

Salmo area tungsten bet

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Mentor to resume B.C. work

In addition to its direct interests in Agnico-Eagle (7%), Dumagami Mines (16.8%), Sudbury Contact Mines (21%) and Goldex Mines (5%), Mentor Exploration and Development is active in the field on its own account. It is planning an early resumption of work on its tungsten property in the Salmo district of B.C. which is being enlarged through acquisition of additional ground adjoining to the north of the former tungsten producing Canex property. This will include further fill in soil sampling along a favorable granite contact along which another tungsten discovery was made last year. This will likely be followed up with a drill program.

Just recently, the company made a deal in principle with Denison Mines on its original 17-claim Quirke Lake uranium property in the Elliot Lake area and in which it will retain a royalty interest.

Dumagami Mines

As recently reported (N.M., May 25, 1978) Dumagami Mines is embarking on a sizable program to develop its recently acquired Preissac area molybdenite property in Quebec. The first phase will consist of a surface drill program to further delineate the South Preissac zone and also to test the favorable contact area northeast of the Preissac molybdenite shaft.

A surface machine was moved in last week, with drilling now under way. Also, preparations are being made to unwater the Cadillac molybdenite shaft from which additional underground drilling is planned on the 600-ft. level to outline the South Preissac zone to depth.

This program is expected to take six to eight months to complete. Negotiations are currently under way with Cadillac molybdenite for the use of this shaft.

The second phase of the program would consist of rehabilitating the Preissac molybdenite mill which Dumagami already owns for molybdenite production.

Dumagami's copper-gold deposit is located about eight miles south of the Preissac mill and is viable at current gold prices if a custom mill was available in the area.

Sudbury Contact

In view of the continued improvement in the price of gold, Sudbury Contact Mines has decided to resume exploration work on its extensive holdings in the Larder Lake area. Previous underground work there from the Laguerre shaft was suspended in 1976 due to discouraging results from detailed underground drilling and the decline in the price of gold.

Recent studies indicate three

areas of interest that deserve further work:

1. A series of short holes will be drilled on the No. 1 and No. 2 veins which lie about 900 feet south of the Laguerre shaft. No. 1 on surface averaged 0.25 oz. gold per ton across 5.9 ft. for a length of 80 ft. Vein No. 2 averaged 0.42 oz. gold across 5.3 ft. for a length of 160 ft. Previous drilling on these veins is considered to be inadequate.

2. Along the same general zone about 600 ft. south of Veins 1 and 2, one hole is planned to check an intersection in previous drilling which assayed 0.08 oz. gold over 32.5 ft.

3. Deep drilling is planned in the Raven River shaft area about 2,000 ft. east of the Laguerre shaft to test the gold bearing syenite below the 700-ft. level. This will entail drilling 1,200-ft. holes. Previous mining indicated seven gold bearing veins in the syenite plug about 350 ft. by 180 ft. in size above the 700-ft. level.

Drilling should be under way by the end of June.

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Mentor Exploration lines up program for British Columbia tungsten bet

Mentor Exploration and Development Co. in the first six months to June 30, 1979, recorded a net income of \$151,763, equal to 4.4¢ per share, as compared with just \$43,073, or 1.2¢ per share, in the same six months a year ago. At the same time, working capital increased by \$83,889 in this latest six months from the 1978 year-end figure of \$1,743,218, the company's semi-annual report reveals.

The increase in working capital was mainly derived from dividends received from Agnico-Eagle Mines as well as gains on sale and revaluation of marketable securities, net of administrative expenses, acquisition of investments and exploration expenses during the period, President Paul Penna says.

Of current interest, though, is a comprehensive program of exploration being lined up for its British Columbia tungsten property during the current field season.

Although primarily functioning as a holding company, Mentor also has exploration programs going for its own account. Its principal marketable investments include 1,104,423 shares of Agnico-Eagle Mines with a current quoted value of approximately \$8.3 million, and 769,400 shares (16.9%) of Dumagami Mines and 1,385,582 shares (21%) of Sudbury Contact Mines, representing a quoted market value of approximately \$2.8 million for these latter two issues.

The company's main exploration venture at this time is its 'Victory' tungsten property in Southern British Columbia. Negotiations have now been finalized with Noranda-controlled Placer Development granting Mentor a 3-year working option on the claims comprising the former tungsten-producing 'Emerald' property which will then be pooled with the claims comprising the 'Victory' property and the additional claims added to the optioned group in 1978 and now

covering a combined area of some 3,000 acres.

Under the terms of the agreement with Placer, Mentor must expend the sum of \$250,000 in exploration and related work during the year ended Apr. 30, 1980, and a further sum of \$100,000 in each of the succeeding yearly periods to Apr. 30, 1982. Thereafter, Mentor may elect to transfer the claims to a new company to be formed with an authorized capital of 100,000 shares of which 60,000 shares would be issued to Mentor and 40,000 shares to Placer.

Upon the transfer of the claims to the new company and the arrangement by Mentor of financing to place the property into commercial production, Mentor is obligated to place it into production at a rate of not less than 100 tons per day within 18 months of the date of transfer. In the event that Placer elects not to provide its 40% share of the financing required from the shareholders of the new company, it will surrender its shares and thereupon be entitled to 20% of net proceeds.

As a provision of the working option covering the 'Victory' property and added claims, Mentor is further required to form a holding company to which it will transfer its 60,000 shares of the new company and issue to the vendors of the latter property (the 'McLeod Group') and claims 200,000 shares of the holding company.

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