled to reach before October's end.

The well, the McMillan No. 1, in which New Frontier holds a 12.5% working interest (reducing to 9.375% net revenue interest on payout) is in Texas' Burleson county, approximately 60 miles northwest of Houston.

The action in on a 545 acre lease where there is space for 2 more deep test and other shallower offsets.

The new well is located about 6,000 feet southwest of the 1.3 million cubic feet per day Edwards-Lime producer, the Jesse Moore No.

Cont. on pg 24

# Carl Creek Set to Joint Venture in B.C. Gold, Fueled by U.S. Oil and Gas Interests

by Sam Stone

Four major initiatives by recent (July '82) Vancouver Trader Carl Creek Resources should create a solid base for this ambitious junior.

First of these corporate moves was the 100% acquisition of a prime claim block in the Tillicum Gold Strike area, the second an agreement with Nugget Mines that would earn Carl Creek a 50% - 75% interest in the old Sheep Creek Gold Camp, thirdly an agreement to acquire all the outstanding shares of Adco Resources, an oil and gas corporation and lastly and most recently an agreement with Camelback Petroleum Corp of Vancouver for this company to spend \$500,000 to earn a 50% interest in Carl Creek's Tillicum gold claims.

Carl Creek's President "Bob" Pincombe moved extremely rapidly at the time the news broke of the spectacular gold finds by La Teko Resources and Esperanza Explorations on Tillicum Mountain near Burton in British Columbia's southwest. The 4,500 acre 76 claim block acquired by Carl Creek is in a choice position in relation to the original discovery, situated immediately to the west adjoining the La Teko/Esperanza property. (See I.P.&D Vol 5 No. 5 Sept. '82).

Pincombe reports that the claims have been examined by the company's Consulting Engineer and Geologist D.G. Allen, who reports that he found the same metasedimentary and metavolcanic host rocks as those of the La Teko ground. Engineer Allen has recommended a program of geological mapping and soil sampling, to be followed by trenching and drilling to parallel the La Teko/Esperanza exploration program. This program has seen the completion of 25 diamond drill holes, results so far indicate that the potential for a high grade underground operation and also the probability of open pit potential in other mineralized zones.

The agreement with Camelback provides for the new joint venturers to spend \$100,000 on exploration and development within 12 months and \$200,000 in each of the following two years ensuring exploration of the property at cost to Carl Creek.

The Nugget Mines property is located near Salmo B.C. in the southeast of the Province and covers a major portion of the famous Sheep Creek Gold Camp. Previous production from the Nugget property amounted to 230,580 ounces of gold from ore averaging 0.54 ounces per ton. Over 20 separate vein systems have been traced some having been put into production with others await further exploration.

Engineer Allen reports that one vein, "Golden Belle" has a potential of some 5,000 tons of mineable ore already in place. A planned work program will be to re-open this vein and start a diamond drill program from the lower tunnel to test the depth of the ore body.

An old major producer, the Nugget Vein, will be entered by opening the Mother Lode tunnel which will give access for sampling and drilling of the Ridge and O'Donnell Veins. The O'Donnell is accessible from the fourth level crosscut and will be explored by both underground and surface drilling to define the area of favourable quartzite that had not been reached by the original drift. The remaining target is a branch of the Nugget, the Calhoun Vein, which saw limited work in 1981 with 275 tons of 0.42 ounces gold per ton being taken.

This season's work on the Sheep Creek camp will amount to \$100,000. Past estimations indicate 25,000 tons of ore currently exist in the old workings. Exploration expects this figure to rise to 100,000 tons grading 0.50 ounces gold per ton allowing for a 100 ton per


day operation.

Carl Creek's Pincombe feels that to ready the mine for production will call for some \$900,000 in overall exploration. An agreement has been confirmed with Vancouver's David Minerals to custom process Carl Creek's ore at the David Mill which is located 6 miles from the property.

Carl Creek continues to retain interest in their 50% joint venture with Calgary-based Claude Resources in the Tom Claims in north central British Columbia 32 kilometres north-east of Terrace. Veins on this property range in width from 0.3 metres and can be traced over 300 metres with a possibility of extension to 1000 metres. Reported values range up to 0.71 ounces gold per ton and 116 ounces silver per ton.

Carl Creek also holds a number of Crown Grants near Ainsworth in the Kootenay Lake area of B.C. These properties are past shippers of high grade silver-lead-zinc ore to the Cominco Smelter at Trail, B.C.

Carl Creek's expansion into the oil and gas arena has been through the acquisition of US Oil company, Adco Resources, through an issue of treasury shares at a deemed value of .75¢. This acquisition gives Carl Creek interests in a number of producing wells in Texas and other land with good well potential. Adco has a carried interest in approximately 1100 acres sold to Texas interests on which two wells have been drilled and are awaiting testing and another well has been spudded. The Adco agreement will furnish Carl Creek with a substantial boost to the treasury and significant ongoing cash flow.

Carl Creek trades on the Vancouver Stock Exchange Symbol CCK 



Nugget rails end at loading ramp & dump.



Carl Creek's Nugget 4 level Portals.

82FNW234

# SECURED TERM NOTES

RATES TO: **14 1/4 %**



**1 year-7 years**

**With Quarterly Interest**

*Prospectus available on request*

**TOWER MORTGAGE LTD.**

**Vancouver Branch**  
Tower Mortgage Building  
#200-455 Granville St.  
Vancouver, British Columbia  
V6C 1V2 Tel. 669-2850

**New Office:**  
766 Fort St.  
Victoria, British Columbia  
V8W 1H2  
Tel. (604) 382-2754

*Note: Rates subject to change without notice.*

## 'Dick' Dayton Joins Merit Investment Company



**D.W. 'Dick' Dayton**

"Dick" Dayton, a familiar name to northwest Pacific investor circles, has materialized in person on the Vancouver market scene. And as a handsome giant who stands 6 feet 5 inches sans heels, he's not going to be overlooked. An unlikely circumstance anyway in view of his track record.

Chilliwack born, raised, educated and lifetime resident, Dayton is a fully licensed stock broker and investment dealer's securities salesman for Merit Investments Vancouver Office.

He was Odium Brown & T.B. Read's able representative and branch manager in that Fraser Valley city from January 1, 1968. Prior to that he performed in the same capacity for the Chilliwack operation of Yorkshire Securities and, earlier (commencing in 1959) for McDermid, Miller & McDermid. A member of the Masonic Lodge, Chilliwack Chamber of Commerce and past president of Chilliwack Cdn. Cancer Society, "Dick" Dayton is licensed to buy and sell a complete range in stocks, bonds and options.

Dayton openly admits to an abiding interest in new mining, gas and oil companies in the Pacific northwest, a bug that hit him while he was a 26-year-old Chilliwack building inspector and drove him to after hours work selling CSB and Mutual Funds.

Dayton commenced this latest phase of his career with Merit on November 1st of this year.

Merit Investment Corporation is a Toronto-based investment dealer and underwriter which, through a predecessor company, was incorporated in 1962. Merit is a member of the Toronto, Montreal, Alberta and Vancouver Stock Exchanges and the Investment Dealers Association of Canada. The firm maintains its own trading staff on each of the above-mentioned Exchange floors and has full-service

**Cont. on pg 24.**



## EXECUTEL

**EXECUTIVE  
TELEPHONE  
ANSWERING  
SERVICE LTD.**

**introduces**

**'Customized' Answering & Paging Service**

**"WE ANSWER FOR YOU: 681-7256"**

- Professional • Business • Personal
- 24 Hour or Day Service
- PAGING SERVICE
- Mail Service—Wake Up Service
- Vacation Service
- Courteous • Reliable • Confidential
- Telex

*If You Don't Need An Office, Move Your Phone into Our  
Switchboards, & Use Our Mail Facilities*

**726 Richards 681-7256**



# Securities Reports

14

See Reader Response Coupon — Page 20

## Roxwell Gold Mines

Shares Outstanding: 2,125,000 1983/1984 Price Range

	High	Low	Recent
Listed: VSE (RXW)	\$0.95	\$0.30	\$0.50

**Summary:** With the help of an underwriting by Canarim Investment Corp., Roxwell's potential was not only realized in 1983, but surpassed as well. The net result was a good year for Roxwell Gold Mines.

Four of Roxwell's projects stand out:

- The company negotiated a position in the *Tillicum Gold Camp* in eastern British Columbia called the *Hailstorm Project*.
- The company owns two main mineral claims near Matthews Lake in the Northwest Territories. Roxwell is negotiating with Cominco Ltd. for their acquisition of part of this property.
- The Mosher Lake project is a low grade large tonnage property owned 100% by Roxwell. The property currently reports 500,000 tons at 0.08 oz. gold per ton in the main zone. A similar zone, 1.5 miles to the south with similar grades and widths on surface is also part of the Mosher project. Roxwell is currently doing test work on the property;
- Roxwell acquired a land position in the new Contwoyto Lake gold camp, home of Canada's third largest gold producer, Echo Bay Mines.

**Current Activities: Tillicum Property, British Columbia** — Roxwell, along with Suncoast Petroleum, acquired the option to purchase a 100% interest in *Hailstorm* Exploration, which in turn holds an option to purchase the property by agreement with the vendors. The claims are located on claim sheet 82F/13E in the Slocan Mining Division, British Columbia. The claims comprising the *Hailstorm Group* have at least four zones of mineralization defined by detailed sampling and trenching on Hailstorm Ridge or by a 900-foot long adit constructed in 1929-30. Sufficient exploration was completed in 1983 to propose a diamond drilling and underground exploration program to evaluate the most promising mineralized zones.

The average grade indication to date on *Surface Zone A*, the most thoroughly explored, is 15 oz/ton silver, and 0.03 oz/ton gold with minor copper, lead, and zinc values over a 30-foot wide by 200-foot long zone.

*Zone B*, although less well understood, appears to have similar size, shape, and possibly similar grades as *Zone A*. *Zone C* on surface and *Zone 1* underground require detailed exploration to determine the size and average grade. A program of diamond drilling, underground exploration, trenching, and detailed mapping and surveying have been proposed with a total budget of \$539,000.

**BS Claims, Northwest Territories** — The company is

the owner of two mineral claims in the Mackenzie Mining District, Northwest Territories. The claims are located two miles south of Matthews Lake, and 145 miles north-east of Yellowknife. Roxwell and Cominco have entered into negotiations on the option and joint venture of the company's claims.

The claims are south of and adjoining Giant Yellowknife Mine's Salmita Mine and less than four miles from what may be a major gold discovery by Noranda. The Matthews Lake project is in a similar geological setting to Noranda's property, and has had extensive drilling done in the past. Reserves to date exceed 370,000 tons and a significant down-dip extension has been indicated by a 1983 drill program.

In 1981, Brian Fairbanks, a professional geologist, prepared a report on the BS claims. Fairbanks concluded that:

- Gold occurs in quartz veins and stringer zones in both mafic and felsic volcanics near the contact with sedimentary rocks.
- The claims cover the north-south contact zone over a strike length of 8,000 feet.
- The *Perrson Vein Zone* contains proven reserves of 37,500 tons and additional probable reserves of 75,000 tons grading 0.15 oz/ton gold.
- The *Saucer Lake Zone* contains proven reserves of 101,000 tons and additional probable reserves of 135,000 tons of 0.13 oz/ton gold.

**Contwoyto Lake Gold Camp** — Roxwell acquired a land position in the new but potentially significant *Contwoyto Lake* gold camp, home of Canada's third largest gold producer, Echo Bay Mines. Little is known at this point about the company's holdings here, except that they are in a geologically strategic area and with the amount of grass roots exploration going on in the area at this time, the company feels sure their program planned for 1984 will meet with success.

**Financial:** In May, 1983, Roxwell made a public offering of 800,000 units at 70 cents per unit. Proceeds of the offering were budgeted and substantially adhered to in order of priority as follows:

• Costs of the issue	\$10,000
• VSE listing fee	\$2,125
• Payment of loan to Canarim	\$100,000
• Conduct the trenching and diamond drilling program on the MOS claims in the Mackenzie Mining District.	\$100,000
• Pay one-half of Phase I of the program on the Tillicum property	\$100,000
• Payments for the Tillicum property	\$35,000
• General, administrative and corporate expenses	\$132,875
	<b>\$480,000</b>

Capitalization:	Authorized	Outstanding
	5,000,000	2,125,000

**Statutory Information:** *Head Office* — #400 - 1055 West Hastings Street, Vancouver, B.C. V6E 2E9, (604) 683-0422; President: Anthony Shearcroft  
*Registered Office* — 5108 Franklin Avenue, Yellowknife, Northwest Territories.

All material in Securities Reports is copyrighted by B.C. Business Magazine and may not be reproduced without written approval. For advertising placement information call Tom Audet at (604) 689-2021. Data is from sources the magazine believes to be reliable but the accuracy cannot be guaranteed. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of securities.

# Securities Reports

13

See Reader Response Coupon — Page 20

## Pecos Resources

### Shares Outstanding:

### 1984 Price Range

Listed: VSE (PES)

High	Low	Recent
\$5.50	\$3.25	\$5.45

**Note:** In 1983 the shares had a low of 11 cents. The stock was split two for one. The current price is after the stock split.

**Summary:** Pecos Resources has emerged as one of the top market performers on the VSE. Pecos is currently participating in the development of a world class (100 million plus tons) gold heap leaching mine in California; is a 50% partner in a second heap leaching gold mine in Nevada; and holds participations in several other mineral properties in Canada and the U.S. The company's U.S. partner is Fischer-Watt Mining Company.

Pecos also owns Granges International Mining which holds 1.7 million acres of mineral properties across Canada, including several properties on which major ore bodies have already been developed. Granges' interest in Hudson's Bay Mining's Trout Lake mine generates some \$2 million per annum for Pecos. Granges' recently announced major gold find in Manitoba will have a significant impact on Pecos' growth as an independent mining company.

**Management:** Pecos Resources is under the leadership of Robert Hunter, also president of Breakwater Resources, a major participant in the large gold mine being developed by Asamera in Wenatchee, Washington State. Vice-president Doug McRae is the financial expert who has raised the finances to complete the Granges acquisition and assisted in finding institutional investors in the U.S. and Europe. Carlo Civelli, vice-president finance for Europe has contacts with several investment bankers in Europe. Mike Muzykowski, who came as part of the Granges acquisition, was almost single-handedly responsible for assembling the many mining properties held by Granges. Prior to joining Granges Mike Muzykowski discovered 10 different orebodies for Hudson Bay Mining & Smelting.

**Current Major Projects:** *Hayden Hill Gold Property* — This is a project of the Pecos-Fischer Watt Joint Venture. The property is located in the Susanville area of Northern California. Initial exploration indicates that Hayden Hill has the characteristics of a 'Round Mountain' type of deposit — a 100-million-ton-plus potential mine which can be operated by heap leaching methods.

Lacana Mining Inc., a subsidiary of Lacana Mining Corp., in which Dupont has a substantial interest, made an agreement for the development of Hayden Hill. Lacana can earn a 45% interest by spending \$1.5 million and a further 15% by spending another \$1.5 million before October 30, 1986. Lacana will also purchase

195,000 treasury shares of Pecos at prices up to \$6 per share, and issue Pecos 25,000 Lacana shares free of charge. The Lacana deal will ensure development of its full potential of Hayden Hill and will provide Pecos with cash and shares of Lacana.

**Dexter Project:** This gold leaching mine is being developed jointly by Pecos and Goldbelt Mines, a company with the same management as Pecos. Leaching operations are underway with ore from the 150,000 tons in various dumps being processed initially. A \$1.5-million exploration and development program is also underway with the intention of bringing the operation to 2,500 tons (600,000 tons per year) per day.

**Granges Mineral Portfolio:** With the acquisition of International Minerals Exploration Granges AB and Granges Exploration AB for \$18 million, Pecos acquired mineral properties covering 1.7 million acres, and over 50 separate mining properties. The company also acquired substantial partners in several of these properties, including Noranda Mines, Sherritt Gordon, Cominco and Billiton. A summary of the more developed properties follows:

**Trout Lake, Manitoba:** Granges holds an approximate 20% interest in the producing copper-gold-zinc mine operated by Hudson Bay Mining at Flin Flon, Manitoba. Revenue to Granges (Pecos) from its interest is about \$2 million annually. Undiscounted cash flow to the company to 1992 is \$20 million.

**Bigstone, Sask.:** Some 3.1 million tonnes of high-grade zinc-copper developed to date at Bigstone. Granges controls more than 1,100 square miles covering three potential mining camps.

**Capoose, B.C. Silver Prospect:** This property has more than 20 million tons developed of 1.5 ounces silver and 0.017 ounces gold per ton. Deposit contains 30 million ounces silver and 200,000 ounces gold.

**Puffy Lake, Manitoba:** Work has outlined 500,000 tons grading 0.22 ounces gold per ton with an average thickness over eight feet. Structure has similarities to South African gold mines and excellent unexplored potential.

**Francis Lake-God's Lake, Manitoba:** Reserves at God's Lake are 500,000 tons grading 1% copper and 2% zinc. At Francis Lake are 310,000 tons of 0.053 ounces gold, 0.68 ounces silver, 0.55% copper, 7.10% zinc and 0.83% lead.

**Minago River, Manitoba:** Reserves of 13 million tons grading 1% nickel per ton.

**Halfmile Lake, N.B.:** This property, which is held for future development, has reserves of 1,275,000 tons grading 4.5% zinc, 0.8% lead and 0.4% copper per ton.

**Smithfield, Nova Scotia:** Located 18 miles south of Truro, these claims were first explored in the 1880s. Granges commenced exploration in 1981 to verify and expand on work carried out in 1950. Reserves now stand at 540,000 tons grading 2% lead and 6% zinc.

**Other Properties:** Granges has some 50 other mining properties in which it holds the majority interest. These properties are located in seven Canadian provinces.

**Statutory Information:** *Head Office* — Suite 1440 - 625 Howe St., Vancouver, B.C. V6C 2T6 (604) 669-1918.

*Swiss Office:* Gerbergrasse 5, P.O. Box 2417, 8023 Zurich, Switzerland.

All material in Securities Reports is copyrighted by B.C. Business Magazine and may not be reproduced without written approval. For advertising placement information call Tom Audet at (604) 689-2021. Data is from sources the magazine believes to be reliable but the accuracy cannot be guaranteed. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of securities.

# Securities Reports

15

See Reader Response Coupon — Page 20

## Esperanza Exploration

Shares Outstanding: 5,576,070

1984 Price Range

Listed: VSE (EEP)

High	Low	Recent
\$2.00	\$1.30	\$1.60

**Summary:** Esperanza is run by well-known mine-finder John Brock. Brock is also president of Welcome North Mines and has a long history of successful mineral exploration.

Esperanza's main thrust is the operation and development of its several gold-silver properties within the 15,000-acre Tillicum Mountain claim group in the Arrow Lakes region of B.C. for which La Teko is providing financing.

**Statutory Information:** Head Office — Ste. 1027 - 470 Granville St., Vancouver, B.C. V6C 1V5 (604) 687-1658.

**Officers and Directors:** John S. Brock, president; Irene M. Wilson, secretary; Jurgen Lau, David C. Pegg.

**Transfer Agents:** Guardian Estates & Agencies Ltd., 404 - 470 Granville St., Vancouver, B.C.

**Auditors:** Coopers & Lybrand, 1111 West Hastings St., Vancouver, B.C.

16

See Reader Response Coupon — Page 20

## La Teko Resources

Shares Outstanding: 4,301,124

1984 Price Range

Listed: VSE (LAO)

High	Low	Recent
\$2.50	\$1.50	\$2.10

NASDAQ (LAORF)

**Operations:** Currently, La Teko's only active interest is the development of the Tillicum Mountain gold property. La Teko is providing the financing for the development of the property and will earn a 50.4% interest in Esperanza by providing \$5.1 million before the end of this year. So far, La Teko has advanced over \$2 million, with another \$1 million slated for the early part of the year's development program.

**Statutory Information:** Head Office — Ste. 303 - 535 Howe St., Vancouver, B.C. V6C 2C2 (604) 682-2704.

**Officers & Directors:** Chester F. Millar, president; Jim R. Billingsley, exec. vice-president; T. Martin Gibbeson.

**Transfer Agents:** Guaranty Trust Company of Canada, 800 West Pender St., Vancouver.

**Auditors:** Tor Barth, C.A., 806 - 675 West Hastings St., Vancouver, B.C.

## Joint Ventures

*Tillicum*

**Development:** The original high grade gold discovery on the Tillicum Mountain gold property was made in 1980. Work since then has defined 12 mineralized gold zones, four of which have been partially drill tested and one opened up by underground work. Indications are that the property could be amenable to open-pit as well as underground mining. In 1983, the discovery of a large, extremely anomalous silver zone on the southeast part of the property added yet another dimension to the property's potential.

**The 1984 Program:** The 1984 program will entail an expenditure of approximately \$1 million, with funds provided by La Teko under its agreement with Esperanza.

The work program is designed to include:

**Heino-Money Zone:** Drilling to date has indicated 40,000 tons of 0.6 ozs/ton gold, with an overall inferred potential of 100,000 tons of similar grade.

Underground drifting and sampling planned for 1984 should confirm and expand the gold reserves indicated to date, and will advance the Heino-Money Zone to the stage where a production feasibility study can be undertaken at the earliest possible date.

**East Ridge Zone:** This zone has excellent potential to develop large open-pit gold reserves. To date, grades of

ore, from an 18-hole drill program, ran 0.11 ozs/ton gold over 39 feet with longer intervals running 0.08 ozs/ton over 80 feet. A 200-foot underground cross-cut in 1983 confirmed values found by surface drilling, with mineralization from the adit assaying 2.85 ozs/ton gold. This mineralized gold zone has a present strike length in excess of 1,650 feet. Further drilling in 1984 will explore down-dip and strike extensions of this gold zone.

**Silver Queen Zone:** The Silver Queen Zone, a 3,000-foot x 150-foot zone of extremely high silver geochemical assays, was discovered on the southeast part of the property in late 1983. Values in soils range up to 7.5 ozs/ton silver. Grab samples assayed up to 22 ozs/ton silver and chip samples yielded 6.5 ozs/ton over 33 feet. An old former producer, the Silver Queen Mine, is located on the flanks of the new Silver Queen Zone. In 1984, a program of trenching, sampling and drilling will test this high priority target area.

**Other 1984 Targets:** The 1984 program will also test several other gold mineralized zones, including the Jenny Zone where values of 2.31 ozs/ton gold have been obtained; the Grizzly massive sulphide zone which has been traced for 1,300 feet and where chip sampling gave values of 0.13 ozs and 0.85 ozs per ton gold over 16.4 feet; the Blue Pits Zone where sampling gave values of 0.2 ozs/ton gold; the Ridge Road Zone; and the Arnie Flats Zone where anomalous silver geochemical values have been obtained.

There are still a number of geologically favourable areas on the Tillicum Mountain property which remain to be explored and evaluated.

All material in Securities Reports is copyrighted by B.C. Business Magazine and may not be reproduced without written approval. For advertising placement information call Tom Audet at (604) 689-2021. Data is from sources the magazine believes to be reliable but the accuracy cannot be guaranteed. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of securities.

Esperanza Explorations Ltd./La Teko Resources Ltd.

# Tillicum

PROPERTY FILE

82FNW234



One of British Columbia's premier  
gold-silver properties



# Tillicum...a multi-pot exciting

## Production possibilities make Tillicum excellent gold bet

The 12,000-acre *Tillicum Property*, situated in the Arrow Lakes region of southeastern British Columbia, has been well known to the local mining community since 1980 following the discovery of high-grade gold occurrences on Tillicum Mountain. One zone produced some of the most spectacular coarse gold specimens ever seen in B.C.

Esperanza Explorations Ltd. and La Teko Resources Ltd. are exploring Tillicum, which is 100% owned by Esperanza. Since 1982 La Teko has financed approximately \$2.3 million of exploration and development through a share purchase agreement which, when fully exercised, will see La Teko earn a majority shareholding (50.4%) of Esperanza.

This work has confirmed the presence of an easily accessible high-grade gold deposit averaging 0.6 oz/ton and outlined a second

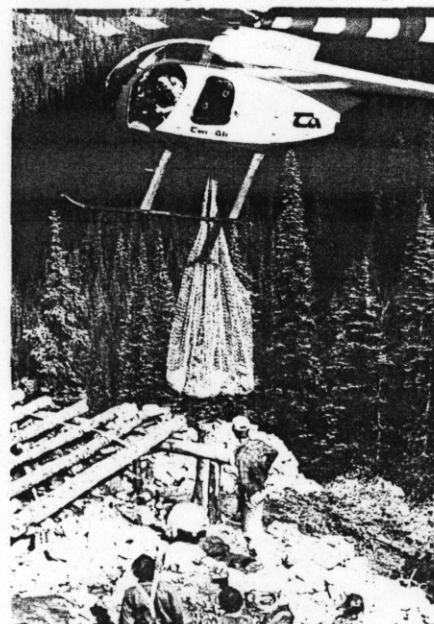
deposit containing some five million tons with an average grade of 0.05 oz/ton which could be recovered by low-cost heap leaching. This lower-grade open-pit reserve compares favourably with those of successful heap-leach gold producers in the United States which operate in climates similar to Tillicum's. If preliminary metallurgical tests prove correct, British Columbia could soon have a major heap-leach precious metal producer. In addition, a production decision could be forthcoming for the higher-grade gold zones.

The recent discovery of a major new silver-gold zone adds yet more production potential to the multi-faceted Tillicum Property, one of B.C.'s best gold bets.

**Heino-Money Adit**



**Heino-Money Bulk Sampling**



**Surfac**





# essential property with a proven high-promise as an open-pit, heap-leach

## Diamond Drilling



## East Ridge drilling indicates open-pit deposit

Diamond drilling in 1984 successfully delineated additional reserves at *East Ridge*. Up to 100 feet thick, the East Ridge Zone has been extended to nearly 2,500 feet along strike and for 200 feet down dip; it remains open in all directions. Drill hole values vary up to 0.11 oz/ton gold over 39 feet. Gold grade of all 25 holes drilled in the East Ridge Zone averages 0.05 oz/ton.

Preliminary drilling of several parallel gold zones has outlined similar grades over comparable widths. Further drilling is a high priority for the 1985 field season and could add significantly to the overall reserves of East Ridge.

Potential geological reserves mineable by open pit have been estimated at over five million tons

grading 0.05 oz/ton gold. Many deposits of similar size and grade are being profitably exploited by heap leaching in the western United States. From preliminary metallurgical testing, Tillicum's open pit reserves have been found to be "free gold" and, thus, amenable to heap leaching. More thorough metallurgical testing is underway which could lead to the installation of a test leach pad.

## Production feasibility for Heino-Money

In 1984, underground bulk and drift sampling on the *Heino-Money Zone* confirmed high-grade ore shoots averaging up to 0.93 oz/ton gold. Reserves presently stand at 40,000 tons of 0.6 oz/ton gold with a geologically inferred potential for 100,000 tons of similar grade. Ten thousand tons containing 9,000 ounces of gold occur near surface that could be mined by a small open cut.

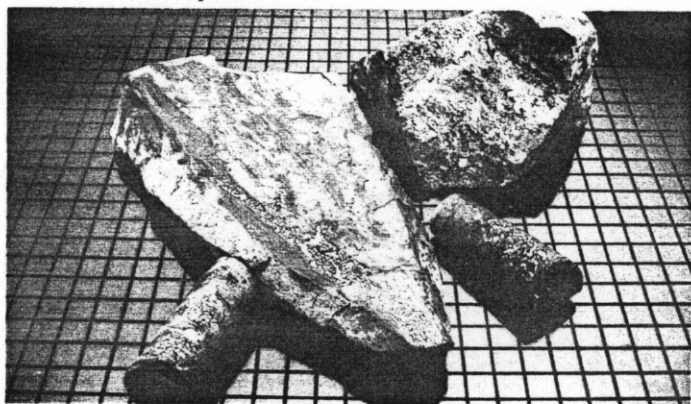
The Heino-Money could support a high-grade mine and milling operation and provide cash for on-going exploration and development of Tillicum. A production feasibility study is scheduled for Summer 1985.

## Surface Blasthole Drilling



# grade gold deposit and producer.

**Coarse Gold Specimens**



## Arnie Flats: A new silver-gold discovery

The 1984 field work outlined important new silver-gold mineralization within the 3,000 × 1,000 foot *Arnie Flats* silver geochemical anomaly. Prospecting in the westernmost part of the anomaly led to the discovery of silver mineralization with grab samples assaying up to 103 oz/ton silver and 0.22 oz/ton gold.

Channel samples taken from open cuts across the zone have yielded 5.0 oz/ton silver and 0.02 oz/ton gold over an average mineralized width of 20 feet. A 650-foot strike length has been exposed so far. Based on the

3,000-foot-long geochemical anomaly, there is excellent potential to add to the known strike length of the zone. Diamond drill testing is planned for 1985.

## Promising targets remain untested

There are numerous other known gold and silver areas within the 234-claim *Tillicum Property* and favourable geologic environment exists for additional discoveries in areas yet to be explored.

A large silver zone, called the *Silver Queen*, has been traced by trenching over an open strike length of 2,000 feet with samples returning up to 11.7 oz/ton silver over 20 feet. In 1984, 11 drill holes intersected up to 3.6 oz/ton silver over 24 feet. Reserve potential of 3-ounce silver is estimated to be 3-5 million tons. The *Grizzly* massive sulphide zone is another area which has been prospected. Chip samples taken over 600 feet of a 1,300-foot mineralized zone have assayed up to 0.13 oz/ton gold over 16.4 feet.

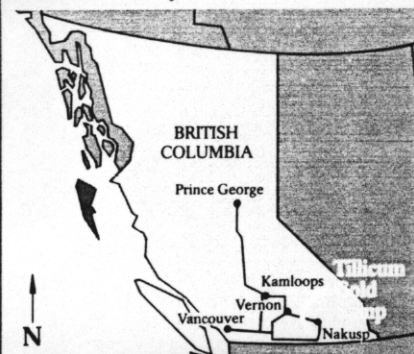
Other large gold geochemical targets, yet untested, will be prospected and trenched in 1985.

## Vast Unexplored Potential

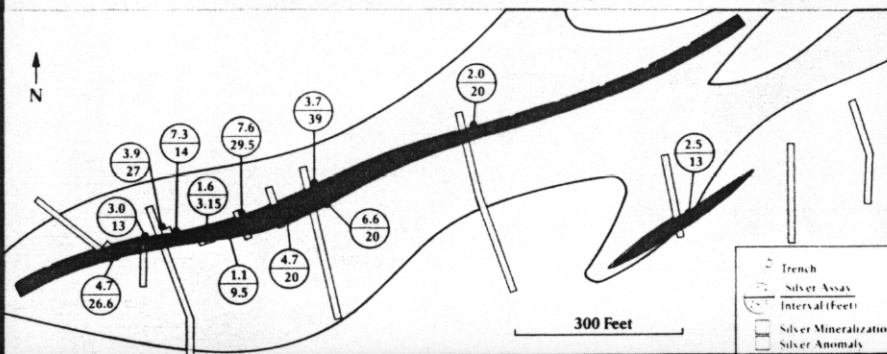




## Location Map

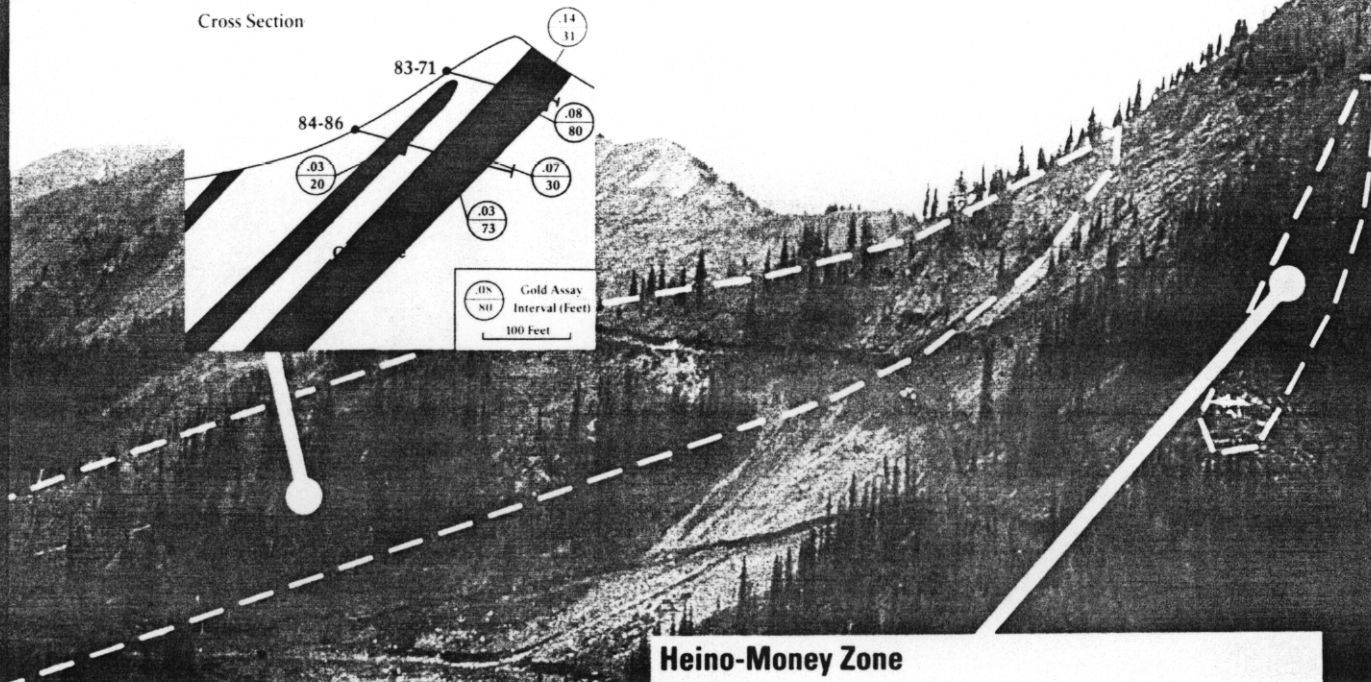


## Arnie Flats Zone (1 mile southwest of Heino-Money)



## East Ridge Zone

Cross Section



## Heino-Money Zone

Sectional View

