

011086

GCNL # 210, Nov 1/88

GOLDEN NORTH RESOURCE CORPORATION (GNO-V) holds a 57.4% interest in the Bralorne Gold mine and Corona Corp. owns 39% of Golden North.

The 4000 acre Bralorne property comprises the former King, Bralorne and Pioneer Mines and is located 100 miles north of Vancouver near Lillooet, B.C. It has produced 4,100,000 ounces of gold from 8,000,000 tons of ore from the early 1900's to 1971. Existing proven and probable reserves above the 2600 level total 919,000 tons of 0.26 oz.gold/ton. Possible reserves are 145,000 tons of 0.32 oz.gold/t.

The \$3,000,000 underground rehabilitation and 30,000 foot diamond drilling program is progressing on schedule with 26 surface drill holes totalling 16,000 feet and 9 underground holes totalling 5,000 feet completed to date.

92INE1

0925NE001

GCNL # 181. Sept. 20/88

GOLDEN NORTH RESOURCE CORPORATION (GNO-V,T;GNOXF-Nasdaq)

CATHEDRAL GOLD CORPORATION (CAT-T)

BRALORNE EXPLORATION PROGRESSING - Golden North Resource Corporation reports

that the 1988, \$3,100,000 exploration and development program on the Bralorne gold mine property, 100 miles north of Vancouver, B.C. is making good progress. Golden North, the operator, has a 57.54% interest in the project with Cathedral Gold Corporation 32.46% and Geomex Development Limited Partnership No.8 a 10% interest.

A total of 15,766 feet of surface drilling in 26 holes has been completed, with 21 holes in the King Mine area, 2 in the Bralorne 55 vein area and 3 in the Pioneer area. Visible coarse native gold has been observed in a number of holes and new veins with good values (e.g. 10 ft. of 0.536 oz.gold/ton) have been discovered in the King mine area. TABLE OF ASSAY RESULTS OVERLEAF.

Underground rehabilitation, drifting, geological mapping and sampling on the 400 and 800 levels are progressing on schedule. Surface sampling of geophysical and geochemical anomalies and sampling of old trenches have been completed with trench samples returning values up to 6.599 oz.gold/t.

Four underground drill holes totalling 1,813 feet have been completed and second underground drill will be added within two weeks. Assays are not yet available.

John Godfrey, chairman, said "The results have been encouraging and management is now considering expanding the exploration and development program to explore between the 800 and 2000 Levels in an effort to increase ore reserves". Proven and probable reserves above the 1000 foot level of 1,064,000 tons grading 0.27 oz.gold/t have been outlined. Corona Corporation holds a 42% interest in Golden North. (SEE GCNL NO.157, P.1, 16AUG88 FOR MORE DETAIL)

92JNE1

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**GOLDEN NORTH
RESOURCE CORPORATION**

Cathedral Gold Corporation

GCNL #181, Sept. 20/88

TABLE 1

**SUMMARY OF SIGNIFICANT SURFACE ASSAY INTERVALS
KING & PIONEER MINES**

HOLE NO.	INTERVAL FT.	VEIN WIDTH	OZ. GOLD/TON
SB88-49	155.0 - 160.9	5.9	0.233
SB88-50	468.8 - 474.1	5.3	0.145
SB88-53	264.0 - 266.5	2.5	0.270
SB88-54	613.4 - 617.0	3.6	0.176
SB88-57	63.9 - 67.3	3.4	0.305
SB88-58	156.0 - 163.0	7.0	0.250
	259.5 - 292.0	32.5	0.062
	354.0 - 356.0	2.0	0.467
	484.0 - 494.0	10.0	0.113
SB88-59	219.0 - 222.0	3.0	0.369
	230.5 - 233.5	3.0	0.115
SB88-60	213.0 - 218.5	5.5	0.081
	458.0 - 463.0	5.0	0.356
SB88-63	1009.0 - 1015.0	6.0	0.403
SB88-64	996.0 - 1000.0	4.0	0.278
	1011.0 - 1012.5	1.5	0.133
	996.0 - 1020.0	24.0	0.076
SB88-65	288.0 - 293.0	5.0	0.096
SB88-68	340.0 - 345.3	5.3	0.352
SB88-69	440.5 - 447.2	6.7	0.098
	439.3 - 453.8	14.5	0.068
SB88-70	453.5 - 460.3	6.8	0.139
SB88-72	46.5 - 56.5	10.0	0.536
	51.0 - 54.0	3.0	1.408
SB88-73	317.0 - 324.3	7.3	0.096
	354.5 - 357.1	2.6	0.156

92 JNE 1

p. 2

MASCOT GOLD MINES LIMITED(MSG-V,T)

GOLDEN NORTH RESOURCE CORPORATION(GNO-V, GNOXF-Nasdaq)

MASCOT SELLS BRALORNE PROPERTY - Mascot Gold Mines

TO GOLDEN NORTH FOR SHARES Limited has reached an agreement in principle, subject to regulatory and other required approvals, to transfer its 57.54% interest in the Bralorne property, a past gold producer in the Gold Bridge area of SW B.C., to Golden North Resource Corporation for 1,500,000 shares.

Upon completion of this transaction and the purchase of 1,450,000 shares of Golden North from Royex Gold Mining Corporation, Mascot will have 39% interest in Golden North. Golden North has properties adjacent to Mascot's producing Nickel Plate gold mine near Hedley, B.C., with reserves that can be treated at the Nickel Plate operations. #247 DEC 24/87

The property being transferred includes both the former producing Bralorne and Pioneer gold mines. They are about 100 air miles north of Vancouver. The property includes all existing buildings, surface and underground equipment and installations.

Production from the Bralorne camp from 1863 to 1971 is reported to have totalled 8,000,000 tons which yielded 4,100,000 ounces of gold, representing an average recovered grade of 0.51 oz.gold/t. 92JNE001

Reserves are currently reported to be 1,037,538 short tons at a diluted grade of 0.27 oz.gold/t. The zones of ore grade mineralization are open on strike and at depth. Work in 1984 indicated additional reserves near surface. The property has numerous untested targets.

Golden North president John S. Godfrey says the CMP 1988 Resource Partnership and Company Limited has committed to make available to Golden North, a total of \$5,000,000 for 1988 Canadian exploration expenditures. These funds are intended to be spent on Golden North's Nickel Plate Mountain and Bralorne properties.

092JNE001

NMINEY
7 SEPT 1985

92H/8E
(092HSE038)

Mascot spending \$4 million exploring Hedley property

VANCOUVER — British Columbia's fledgling gold mining industry should be given a boost if a \$3-\$4-million surface exploration program by **Mascot Gold Mines** near Hedley achieves the anticipated results.

According to Henry G. Ewanchuk, president and chief executive officer, the flow-through funded program now is more than half completed and he is optimistic the company will have a bankable feasibility by year-end.

Three drills now are operating on surface, another underground, and a fifth might be added to the surface program, he confirms. Studies relating to the environment and tailings disposal are under way and he feels there are enough drill-indicated open pit reserves at present to begin mine planning.

Although preliminary in nature, the production rate could be around 1,500 tons per day with production costs around \$US200 per oz. The proposed mining operation would probably be funded entirely by debt to eliminate additional dilution for shareholders which has been the case with the flow-throughs.

Claiming the reserve potential is substantial, Mr. Ewanchuk notes that year-end open pit reserves were around 3.5 million tons grading 0.15 oz. gold at a 0.05-oz. cutoff and a strip ratio of 7.5 to 1.

There is a good chance of lowering the strip ratio further and he says a reduction in cutoff grade would add significantly to reserves. So the company is well positioned to take advantage of higher metal prices.

The surface drill program is concentrating on the central and southern pit areas although Mr. Ewanchuk says the operation will really be one large open pit. The Sunnyside and Bulldog areas are being tested and the Nickel Plate will also be drilled this year. This particular area is above old mine workings. Reserves are being found in areas that have not been mined to any great extent, he adds.

The underground portion will be mined eventually but initial production will be from the open pit. There is a possibility some higher grade underground ore could be used to upgrade mill feed in the early years of operation to reduce the payback period.

Mr. Ewanchuk says they are dealing with a series of "stacked beds" which have good continuity. However, they do pinch and swell. The operation would be very sensitive to gold prices and he says it will hopefully be ready to go in mid-1987.

The company's Bralorne area property is essentially on hold, he confirms, adding Mascot has been evaluating the near surface potential at the former producer. Veins are 3-9 ft. wide and are generally high grade. Last year the company found another 141,000 tons of reserves grading 0.41 oz. gold and the estimated reserve base is approximately 915,000 tons grading 0.25 oz. gold.

In other news, Mascot has made a complex agreement with **Placer Development** that may see some important claims change hands on Nickel Plate Mountain. The agreement provides for reciprocal grants of mine service corridor rights on five Mascot claims and 12 Placer claims. The latter claims are held under option from **Good Hope Resources**.

Mascot also plans to assign three claims to Good Hope, subject to a 5% net royalty or 7.5% net proceeds interest, depending upon a number of variables.

Mascot's planned mill site would cover a portion of four claims owned by Good Hope and under option to Placer. To gain access to these, Mascot is going to carry out a systematic exploration program including at least two holes on each of the claims. If no orebody is found, Mascot will have the right to build its plant and tailings system on the Good Hope claims.

92T/15W
(092TNE001)

92H/8E

Golden North Resource Corp GNO
Shares issued: 4,845,826 Dec 18 close: \$6.50

STOLKWATCH
Masco Gold Mines Limited (MSG)

Mr John Godfrey reports: DEC. 23/87

Golden North has reached an agreement in principle with Masco Gold Mines to purchase Masco's 57.54% interest in the Bralorne property for \$9 million. The consideration being paid to Masco is 1,500,000 shares of Golden North. This will bring Masco's holdings in Golden North to 2,950,000 shares, or 39% on a fully diluted basis. The agreement is subject to shareholder and regulatory approvals.

This property, which includes both the former producing Bralorne and Pioneer gold mines, is located approximately 100 air miles north of Vancouver, BC. It consists of 133 crown granted mineral claims, 5 reverted crown grants, 1 located claim and 2 placer leases, totalling 4,188 acres, and includes all existing buildings, surface and underground equipment and installations.

From 1863 to 1971, production from the Bralorne camp is reported to have totalled 8,000,000 tons which yielded 4,100,000 ounces of gold, representing an average recovered grade of 0.51 oz gold per ton. G2INE 004

Reserves are currently reported to be 1,037,537 short tons at a diluted grade of 0.27 oz of gold per ton. The zones of ore grade mineralization are open on strike and at depth. A 1984 program indicated additional reserves near the surface. The property has numerous untested targets and the exploration potential of the property is excellent.

CMP 1988 Resource Partnership and Company Limited has committed to make available to Golden North a total of \$5 million for 1988 Canadian exploration expenditures. These funds are intended to be spent on Golden North's Nickel Plate Mountain and Bralorne properties.

NMINE
7 MARCH 1985
**Mascot completes
\$1.5m. financing**

The bulk of a \$1.5-million private placement of flow-through shares will be used by **Mascot Gold Mines** to continue exploration at the **Nickel Plate** property near Hedley, B.C.

Preliminary open pit reserves are now three million short tons with an average grade of 0.15 oz. gold per ton. In the latest quarter an intensive 67,220-ft. drill program indicated a major mineralized zone which is open along its 4,500-ft. strike length and at depth.

Another 163 holes are planned for the open pit area, another 25 on geophysical targets and a final 100 holes on underground targets.

At the **Bralorne** prospect, 40 miles west of Lillooet, B.C., the 1984 program consisted of 29,657 ft. of core drilling in 48 holes. Underground drilling and drifting were also conducted.

With the 1984 exploration season complete, 142,000 tons of reserves with a grade of 0.41 oz. gold per ton were added to the former proven and probable reserve figure of 797,185 tons grading 0.24 oz. gold per ton.

The company anticipates that work this year will lead to a feasibility study on the Nickel Plate before year-end. Additional flow-through financing is being sought to fund the year's programs.

92H/8L

92H/8L
008

92J/15W

92J/15W
001

NMINEER 7 FEB 1985

Mascot to fund new program from flow-through offering

VANCOUVER — Mascot Gold Mines confirms that a funding commitment for \$1.5 million has been arranged which will allow the continuation of exploratory work on its Nickel Plate property near Hedley, B.C. Mascot is 61.7% owned by Royex Gold Mining which, in turn, is controlled by Campbell Resources.

At the company's annual meeting, Mascot Chairman Richard L. Lister said the financing will include a flow-through share offering which will likely be followed by a prospectus offering later this year. Total expenditures for 1985 on Mascot's properties could reach \$3.25 million, the bulk of which would go towards developing the open pit potential of the Nickel Plate project.

According to H. G. Ewanchuk, president, some 375 drill holes have been completed from surface since last April and another 100 underground. The drilling confirmed the up-to-then unrealized open pit potential of the property which he now assesses at three million tons grading 0.151 oz.

This year's drill program will involve in-fill and development drilling: at least 100 more holes are planned for the proposed pit area, 65 outside the pit limits and a further 100 holes underground. Much of the drilling will be reverse circulation because it provides a good sample, is cheaper and drill cuttings can be used for metallurgical purposes.

Emphasizing the property is only one-third explored, Mr. Ewanchuk says a large block of ground coming open to the north was recently staked, adding to Mascot's extensive holdings in the regions.

Four basic ore types have been identified and preliminary engineering work suggests a strip ratio of around eight to one (waste to ore). But he emphasizes the upcoming program should generate enough information to determine this more accurately. Some gold is associated with arsenopyrite but in other zones the gold is found with tellurides. The deposits are bedded and "quite uniform when you find them," he states.

Noting the present open pit design includes little of the 498,656 tons of underground reserves grading 0.29 oz. gold per ton, he points

out there could be several pits, affording the opportunity to mine more selectively to maximize grades and payback. Given the now realized bulk tonnage potential of the project near surface, portions of the reserves could be extracted by underground bulk sampling methods as well. A good haulage route is available in the upper reaches of the mine for this purpose, he adds.

Developing cheaper ore

The emphasis at the Bralorne property last year was also towards developing open pit or "cheaper ore," he says, adding there are reserves close to surface which could be hauled out of the No. 8 level, meaning they wouldn't have to hoist. The company is proposing a budget of \$1.75 million in 1985, mostly towards delineating additional reserves above that working level. More drilling is planned for the underground and for other surface targets. Mascot has a 27% interest in the Bralorne property and the right to earn 60%.

Mascot has a 10.4% interest in the Sterling mine located 90 miles northwest of Las Vegas, Nev. The underground mine is a heap leach operation and a high grade one at that. Reserves at the end of October were 274,000 tons grading 0.28 oz. gold per ton. The mining end of the operation has ceased because of low gold prices but leaching is still under way. The ore is very porous and gold recoveries are in the order of 84% for non-oxide material.

The El Plomo gold property 175 miles south of Denver, Colo., has been put on hold but a test heap gave a 70% recovery rate, says Mascot. The company has an 8.7% interest in the project which has open pit reserves of 1.4 million tons grading 0.053 oz. gold.

(27)

NM INER

10 JAN 1985

Mascot directs efforts at B.C. gold properties

About \$5½ million was spent on exploration by Mascot Gold Mines during 1984, says President H. G. Fwanchuk in the company's annual report for the year ended June 30.

All but \$10,000 of that went to two British Columbia gold properties. Some \$3.5 million went to the 100%-owned Nickel Plate property about 150 miles east of Vancouver and \$2 million went to Bralorne Resources' property about 100 miles north of Vancouver which brought Mascot's interest to about 27%.

At the Nickel Plate property, a producer between 1897-1955, surface and underground drilling during 1984 totalling 75,000 ft. in 475 holes indicated potential for an open pit mine.

"Confirmation of this potential is of the highest priority," says the company in its annual report.

At Bralorne, a producer from 1863 to 1971, exploration was started in 1984 to explore for lower cost, higher grade mineralized zones. Preliminary additional re-

serves are being calculated as a result of work done during 1984 and an aggressive followup exploration program will be undertaken this year.

Mascot can increase its interest in the Bralorne property to 60% through additional investment.

Mascot also owns 10.4% of the Sterling heap-leach gold mine in Nevada which produces an average of 830 oz. gold per month. The company has varying interests in 40 other mineral prospects in Canada and the U.S. as well.

At June 30 the Mascot's working capital deficiency was \$24,712, a decrease in working capital of \$250,324 during the year.

Working capital decreased by \$1,190,823 during the first quarter of fiscal 1985 ended Sept. 30 but was supplemented by \$257,431 due to the amalgamation of Mascot and Ebex Resources to stand at a deficiency of \$958,194.

Mascot is 62% owned by Royex Gold Mining which in turn is 48% owned by Campbell Resources.

724/8E
1072HSE038
925/15W
(0925NE001)

GNL #20 29 JAN 1985

MASCOT GOLD MINES LIMITED (MSG-T,V)

EXPLORATION PROGRAM OF \$3,200,000 FOR 1985 AT NICKEL PLATE EXPECTED TO COMPLETE FEASIBILITY - H.G.Ewanchuk, president of Mascot Gold Mines Limited told the annual meeting that CMP has committed to provide a minimum of \$1,500,000 by flow-through shares for the continued exploration of both the Nickel Plate gold mine at Hedley, 150 miles east of Vancouver and the Bralorne-Pioneer gold mine 110 miles north of Vancouver, B.C. At the Nickel Plate, exploration in 1984 totalled 11 miles for drill road, 375 drill holes from surface, 100 holes from underground, plus geological, geophysical and geochemical surveys. This work outlined 3,000,000 tons grading 0.151 oz. gold/t available to an open pit with a stripping ratio of about 8 to 1 to a depth of 25 feet and open to extension along strike in 2 directions and down the dip of the bedding for a considerable distance. In addition, there are underground reserves. A budget of \$3,200,000 has been planned for the 1985 program to include an additional 100 holes for reserve definition within the pit outline, plus 65 holes to test possible extensions to open pit ore and about 100 holes from underground to extend those reserves. The program will include geochemical and geophysical surveys on the 65% of the property untested as yet as well as rehabilitation of some of the old workings. This work is designed to lead to the feasibility study. About metallurgical research now underway, the president said the new work is expected to confirm previous operations which had recovery ranging between 90 and 95%, averaging plus 91.5%.

A budget of \$1,750,000 has been set for the Bralorne gold mine with the aim of extending the new reserves of 142,853 tons grading 0.41 oz. gold/t developed by the drilling, above the 800 level and near the Crown and Coronation zones of the mine. One of the recent holes returned 3.1 feet of 5 oz. gold/t including 8/10 ft. assaying 29.0 oz. gold/t. The objective is to be in feasibility at Bralorne in 1986.

925/15W (0925NE001)

724/8E
(092HSE038)

22

24 SEPT 84

GCNL #184

DRILLING AND UNDERGROUND WORK
UNDERWAY ON TWO PROJECTS AFTER
FLOW THROUGH EQUITY FINANCING

MASCOT GOLD MINES LIMITED (MSG-V,T)

- Net proceeds of about \$3,139,400 have been received by Mascot Gold Mines Limited from sale of 1,427 units priced at \$2,500 per unit. Each unit consisted of the right to earn 1,000 common shares for each \$2,200 spent in 1984 on Canadian exploration together with 200 Series I warrants and 725 Series II warrants exercisable to buy 1 common share for \$1.70 to March 1, 1985 and March 1, 1988, respectively. (See some further detail in GCNL No. 142 and 143, July 24 and July 25, 1984)

At the 100% owned, 92 claim Nickel Plate gold mine at Hedley, B.C., a crew of 40 is operating two surface diamond drills, plus two underground drills with a third underground machine to start in a few days as well as a rotary rig also planned to start in a few days. The program is designed to add to present reserves of 498,658 tons grading 0.228 oz. gold per ton. Henry G. Ewanchuk, president of Mascot Gold Mines, stated that assays from a number of recent drill holes are now being evaluated and will be announced as soon as they have been correlated.

At the Bralorne Mine, 100 miles north of Vancouver, B.C., where Mascot holds 20.5% interest plus an option to earn a total 60% interest, and total reserves are calculated at 915,115 tons grading 0.25 oz. gold/t, two surface diamond drills and two underground diamond drills are in operation. At the same time, crews are drifting underground to prove reserves and explore target areas where new reserves are expected to be realized.

GCNL #204 23 OCT 1984

MASCOT GOLD MINES LIMITED (MSG-V,T)

NO. 204 (1984)

OCTOBER 23, 1984

+ EXTENSIONS OF RESERVES ON BRALORNE AND NICKEL PLATE BEING PROVEN BY CURRENT DRILLING

Surface and underground drilling has produced a number of significant ore grade gold intersections in each of the two major exploration programs now underway in B.C. by Mascot Gold Mines Limited. Ore reserves at both the Bralorne gold mine, 100 miles north of Vancouver and at the Nickel Plate gold mine, 150 miles east of Vancouver, have been extended by the recent work. The extent of the increases has not yet been calculated. At the end of the programs, detailed calculations will be made.

At Bralorne, the best three intersections in drilling from surface have been:

- 6.8 feet of 0.914 oz. gold/t;
- 7.9 feet of 0.522 oz. gold/t and
- 8.7 feet of 0.2 oz. gold per ton.

The \$1,500,000 tax flow through program on the Bralorne mine for 1984 is to include 20,000 feet of drilling to explore for lower cost, higher grade zones on and above the 800 main haulage level.

In 1980, reserves at Bralorne were estimated at 915,115 tons grading 0.25 oz. gold/t in the upper levels of the former mines, all above the 2,600 level. The production from the Bralorne camp from 1863 to 1971 was 8,000,000 tons of ore which yielded 4,100,000 oz. gold at an average recovery grade of 0.51 oz./t.

At the 100%-owned Nickel Plate mine, assay results from 48 of the 72 holes drilled included: gold values from 0.035 to 1.66 oz. per ton across widths from one foot to 52 feet. The most impressive of them are; 52 feet grading 0.401 oz. gold/t and 44 feet assaying 0.461 oz. gold/t, 5.7 feet of 1.012 oz. gold/t and 65.5 feet of 2.03 oz. gold/t.

A recently completed preliminary computer assisted geological study indicated a portion of the property may have an open pit potential. This potential is being actively pursued.

Henry G. Ewanchuk, president of Mascot Gold Mines said that these holes have added important and as yet uncalculated tonnage to the present underground reserve of 498,656 tons grading 0.288 ounces of gold per ton.

Nickel Plate's 1984 surface and underground exploration drill program, totalling 60,000 ft. and costing \$1,800,000 is designed to delineate and expand existing gold reserves.

NMTR

6 SEPT 1984

Mascot seeks \$5.8 million for major gold exploration

A major program is under way by **Mascot Gold Mines** to raise funds for extensive exploration programs on the company's two main gold properties in British Columbia.

After deducting agent's fees, the company could net \$5,781,250, if the 2,500-unit offering is fully subscribed, at \$2,500 per unit.

Mascot intends to spend \$2.5 million of the funds on its 100%-owned Nickel Plate property, and \$3.1 million on its 21%-owned Bralorne property.

The objective of the exploration program on the 83-claim Nickel Plate property, located 150 miles east of Vancouver, near Hadley, B.C., is to increase tonnage and grade of mineral reserves in four zones adjoining the old Nickel Plate mine workings. Emphasis will be placed on a 39,500-ft. diamond drilling program designed to test the down-dip extensions of the Sunnyside zones which returned some spectacular results in July (N.M., July 26/84).

Old mine workings on the 450 and 800-ft. levels will be rehabilitated and 1,300 ft. of exploration drifting is planned to provide access for underground drill stations. Surface geochemical and geophysical surveys will assist in the geological interpretation of the area.

Total cost of this program is estimated at \$3,560,000, according to a report on the property prepared by W. G. Hainsworth, P.Eng. The balance of funds required for the program has been provided by the proceeds of a \$1-million private placement conducted in May, according to the company's prospectus.

The Nickel Plate orebody was discovered in 1897 and production prior to 1930 and from 1934-55 yielded 1,448,460 oz. of gold from 3,273,807 tons of ore.

Exploration on the other property in which the company has an active interest, the Bralorne, will concentrate on surface and underground drilling (5,000 ft. and 10,000 ft. respectively), 4,300 ft. of exploration drifting on the 800-ft. level, rehabilitation of the shaft and

dewatering of the mine to the 2,600-ft. level. Total cost of the program is estimated at \$3.1 million.

Earlier exploration work on the 133-claim property located 100 miles north of Vancouver, delineated 797,185 tons of proven and probable ore reserves grading 0.24 oz. gold per ton.

From 1863 to 1971, 4.1 million oz. of gold were extracted from eight million tons of ore before the mine was closed due to increasing costs of production and low gold prices.

Mascot can increase its interest in the Bralorne property to about 30% by completing this exploration program this year.

Campbell Resources holds a 78% interest in Mascot.

92H/3E
(092HSE038)

92I/15W
(092INE001)

NM MINER 216 JULY 1984

Mascot acquires assets in Campbell reorganization

VANCOUVER — The last in a series of reorganizations by **Campbell Resources** will see its 78% owned subsidiary, **Mascot Gold Mines**, acquire a number of important assets to supplement its already substantial mineral holdings in the Hedley area of B.C. It will also involve a multi-million-dollar cash infusion into Mascot's treasury, which will be used to advance two gold properties to the feasibility stage.

Following shareholder approval at the annual meeting, E and B Explorations has effectively been merged into Mascot providing that company with a degree of integration more in keeping with a major mining entity.

Mascot's most prized asset is the **Nickel Plate** mine near Hedley, about 150 miles east of Vancouver. A major producer in the past, the mine closed in 1955 with almost 1.5 million oz. of gold production under its belt from approximately 3.3 million tons of ore. That works out to a recovered grade of 0.44 oz.

By the end of 1983, Mascot had spent over \$4.6 million on the property to extend and define known exploration targets and develop new sources of reserves. At year-end a company consultant calculated 499,000 tons of reserves grading 0.288 oz. above the 450 level, not including dilution.

According to Henry Ewanchuk, president, explorations emphasis will now switch from the main mine to the Sunnyside and Silverside zones where some spectacular gold values were encountered in a recent drill program. One hole in the Sunnyside 250 returned 65.5 ft. grading 2.03 oz. gold and another hole 38.7 ft. of 0.47 oz. in the Silverside, the values included: 34.6 ft. of 0.253 oz., 11.7 ft. averaging 0.266 oz. and 26 ft. at 0.2 oz.

Rather than just blocking out tonnage, he says current efforts are towards delineating gold reserves since that ultimately dictates the economics of an operation. This is why the emphasis has switched from the main mine to higher grade areas.

Historically, these areas were used to upgrade feed going into the mill and the ore was also cleaner. Although higher grade, the Sunnyside and Silverside zones are similar in geometry to the main mine which is fault controlled.

Mascot raised \$1 million in May through a private \$2.05-per-share flow-through offering and a prospectus has been filed for yet another major financing which should raise a further \$3.5 million this summer. According to R. Paul Middleton, Campbell's vice-president finance, metals and minerals group, the offering provides investors with a 100% writeoff and a 33.3% earned depletion allowance which can be written off against income up to 25%. (The rules are a bit different in Quebec.)

The program works on a calendar year basis so the money will have to be spent in 1984. Mr. Ewanchuk confirms the funds will be equally divided between Mascot's Hedley and Bralorne operations so there could very well be some major development from these properties by year-end. The Northern Miner gathers.

Since 1980 approximately \$6.9 million was spent on the Bralorne property by E and B and its partners. Exploration emphasis will now concentrate on three different zones within 850 ft. of surface and most of the drilling will be underground, he explains. There are mine workings down to the 4,600 elevation but any mining plans will only involve above the 2,600 level.

Altogether, 35 gold-bearing veins have been found and identified at Bralorne and the zone hosting these veins occurs over a length of approximately 2,500 ft. Vein widths vary from 2.5 ft. to 4.9 ft. and they often are thousands of feet horizontally or vertically. Proven reserves are said to be 167,250 tons grading 0.24 oz. gold with probable reserves of 629,935 tons at a similar grade. A lot of them are spread throughout the mine which increases production costs so Mascot is evaluating the near-surface potential at the moment.

MINER

26 JULY 1984

925/15W

(092 JAL E 001)

Geomex impressed by Nevada mine but Bralorne placed on standby

CALGARY — With direct costs averaging \$US220 per oz. gold produced at its 46.5% owned Sterling gold mine in Nevada, **Geomex Development, Inc.** anticipates production from both open pit and underground operations will continue in the range of 9,000 oz. to 12,000 oz. per year.

During 1983, the Sterling mine achieved production of 58,910 tons of ore averaging 0.203 oz. gold. Actual gold production was 9,303 oz. "The Sterling mine . . . continued to be a steady and profitable gold producer through 1983 and indications are that reserves are even larger than anticipated last year," says K. Peter Geib, Geomex chairman. He adds that a new access is planned for 1984 in order to increase production and reduce costs.

Total proven, probable and possible reserves at the Sterling mine, which is one of several North American gold properties in which Geomex holds varying interests, were estimated at more than 200,000 tons grading 0.20 oz. recoverable gold per ton at the end of 1983. Additionally, 7,500 oz. of recoverable gold was estimated for the open pit. Total recoverable gold in reserves was estimated at 41,000 oz.

However, Geomex estimates that additional reserves of more than 300,000 tons can be expected as ore zones have not yet been fully defined.

In its annual report, Geomex says that the \$US18 million investment required to reopen the Bralorne gold mine in British Columbia has been delayed by the slump in gold prices.

Geomex holds a net 19.97% working interest in the Bralorne mine which produced more than four million oz. gold before its closing in 1971 due to operating costs exceeding the then gold price of \$US35 per oz.

Since 1980, Geomex and its Bralorne joint venture partners have spent about \$6.6 million on

drilling, shaft dewatering, underground tests, installation of facilities and engineering design and feasibility studies. Reserves are currently estimated at more than 800,000 tons grading 0.25 oz. gold per ton.

9-year operation

"An independent report on the property indicates that there are sufficient ore reserves in the Bralorne mine to sustain the operation of a 300-ton-per-day mill for a period of nine years," says the report.

Geomex itself is of the opinion that additional exploration and development on the Bralorne property in the years ahead will maintain proven and probable reserves at a level adequate for continued operations beyond nine years.

The company notes that the mine has been kept dewatered in order that development and construction can start "with a minimum of delay" as soon as gold prices stabilize.

Prefeasibility and cash flow analysis for the Crow Butte uranium property in Nebraska, in which Geomex has a net 40%

working interest, indicate that the project can be brought on stream in 1987 at an initial production rate of 500,000 lb. uranium oxide a year.

"It is planned to increase production capacity to one million lb. uranium oxide per year by 1990. Eventual annual production rates can be expected to reach three million lb. per year," comments Geomex.

Growth in demand for uranium is expected to be 6% to 8% annually through to 1995, according to Mr. Geib.

He says the company is hopeful that work can start soon on the Crow Butte pilot in situ leaching plant. In addition to existing reserves of more than 44 million lb. uranium oxide, a second major uranium discovery has been indicated on an adjacent property.

Among other developments, additional drilling and metallurgical work is planned for the Hog Ranch gold project in Nevada where work last year increased reserves to about 2.5 million tons averaging 0.085 oz. gold per ton. The ore appears to be minable by open pit methods. Geomex holds a net 62.96 % working interest in the property.

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NMNER 29MARCH84

Campbell to acquire interest in a second B.C. gold bet

Campbell Resources, Toronto, and Mascot Gold Mines and E & B Explorations Limited Partnership, Vancouver, say they have an agreement in principle for the sale by Campbell to E & B of Campbell properties and treasury shares, and the subsequent combination of E & B with Mascot Gold.

The principal asset of Mascot Gold is the Hedley gold mine in British Columbia. Mascot recently proposed a \$3,500,000 exploration program aimed at increasing reserves of the Hedley mine from a current 488,000 tons at a grade of 0.288 oz. per ton.

E & B Explorations has an interest in the Bralorne gold mine, also in B.C. It has estimated reserves of 925,000 tons at 0.25 per ton, and a \$3,000,000 program has been designed for further exploration and an increase in the reserve base.

Under the agreement, Campbell

would acquire 55% of E & B, by contributing certain Campbell properties and 150,000 Campbell treasury shares, as well as through issue of 100,000 Campbell shares to certain of E & B's holders.

Mascot and E & B would then combine, with 8,000,000 new Mascot shares being issued for all of the assets of E & B. The continuing company would be Mascot Gold Mines.

As a result of the issuance of the 8,000,000 shares, approximately 13,500,000 Mascot shares would be outstanding. On completion, Campbell, which prior to these transactions was the major shareholder of Mascot Gold, would have 64% of the outstanding shares, down from 78%.

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WINTER NOV 1983

Imperial Metals expanding after E&B merger

Take a youthful growing company with an experienced management team and a history of widespread participation in joint ventures, and combine it with an international company with similar aspirations, assets and abilities, and a promising result is virtually assured. Such a description could easily be applied to the takeover by Imperial

Metals of E&B Canada Resources Ltd in May 1983.

E & B Canada Resources Ltd, Calgary, Alberta, was the largest of the three companies in the E & B group. These companies had common shareholders and also shared a connection with Sedimex. Sedimex GmbH, a West German corporation, acts in Europe as

the German general partner for the Geomex group of limited partnership drilling funds. The Geomex funds, 14 exploration and development funds originated by Sedimex, were managed by the three E & B companies. Any company or companies in combination with each other or their subsidiaries participated in ventures utilizing these funds.

Each of the E & B companies has evolved along a unique path. The decision to join Imperial Metals is the latest stage in the evolution of E & B Canada Resources Ltd. Public company status and access to Canadian funds was a desirable step for E & B. Careful planning and the right opportunity were also important.

Imperial Metals Corporation combines the assets and income of several predecessor companies. These companies were drawn together through the efforts of Inves Resources Limited between 1978 and 1981.

A steady building process is illustrated by the chronology of events which led to the formation of Imperial Metals Corporation. Inves Resources Ltd, incorporated 16 Feb 1978 acquired 100% of Resoursex Ltd in Jan 1979. It also acquired voting control of Imperial Metals and Power Ltd and Western Rolling Hills Mines and Oils Ltd during the spring and summer of 1979. Inves and Western amalgamated in September 1980 and Inves changed its name to Inves Resources Limited.

Both Imperial Metals and E & B Resources Canada have legacies of extensive participation in joint ventures with other companies and individuals, both as financiers and as operators. Partners range from multi-national corporations to individual prospectors. The formation of a link between West German financed limited partnerships and access to the Canadian capital market was desirable also.

In January 1983 Imperial Metals entered into negotiations with the principal shareholders and directors of E & B Canada Resources Ltd with a view to combining E & B with Imperial by means of an exchange of Imperial shares for E & B shares. Agreement was reached in March and the transaction was concluded 26 May 1983.

Imperial issued 3.3-million common shares and 1-million 6% convertible preferred shares converting into an additional 4-million common shares in return for 100% of the issued E & B common shares.

NEW CORPORATE STRUCTURE

A new corporate structure was set up. Imperial Metals is an operating mineral resource company which also functions through several wholly-owned subsidiaries, prominent among which is E & B Canada Resources Ltd. That company in turn operates through two subsidiary companies — E & B Mines Ltd for its own account and E & B Explorations Ltd as general partner for the Geomex I, II, III, IV, V and IX limited partnerships have interests in over 150 separate mineral properties, and have liquid financial assets of approximately \$16-million. E & B's net participating interest in each of the Geomex funds differs, but averages 36% over-all.

Diversity is the key to the future of Imperial Metals. In addition to its affiliation with E & B, Imperial Metals has controlling interests in two Vancouver public companies, Mintek Resources and Cirna Resources, and substantial interests in several other listed companies. The corporation is now involved in almost all aspects of the mineral resource industry.

The company's holdings are widespread and varied: more than 3 million acres of joint ventured mineral lands. Oil and gas production in Alberta and Texas provide Imperial Metals with half of its cash flow. Coal in BC and

Alberta (See CM March 83) is also important.

Large uranium acreages in Saskatchewan, BC and the US were inherited from E & B. The company has an interest in reserves at Dawn Lake and Waterbury Lake, Saskatchewan. The company also has an interest in the Blizard property which has drill-indicated mineral reserves of 4.5-million kilograms.

In 1983 geophysical and geochemical studies were undertaken at two properties in which Imperial Metals has an interest, the Anyox area and Vancouver Island. Early results from the Vancouver Island property suggest the area is favourable for hosting volcanogenic massive sulphide deposits. Detailed ground investigation is underway and drilling of the property is planned for 1983 or early 1984.

The company has interests in precious metal properties at all stages of development. Among these is the Cariboo Bell copper gold property southwest of Quesnel, BC and the Bralorne gold mine, Bralorne, BC. Preparations for commercial production are underway at El Plomo, a Colorado gold property in which the company has an interest.

When the infrastructures of two companies integrate, their ability to blend into an effective new team is an

important concern. Imperial Metals appears to have met this challenge successfully. Five staff geologists serve the corporation's exploration needs around the world. The management team and support staff work together closely charting the company's future.

Dr Hugh Morris, chairman of the board and chief executive officer, brings a blend of technical and managerial expertise, gained during twenty years with Cominco, to the company. He has served on the boards of directors for each of the original E & B group and for Feomex, the Canadian arm of the Sedimex Group. Alan Savage, the company's president, has a creative background in mining finance which is evident in the evolution of Imperial Metals.

The new Imperial Metals holds a portfolio of resource, investment and financial assets who's diversity rival that of many larger companies. Such a combination of property and personnel, essential catalysts in any successful venture, make Imperial Metals a company to watch.

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Imperial, E&B Resources merger plans active exploration program

By David Duval

VANCOUVER — While mergers are a fact of life here given the number of junior-sector companies, few mergers — if any — have produced a fully integrated resource company like the one between Imperial Metals and E&B Canada Resources.

According to Alan C. Savage, president, the newly constituted Imperial Metals is both a general and a limited partner in several West German-funded limited partnerships which hold \$10 million in cash (or equivalent) plus extensive mineral interests.

Imperial also shares in the partnership's \$2-million annual income which includes interest revenue, oil and gas income, mineral production revenue and even some revenue from an in situ uranium leach project in Texas.

Mr. Savage, who says the company has no bank debt at present, notes the recent agreement to purchase some oil and gas production in Alberta from "a major Canadian oil corporation," will leave a bank debt of \$2 million as of Dec. 15. The cost of that acquisition is \$6.8 million. In the deal, Imperial will acquire 40% for its own account while the Geomex group of limited partnerships will take 60%. As a limited partner holding 35% of the Geomex assets, Imperial would end up with an approximate 60% beneficial interest in the deal, he points out.

Although the exact amount hasn't been finalized yet, Mr. Savage predicts the company's 1984 exploration budget will be at least \$1 million with the funds spent on a number of projects including 24,000 acres of mineral properties (100% interest) on Vancouver Island. The majority of its assets are in the mineral sector but some impressive assets are held in oil and gas as well. Although the company generally doesn't participate in the mineral sector as operator, it has the technical expertise and staff to do so, he states.

Recently, the company completed a drill program on its Wollaston uranium property in northern Saskatchewan. It's a joint venture with Minatco, a subsidiary of the French uranium company, Minatome S.A., which acts as operator. The initial discovery is at surface where a mineralized outcrop has been outlined over an area of approximately 50 by 400 m. This is unusual for the region because most of the finds in the Wollaston basin have been at depths

of several hundred metres, says Imperial. The company expects to farm out some of its additional 8,900 acres of uranium properties in Saskatchewan to Minatco. Imperial is entitled to a 24% interest in the Wollaston property and anticipates being carried through a \$530,000 exploration program.

Indicative of the company's good exposure in the uranium sector Imperial also has a 12% working interest in the Blizard uranium property which was near a production decision only to be delayed by the 7-year moratorium on uranium mining declared by the B.C. government. But considerable foresight on the company's part in negotiating a sales contract for uranium has allowed it to assign the contract to the Saskatchewan Mining Development Corp. As a result, a total of 2.2 million lb. U₃O₈ will be delivered to Korea Electric Power by SMDC over a 10-year period beginning in November, 1983. Payments to the Imperial Metals group will depend on the delivery price but will not be less than \$US2.2 million.

Drilling on the Big Red uranium property in Nebraska has "intersected economic uranium values in the 20-lb.-per-ton range across a width of eight feet," he reports, adding that fill-in drilling will be required to establish continuity. Imperial, which has a 12.8% interest in the program, predicts that based on results to date the deposit could contain 10 million lb. U₃O₈ and it's still open. Imperial holds interests in 2.5 million gross acres of prospective uranium lands and several economic uranium deposits in Canada and the U.S.

Precious metals also feature prominently in the company's exploration game plan and a limited diamond drill program was conducted on the Cunningham Creek property near Wells, B.C., this October. Designed to evaluate a known gold-bearing vein all 12 holes hit the structure, establishing its continuity for over 430 ft. along strike. Assays ranged as high as 2.7 oz. gold and 8.6 oz. silver over a 3-ft. true width. The property is only about 15 miles from Mosquito Creek Mining's gold operation which has closed for the winter.

Mr. Savage estimates present reserves on the Cunningham Creek property at 30,000 tons grading 0.42 oz. gold per ton. About \$200,000 is being budgeted for follow-up exploration next year and he doesn't rule out the possibility of custom milling ore at Mosquito Creek, assuming a suitable arrangement could be worked out. Imperial holds a 75% working interest in the Cunningham gold prospect.

Imperial says it will acquire a 20% working interest in a 3,000-acre property located in the Toxdoggone area of northern B.C. near Du Pont's Baker mine. The property is also west of the Lawyers discovery, a joint venture headed by Serem Inc. which plans to spend some \$10.9 million there over the next two years. St. Joe Canada (80%) will act as operator on the Imperial joint venture which also includes Great Western Petroleum.

Feasibility studies have been completed on the Bralorne mine (at Bralorne, B.C.) and financing for the project is being sought. The property has estimated reserves of 812,000 tons grading 0.25 oz. gold per ton and Imperial has a 10% working interest in the mine. Varying interests are held in numerous other properties with precious and base metal potential, along with coal. Imperial also has diversified interests in the oil and gas sector and discounted at 15%, Mr. Savage says, and its share of future cash flow is approximately \$12.6 million.

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IMPERIAL METALS CORPORATION

E & B CANADA RESOURCES LTD.

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TAKE-OVER COMPLETED - Alan C. Savage, president of Imperial Metals Corporation, announces that, on 26May83, they completed their acquisition of E & B Canada Resources Ltd. by exchange of shares valued at \$10,125,000. Imperial are well funded for future mineral exploration both by virtue of their own cash flow and through their management of \$17,000,000 of limited partnership funds in which they hold 36% interest.

Imperial are participating in several major exploration plays, at Anyox, B.C. in northern Saskatchewan, on Vancouver Island and in the interior of B.C. In addition, a production decision is expected shortly at El Plomo gold project in Colorado, Imperial interest 10%, and possibly later this year at the Bralorne gold mine in B.C. in which Imperial's interest is about 10%.

Several new projects are being examined and include open pit heap leach and lode gold and silver projects in the U.S. Southwest as well as base metal properties in B.C. and the U.S. Imperial continue to seek acquisitions.

Imperial have made changes in their management and directorate to accomodate E & B personnel: Hugh C. Morris becomes chairman and chief operating officer, Pierre Lebel becomes corporate secretary and Colin Campbell remains treasurer. Garth Dixon becomes controller.

The new board comprises Messrs. Morris and Savage and Anthony W. Sessions, all of Vancouver; Frank Agar and Michael Carten of Calgary; Dr. C.E. Michener and J. Anthony Healey of Toronto and New York, respectively, and Dr. K. Peter Geib of Frankfurt, West Germany.

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NMINER 7 APR 1983

Bralorne program is assessed after \$5 million outlay

CALGARY — E and B Explorations Inc. has earned a 50% interest in the former producing Bralorne gold property in the Bridge River Valley, north of Vancouver, B.C., following the completion of a \$5-million exploration and rehabilitation program at the old Bralorne mine, according to the annual report of Bralorne Resources.

"Results of the program continue to be evaluated," says Bralorne, which retains a 50% interest in the property.

During some 40 years of operations prior to 1971, the Bralorne and neighboring Pioneer mines produced more than four million oz. gold.

92J/15W (092JNE001)

NMINER 21 APRIL 1983

Merger puts E&B in public sphere

Certainly one of the most significant mergers to hit the Vancouver scene this year, **E&B Canada Resources** will be absorbed into **Imperial Metals** (N.M., Apr. 7/83), a company described by E&B President Hugh Morris as "a neat and tidy vehicle with good management and an excellent track record."

E&B Canada, a private company, has wanted to go public for years but was reluctant to be swallowed up by a larger partner in case it would have no input into policy making.

But the assets of Imperial, coupled with its financial expertise, particularly in the public sphere, provided the proper mesh and he predicts the new company will be "very active in the western mineral industry." The assets of the new entity will include some \$2 million in working capital, \$6.6 million in exploration funds, plus investments and receivables amounting to \$1.7 million for a total of \$10.3 million.

According to Alan C. Savage, Imperial president, the company's exploration budget should be "at least a couple of million per year," although total expenditures including acquisitions could be much higher, he adds.

Mr. Morris concedes the merged company "will have a consolidation period to go through" and he notes a major thrust is planned in the precious and base metals sector. Plans are currently under way to bring the old **Bralorne mine** back into production at 300 tons per day. Reserves there are currently estimated to be one million tons grading 0.25 oz. gold and a 10% interest is held in the operation.

The El Plomo property in Colorado (11% interest) is slated for production in 1983. That prospect has 1.5 million tons of reserves grading 0.058 oz. gold. Since a minority interest is held in each project, Mr. Morris claims "they shouldn't be a financial drain on our treasury."

All of E&B's uranium properties are now dormant and by taking carried interest positions, the company

reduced its cash outflows for these prospects.

Mr. Savage explains the merger will provide the new company with a great deal of liquidity for exploration which will be enhanced by access to Canadian and West German capital markets.

92J/15W (092JNE001)

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E&B considers reopening Bralorne mine in BC

The former producing Bralorne gold mine west of Lillooet, BC may well be opening a new chapter in its long history. E&B Explorations Inc has completed a feasibility study and submitted its Stage I development proposal to the BC government for reopening the operation. Negotiations for financing the \$17-million project are underway and once a decision to go ahead is made, the company expects it will take about 15 months to get the 300 tons/day operation to production stage. E&B, operator of the joint venture with Bralorne Resources, is acting on behalf of the Geomex Group, the North American partners of Sedimex Mineralexplorations GmbH of West Germany.

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GCNL #63 30 MARCH 1983
IMPERIAL METALS CORPORATION

E & B CANADA RESOURCES LTD.

PROGRAM TO COMBINE - Hugh C. Morris, president of E & B Canada Resources Ltd. and Alan C. COMPANIES ANNOUNCED Savage, president of Imperial Metals Corporation, have announced the terms of an agreement to combined under the name of Imperial Metals Corporation. The agreement requires Imperial to issue 3,000,000 of its common shares and 1,000,000 of 6%, \$5 par value preferred shares which convert into an additional 4,000,000 common shares. Also attached to the offer are 750,000 warrants exercisable at \$1.50 until 31 Dec 85. The proposed transaction, valued at approximately \$10,000,000, will be placed before Imperial shareholders at an extraordinary general meeting to be called in April.

E & B Canada Resources Ltd. is a private company having a Calgary head office and is the general partner for six of the Geomex series of West German limited partnerships. Through its interest in these limited partnerships, and through its own operations, the company owns a wide range of uranium, precious and base metals, and oil and gas interests in Western Canada and the U.S.A.

Imperial Metals Corporation, a public company listed on the Vancouver Stock Exchange, has interests in well-established Alberta natural gas and oil production and owns, in addition, substantial reserves of coal, iron and tungsten as well as an extensive portfolio of exploration-stage properties in Western Canada. Imperial also controls and manages Mintek Resources Ltd. and Cima Resources Ltd.

As a result of this transaction, Imperial will manage over \$17,000,000 in resource exploration and development funds in which it has a beneficial interest of \$6,500,000. Thus the effect of the agreement is to make Imperial one of the more active contributors to natural resource exploration and development in Western North America.

With new interests acquired in actively developing gold deposits such as the Bralorne mine in B.C. (10%) and the El Plomo heap leach gold project in Colorado (11%) as well as in rich uranium deposits in Northern Saskatchewan (varying interests) and the Blizzard uranium deposit in B.C. (6%) Imperial also has interests in coal, tungsten, iron and oil and gas production.

The new company will have assets of an estimated \$24,000,000. This asset base, together with the combination of E & B's West German limited partnership funding sources and Imperial's access to Canadian capital markets will provide for accelerated corporate expansion.

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E & B contemplates decision on Bralorne

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VANCOUVER — E & B Explorations says the recently completed feasibility study on the Bralorne gold project "is now undergoing detailed assessment" and is examining all possible methods of financing the project to production.

Several companies, both large and small, are reported to be interested in participating as well. E & B admits that although discussions have been held with a number of banks and financial institutions, no financial arrangement is expected until early 1983.

Since beginning the work program on the property in July 1980 the company has spent \$6 million, mainly on underground rehabilitation, exploratory drilling and feasibility studies. And this was done in close co-operation with **Geomex Development** of Denver and **Bralorne Resources** of Calgary. E & B adds that "the findings and recommendations contained in the feasibility study have been very encouraging," especially with gold prices on the rise.

Company president, Henry G. Ewanchuk, claims that in three years of operation E & B has been one of the more active mineral

exploration firms in Canada, noting that since 1979 \$22.5 million has been spent on exploration projects under its control.

Most of E & B's exploration dollars are funnelled in from West German investors through drilling funds which offer a combination of tax advantages and capital gains, says the company.

High on E & B's list of mineral properties is the Cariboo-Bell located in the Cariboo region of B.C. — a joint venture with **Highland-Crow Resources** (38.7% **Teck Corp.**). By the end of 1981 E & B had spent \$500,000 of the \$1.7 million committed for payments and exploration work there prior to 1984. Mineral reserves, which are quoted in copper equivalent and include some gold, are 81 million tons grading 0.487% copper.

Further evaluatory work and a bulk sampling program will be necessary on the property.

Described as a "promising new venture," E & B has taken an option on the New Pass gold property in central Nevada. For expenditures of \$US410,000 it will obtain a 66.7% interest in the prospect which has already produced 25,000 oz. gold

from three main veins.

In central Colorado, E & B can earn a 50% undivided interest in the El Plomo gold property for \$US1.8 million in expenditures by August 1983. A reserve tonnage of 1.09 million tons grading 0.057 oz. gold has been located in two separate zones and the material may be amenable to heap leaching.

A metallurgical evaluation is currently under way involving approximately 3,000 tons of ore-grade material from the El Plomo deposits and hauling it six miles to the plant site to determine gold recoveries. The program should continue until late November, with E & B acting as operator.

A final production decision, however, isn't expected until early 1983 and will be dependent on conditions at that time.

Meanwhile, at the Sterling gold mine in Nye County, Nev., where E & B is heading up a joint venture, the company reports approximately 9,300 oz. gold was recovered in 1981 and both mining and leaching activities were expanded. The recent surge in precious metal prices will undoubtedly enhance this project further.

GCNL #201

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E & B EXPLORATIONS INC.

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PLANT AND MINE FUNDING — E & B Explorations Inc. reports that substantial progress has been made on the Bralorne gold project, 150 miles north of Vancouver, B.C. The feasibility study to examine all aspects of the mine and mill design, tailings disposal system and socio-economic impact has been completed and is now undergoing detailed assessment. The overall comprehensive study was assembled by Wright Engineers Limited of Vancouver and contains reports prepared by Wrights, Canadian Mine Services Ltd., Robinson, Dames and Moore and DPA Consulting Ltd. A Stage 1 development proposal has also been submitted to the B.C. government.

The findings and recommendations contained in the feasibility study have been very encouraging and, in view of the general recovery of the price of gold over the past two months, E & B is examining methods of financing the project in order to achieve production. This work is being carried out in close co-operation with E & B's joint venture partners, Geomex Development Inc. of Denver and Bralorne Resources Limited of Calgary.

On the basis of examining the old rehabilitated workings plus 26 new drill holes, reserves of 1,000,000 tons grading 0.25 oz. gold per ton have been calculated. These reserves are all in the upper levels of the old workings and are almost fully developed needing only a small amount of work to place them in production. The potential for additional reserves is considered excellent. Present indications are that a 300-ton per day plant could be erected in 14 to 18 months at a cost of \$16,000,000.

E & B has been receiving numerous approaches from both large and small mining companies who are interested in participating in this project. Final financing arrangements are expected to be in place in early 1983. E & B and its venture partners are committed to an orderly and prudent advancement of the project and, to achieve this, will examine all financing options. E & B started work on the Bralorne property in July 1980 and has spent \$6,000,000 to date.

*George Cross News Letter*NO.191(1982)
OCTOBER 5,1982

GWL #191 50CT82

E&B EXPLORATIONS INC.

92J/15W 092JN E001

PARTICIPATION IN THIRTY-THREE EXPLORATION PROJECTS OUTLINED IN ANNUAL REPORT

Henry G.Ewanchuk, president of E&B Explorations Inc., states in the annual report for the year ended Dec.31,1981 that exploration expenditures

for the year were \$10,500,000, bringing the funds expended since 1979 to \$22,500,000, and placing E&B amongst the more active mineral exploration firms in Canada. The company has broadened the base by expanding the nature of the mineral properties. The report reviews 33 projects-location, mineral, partners and operators. He states that the technical aspects of the feasibility study on re-opening the Bralorne mine in southwestern B.C. have been completed. "The results are encouraging but the decision whether to proceed (expected in mid-1982) depends on the cost of money and value of the product." E&B's comprehensive program of mine rehabilitation and exploration continued through 1981, raising total expenditures to in excess of \$5,000,000 Canadian funds. Haulage routes were cleared out, timbering completed where necessary, and water successfully pumped 1,016 feet up from the 19 level with the dewatering continuing into 1982. As each level was drained, the exposed veins were sampled to confirm the ore grades. Established reserves between 4 and 26 levels are calculated at close to 1,000,000 tons.

E&B retains its unique partnership advantages, including continued association with Geomex Development Inc. of Calgary and Denver, the North American general partners of Sedimex Mineralexplorations GmbH of West Germany. As general operator for Geomex, E&B has assembled a diverse portfolio of joint ventures. E&B Explorations Inc. is in the process of merging operations with E&B Canada Resources, the associate company of Calgary.

In 1981, E&B spent \$500,000 as part of an option to spend \$1,700,000 by 1984 to earn a 50% interest in the Cariboo-Bell project from Highland Crow Resources Ltd. The 1981 program included a geochemical soil survey, over 5,700 feet of diamond drilling, nearly 4,25 feet of rotary percussion drilling and metallurgical testing. The mineral reserves are now calculated to contain 81,000,000 tons grading 0.487% copper equivalent which includes significant gold values. Recent metallurgical testing has produced encouraging results and additional work is planned.

The Newpass gold mine in central Nevada is considered a promising new venture. E&B will acquire a 66.7% interest in the property for a total expenditure of \$410,000 U.S. Approximately 25,000 ounces of gold have already been produced in previous years from the mine's three main veins. During 1981, E&B undertook a program of geologic mapping and soil sampling, as well as surface and underground surveying in the vicinity of the mine's old workings.

The ElPlomo gold property consists of 324 hectares on an old Spanish land grant in Colorado. E&B will earn a 50% undivided interest in the property with an expenditure of \$1,800,000 U.S. before August 1,1983. Reserves in two zones are now estimated at 1,090,000 tons grading 0.057 oz.per ton. Thus far, geological evaluations have demonstrated a high success probability for a leach operation at the mine.

In the fall of 1980, only nine months after E&B headed up this joint venture, the Sterling gold mine, deep in Nevada's Nye county, came into full production. This past year proved to be equally busy and more successful. Approximately 9,300 ounces of gold were recovered in 1981 and both mining and leaching activities were expanded. In all, the ore reserves developed up to November 1981 totalled over 176,000 tons averaging 0.285 oz. gold per ton. Additional ores have been discovered with additional exploration work. Exploration work is to resume as gold prices improve.

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E & B EXPLORATIONS INC. BRALORNE RESOURCES LTD.

THREE REOPENING STUDIES HAVE BEEN - Three contracts have been let to study the feasibility
CONTRACTED FOR THE BRALORNE GOLD MINE of resuming full scale production at the Bralorne
gold mine, located 180 kilometers north of Vancouver,
B.C. and held under option by E & B Explorations Inc. Henry G. Ewanchuck, president of E & B
Explorations Inc. said the contracts, worth a total of \$175,000, were awarded to Wright
Engineers Ltd.; Robinson, Dames and Moore; and Canadian Mine Services, all of Vancouver.

Wright Engineers will be responsible for preparation of the metallurgical study,
general plant design and the socio-economic report, as well as the final feasibility study
submission. Robinson, Dames and Moore will analyse the tailings pond requirements and
recommend a tailings pond design. Canadian Mine Services will prepare the underground mining
plan.

Under the terms of a 1980 joint venture agreement with Bralorne Resources Ltd. of
Calgary, E & B Explorations Inc., of Vancouver and Denver, is working on an exploration
and rehabilitation program for the once-famous gold mine. E & B Explorations has spent
15 months and \$4,200,000 on the program to date.

The work program included: surface and underground rehabilitation to provide clear
access; installation and rehabilitation of electrical equipment both on the surface and under-
ground; rehabilitation of the Crown shaft, including installation of a hoist; surface and u
underground drilling; general plant cleanup and the pumping of 120,000,000 gallons of water
from the mine. The mine is estimated to have contained a total of 240,000,000 gallons of
water prior to the start of pumping. Mr. Ewanchuck said that by the time the last gallon is
removed the water will have been lifted over 2,800 feet vertically. "I think that may be
some kind of a record." he said.

E & B has extensively sampled the veins in remnant pillars and other areas of interest
and have received encouraging assay results. The feasibility study is expected to be completed
by February and a production decision will be made by the Joint Venture by early Spring 1982.

E & B Explorations can earn up to 50% interest in the property which has been one of
Canada's major gold sources yielding over 4,000,000 ounces of gold and 1,000,000 oz. of silver
from 8,000,000 tons of ore. E & B is working on behalf of Geomex Development Inc., North
American general partner for Sedimex Mineral Explorations GmbH of West Germany.

NO.180(1982)
SEPTEMBER 20, 1982

GCNL #180 20 SEPT 82 CARPENTER LAKE RESOURCES LTD. 92J/15W 092JNE03C

MINE RESEARCH REVIEWED - Carpenter Lake Resources Ltd. president Don Sumanik has provided a
5 Sep 82 progress report on the company's Wayside Mine property in
the Bralorne area of B.C. Recent sampling on 21 and 3 level has turned up many readings in
the range 0.17 oz/ton to 0.30 oz/ton gold-economic at today's prices. 92J/15W 092JNE004

The president states, "Another area in which we have been active has been that of negot-
iating a joint venture with E & B Exploration on the former producer, Bralorne-Pioneer Mine.
E & B has proved up 1,000,000 tons of 0.28 oz/ton gold on this property and expects to in-
crease this tonnage in the future. Logic suggests that, if we are able to "buy" into this
situation and if gold prices remain near \$450 U.S. on average, this would be a lucrative
venture for Carpenter Lake Resources. Not only would it provide us with cash flow but a mill
this close to Wayside would change the economics of our property considerably. With this in
mind, we have been seeking \$10,000,000 in financing to participate with E & B. We are very
near to concluding this financing and hopefully conclusion will be reached in time to allow
our participation with E & B. This could be a major breakthrough for your company. Should
our efforts to participate fail for one reason or another, we must do a further financing
through the Vancouver Stock Exchange."

An option on 200,000 shares at 55¢ is outstanding at Canarim Investment Corp. An eight
step exploration program is outlined which could be followed should the company secure sub-
stantial additional financing.

(9)

GCN L #146 31 JULY 81 BRALORNE RESOURCES LTD.

SIX MONTHS ENDED 30 JUNE	1981	1980
Gross Revenue	\$154,631,000	\$101,171,000
Cash Flow	\$25,409,000	\$15,968,000
-Per Share	\$1.24	79¢
Net Income	\$11,819,000	\$7,669,000
-Per Share	57¢	38¢

PROFIT ROSE 54%. GROWTH IN U.S.
MORE THAN OFFSET CANADIAN DECLINE

Year to year increases of 53% in first half revenues, 59% in cash flow and 54% in net earnings were achieved by Bralorne Resources Limited.

Chairman F.W.Fitzpatrick says that a strong U.S. market and a strengthened U.S. dollar relative to the Canadian dollar were key factors in the company's strong second quarter performance. While Bralorne managed to continue their over-all corporate growth, Mr.Fitzpatrick stressed that all of this growth occurred in the U.S. In Canada, the negative impact the National Energy Program has had on the petroleum industry has also been felt by Bralorne.

In the second quarter of 1981, Bralorne's revenues totalled \$82,400,000 compared with \$50,600,000 for the same quarter in 1980. Canadian revenues from the provision of products and services to the seismic, drilling and production sectors of the petroleum industry were down to \$16,100,000 from \$21,800,000 last year in the second quarter. Revenues from the drilling sector alone were down more than 50%. Revenues from U.S. products and services in the second quarter of 1981 totalled \$59,000,000, up significantly from \$23,800,000 in 1980 and almost four times the Canadian revenue for the same quarter. In last year's second quarter, Bralorne's Canadian and U.S. revenues were at similar levels. These results, says Mr.Fitzpatrick, reflect the excellent atmosphere for energy exploration in the U.S. and the contrasting negative climate that the National Energy Program has produced in Canada.

Despite the fact that Bralorne is more than 80% Canadian-owned, management feel the company must continue to expand their activities in the U.S. while minimizing Canadian investments. Reflecting this policy, more than 80% of Bralorne's \$16,274,000 capital expenditures program in the first half were directed toward plant expansion in the U.S.

Bralorne have also continued to expand their U.S. oil and gas exploration. To date this year, the company have participated in drilling 15 wells in Louisiana and Texas: nine were successful, six were dry holes.

In Canada, although second quarter drilling activity was restricted to lands acquired before introduction of the National Energy Program, Bralorne have also continued to develop new oil and gas reserves. Of the 12 wells drilled in Alberta in the second quarter, 7 were cased as potential gas wells, 2 were cased as potential oil and gas wells, 1 was cased as a potential oil wells, and 2 were dry and abandoned.

suspension of operations in 1971.

At the time of its closure, the Bralorne was the only remaining underground gold operation in BC. It was also one of the deepest in Canada. The deepest shaft provided access to gold-bearing quartz veins almost two km below the surface. With gold prices rising through the last decade, Bralorne undertook a number of studies to re-evaluate the mine's potential. Accessible reserves, located above the mine's 26th level, were estimated at about 150,000 tons averaging 0.31 oz/ton gold.

Rehabilitation of the mine's underground access is already well under way, with the third level into the Empire shaft and approximately 17,000 ft of surface diamond drilling completed to date. Initial work will be carried out to the 26th level, but no attempts will be made to go down to lower depths of the mine at this time. E&B believes the best plan is to develop the lower levels with cash flows realized from mining the upper levels.

A limited amount of surface drilling is planned for 1981, but the program this year will mainly include Crown shaft rehabilitation, dewatering of the shaft and workings down to the 26th level, and setting up a new ventilation system. Underground drilling will feature the systematic exploration of the old workings, and an exploration drifting program will commence early in 1981.

In addition to its exploration of the Bralorne Mine, E&B is also involved in other precious and base metals projects. It has interests in uranium programs throughout Canada, primarily in New Brunswick and Nova Scotia, and plans to duplicate its 1980 exploration expenditures for this metal during the 1981 season. Work will continue on its gold-silver and molybdenum projects in BC and a silver-zinc property in the Yukon. In 1980, the company's investment of more than \$10-million in the exploration of base and precious metal properties in North America made it one of the larger spenders on mineral exploration in western Canada.

In the petroleum sector, E&B's 1981 budget for exploration and development will be larger than that of last year but will be spent entirely in the US rather than in western Canada as in previous years.

The company was recently reorganized into a parent company, E&B Canada Resources, with two wholly-owned subsidiaries: E&B Explorations, an Alberta-chartered company, and E&B Mines, a federally-chartered company. Henry Ewanchuk, former Vice-President of Exploration for Bethlehem Copper of Vancouver, joined E&B as President in 1980.

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"Who is this E&B outfit?"

And what are they up to at Bralorne?"

If you don't know much yet about E&B Explorations, it's not surprising. After all, we've just completed our first year of operation.

But already we control one of the largest exploration budgets in Western Canada. In 1980, E&B invested more than \$10 million in the exploration and development of base and precious metal properties throughout North America. Since mid-1979, we've invested \$14 million to assemble a portfolio of richly diversified mining interests. As either a joint venture participant or operator, E&B are now involved in some 30 mineral properties in Canada and the United States.

We didn't grow this fast without a lot of help from our friends. E&B maintains a close working relationship with Sedimex Mineralexplorations GMBH of Frankfurt and Munich, West Germany and its subsidiary, Geomex Development Inc., of Calgary and Denver.

Perhaps the best-known example of what E&B is all about is our involvement with Bralorne Resources Limited in a joint venture exploration program that may bring the historic Bralorne Gold Mine back into production. Today, believing that a sound precious metals market is here to stay, we have invested \$1.4 million in reappraisal and expect to increase that investment to more than \$5 million by mid-1983.

If you have property you believe deserves a better-than-average appraisal from people with the capital and expertise to do it, give me your proposal.

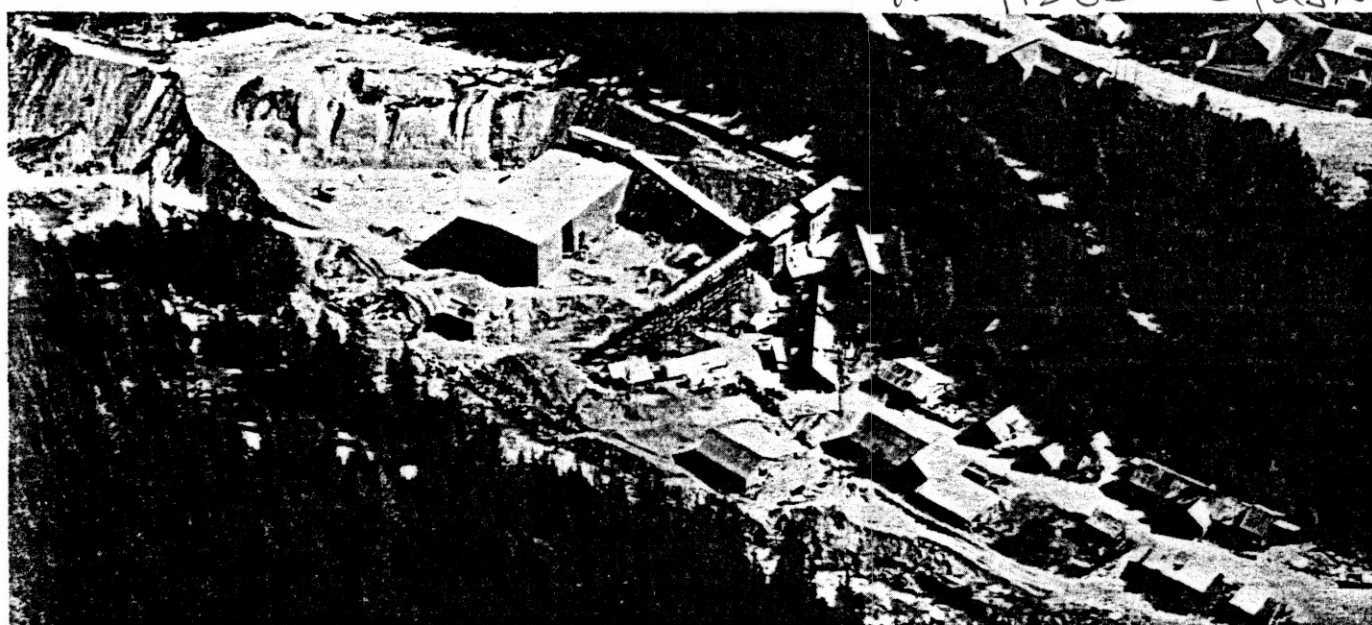
Henry Ewanchuk, President



E&B Explorations Inc.

Suite 1440 - 800 West Pender Street
Vancouver, B.C. V6C 2V6

Tel: (604) 689-5453 Telex 04-508809



The Bralorne plant area showing the concentrator building (left), refinery, machine and electrical shops and warehouses

Prop File

E & B redeveloping Bralorne mine

The rehabilitation and exploration program at the Bralorne Mine, once the largest gold producer in BC, is now into its eighth month. The \$1-million program is the initial expenditure in a joint venture agreement between Bralorne Resources Limited of Calgary and E&B Explorations Inc of Denver and Vancouver. E&B is acting on behalf of the Geomex Group of Calgary and Frankfurt, Germany. Geomex invests in mineral and petroleum exploration and production through a number of limited partnership joint ventures.

Under the terms of the joint venture agreement, E&B will have spent \$1-million on exploration and development of the property by 31 Mar 1981. This initial work program will enable the company to begin its evaluation of the mine's potential. It may then, as operator, elect to spend a further \$2-million during 1981 as well as a further \$5-million by 30 June 1981. Depending on the amount spent, the company will earn up to an undivided 50% working interest in the property.

The Bralorne property consists of 133

crown-granted mineral claims on more than 3800 acres of land in west-central BC, about 105 air miles north of Vancouver and 37 air miles west of Lillooet in the Bridge River Valley. During 40 years of previous production, between 1931 and 1971, the 24 veins mined from the Bralorne and nearby Pioneer ore bodies yielded close to 4.2-million oz gold and 1-million oz silver. Cash flow from this production was approximately \$145-million. Today, the price of gold is more than five times what it was when production costs forced

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N MINER
26 MARCH 81

E&B breathes new life into Bralorne

VANCOUVER — An exploration program by E&B Explorations at the old Bralorne gold mine west of Lillooet, B.C., is into its ninth month with expenditures to date approaching \$1 million. According to E&B, the phase-one program is designed to evaluate the potential of the mine which closed in mid-1971.

Through a joint venture agreement, E&B must spend \$1 million on exploration and development by the end of March. In addition, it expects to spend an additional \$2 million in 1981 and may elect to commit up to \$5 million by June 30, 1983. Depending on the level of expenditure, E&B can earn an undivided 50% interest in the property.

Consisting of 133 Crown-granted mineral claims, the Bralorne property encompasses about 3,800 acres and is located 170 km north of Vancouver.

In its heyday the Bralorne and Pioneer group of orebodies were one of this country's primary sources of gold. During 40 years of production, 24 veins yielded close to 4.2 million oz. of gold and 1.0 million oz. silver from eight million tons of ore.

Typical of most producers of that era, production costs eventually surpassed revenues, forcing its closure.

A co-ordinator for E&B, Erik

Andersen, says his company intends to systematically explore the property to delineate new areas of interest. Parts of the mine worked in the past will also be looked at in case the previous operators overlooked ore grade material.

Initially, work will involve the 26th level of the mine. Any cash flow realized through mining the upper levels will be used to explore and develop levels lower down.

To date, approximately 17,000 ft. of surface diamond drilling has been completed. However, only a limited amount of surface drilling is planned this year. An extensive underground program started in mid-November and two drills are currently in service.

Development of the Bralorne mine will be expanded later this year to include the Crown shaft which is to be rehabilitated and dewatered down to the 26th level. Exploration drifting is scheduled to commence early next year, as well.

News that the mine may be revived is causing quite a stir in the town of Bralorne which was on its way to becoming a ghost town until the Whiting brothers bought surface rights to the townsite from Bralorne Resources in 1972. Housing prices are now beginning to rise on speculation the area will attain its previous status as a major gold producing camp.

923/15W
092JNE001

YEAR ENDED 31 DECEMBER	1980	1979	PROFIT ROSE 91%
Gross Revenue	\$239,964,000	\$140,700,000	On a 71% rise in revenue, Bralorne Resources Limited achieved increases of 107% in cash flow and 91% in net income in 1980 compared with 1979. The value of shipments from their U.S. manufacturing and service facilities in the second half of 1980 rose sharply from previous periods to \$70,000,000. This reflected a marked increase in seismic and drilling activity in the U.S. The company also enjoyed considerable success in 1980 in their oil and natural gas exploration programs in both Canada and the U.S.
Cash Flow	\$42,227,000	\$20,396,000	
-Per Share	\$2.07	\$1.02*	
Net Income	\$20,520,000	\$10,726,000	
-Per Share	\$1.01	54¢*	
*Restated to reflect 1980 3-for-1 stock split			

F.W. Fitzpatrick, president, is optimistic about Bralorne's over-all prospects for 1981, particularly in the U.S., but, in light of the punitive domestic energy price schedule in the Canadian National Energy Program and the new tax measures in the federal budget and the economic advantages of exploration in the U.S. at present, he says a decline in Canadian exploration in 1981 is a virtual certainty, even if the federal-provincial resource pricing impasse is resolved at an early date.

E & B's \$1,000,000 INITIAL PROGRAM - The rehabilitation and exploration program at the company's Bralorne Mine in SW B.C., once the province's largest gold producer, is now into its sixth month. F

The program's \$1,000,000 expenditure is the first under a joint venture agreement between Bralorne Resources and E & B Explorations Inc. E & B act on behalf of the Geomex Group of Frankfurt, West Germany. E & B are to spend the \$1,000,000 by 31 Mar 81 and expect to spend a further \$2,000,000 in 1981 and may elect to commit up to \$5,000,000 by 30 Jun 83. E & B can earn up to 50% working interest in the property, depending on the level of expenditure. E & B will be operator during exploration.

The Bralorne property comprises 133 Crown-granted claims on over 3,800 acres 300 miles north of Vancouver. The Bralorne and Pioneer group of ore bodies have yielded close to 4,200,000 ounces of gold and 1,000,000 ounces of silver from 8,000,000 tons of ore. During 40 years of production, 24 veins were mined.

E & B intend to systematically explore the property to delineate new areas of interest, and areas mined in the past that still offer potential reserves. Initial work will be carried out to the 26th level. Development of lower levels will await cash flows realized from mining the upper levels. Rehabilitation work has included rehabilitation of the eighth level by retimbering, rockbolting and laying new air and water pipe and power line to the Crown and Empire shafts. Rehabilitation of the third level into the Empire shaft has been completed. Some 17,000 feet of surface diamond drilling have also been completed to date. Both surface and underground drilling are continuing through the winter.

The work program will be expanded in 1981 to include Crown Shaft rehabilitation, dewatering of the shaft and workings down to the 26th level and a new ventilation system. An increased underground drilling program will feature the systematic exploration of the old workings. In addition, an exploration drifting program will start early this year.

GCNL #153 08-08-80

BRALORNE RESOURCES LIMITED

92J/15W

092JNE001

6 MONTHS ENDED 30 JUNE 1980

1979

PROFIT ROSE 70%

Gross Revenue	\$101,171,000	\$60,007,000
Cash Flow	\$15,968,000	\$8,160,000
-Per Share	79¢	41¢
Net Income	\$7,669,000	\$4,501,000
-Per Share	38¢	22¢

Bralorne Resources Limited continues to experience strong fiscal growth, achieving record sales volume and operating income levels in almost all profit centres in the second quarter of 1980. Year to year rises

were achieved of 68% in first half revenue, 96% in cash flow and 70% in net income.

In reporting this, Bralorne president F.W.Fitzpatrick points out that about half the revenue growth was derived from the company's 51% interest in Mark Products, Inc. of Houston, Texas, with the rest reflecting a broadly based increase in demand for Bralorne's products and services. Mr.Fitzpatrick adds that increased natural gas shipments in Canada this year have contributed materially to cash flow growth.

Offsetting growth in sales and operating income to some extent were high interest rates, a stronger Canadian dollar which resulted in a substantial negative foreign exchange adjustment, and shutting-in of portions of the company's Canadian natural gas production, both under contract seasonal allowances and under take-or-pay provisions.

Mr.Fitzpatrick comments, "Over-all, however, first half results reflect the company's continued growth and success, and first half investment by Bralorne of \$9,450,000 in new plant and equipment in Canada and the U.S. and \$4,612,000 in oil and gas activities bodes well for future expansion and prospe ty."

See GCNL 151(80) for agreement aimed at putting Bralorne's gold mine back into production.

GCNL #224 20-11-80

Bralorne Resources Limited have been advised by their joint venture partner, E & B Explorations Inc., that preliminary work on the Bralorne gold mine about 170 km north of Vancouver has started, that results to date have been encouraging and that the initial evaluation should be completed before March 31, 1981. As detailed in GCNL No.151(80), E & B are to spend \$1,000,000 on the property by March 31, 1981 and may elect to commit up to \$5,000,000 by June 30, 1983 earning up to 50% working interest in the property, depending on the level of expenditure. Once E & B have earned 50% working interest, operations will be conducted under a joint venture agreement to be negotiated.

GCNL #35 19-02-80

BRALORNE RESOURCES LIMITED

925/15W

092JNE001

YEAR TO DEC. 31,	1979	1978
Gross Revenue	\$140,700,000	\$86,408,000
Cash Flow	20,396,000	12,619,000
Per Share	\$3.05	\$2.13
Net Income	10,726,000	6,808,000
Per Share, Basic	\$1.61	\$1.15
Per Share, Diluted	\$1.61	\$1.05

PROFIT ROSE 58%

Commenting on the 1979 results that showed rises of 62% in gross revenue and 58% in net income over 1978, president F.W. Fitzpatrick says Bralorne Resources Limited completed 1979 on a strong note with all profit centres continuing to reflect improved results. At year end, Bralorne increased their holding in Mark Products, Inc. to 51%, and so have consolidated Mark's accounts from the 1Jul79 date of acquisition.

Mr. Fitzpatrick says Bralorne enters 1980 in excellent shape. In addition to all time high backlogs in most manufacturing plants, he notes steadily increasing natural gas reserves plus significantly improved daily gas deliveries at improved prices as reasons for some optimism.

Proven and probable gas reserves rose in 1979 from 68 to 100 billion cubic feet. Proven and probable reserves of oil and natural gas liquids remained relatively constant at 1,027,000 barrels compared with 1,007,000 barrels. The present worth of all these reserves, net of royalties and operating costs, but before taxes, discounted at 12%, increased from \$35,468,000 to \$99,053,000, according to the consultant.

While recent rises in the price of gold have prompted Bralorne to undertake preliminary engineering studies regarding resumption of production at their gold mine in the Lillooet district of B.C., the studies are not completed yet and it would be some time before a decision could be taken.

GCNL #151

BRALORNE RESOURCES LIMITED

925/15W

E AND B EXPLORATIONS INC.

092JNE001

MULTI-MILLION DOLLAR PROGRAM - The old Bralorne gold mine in the Bridge River valley, 170 PLANNED FOR OLD B.C. GOLD MINE km north of Vancouver, will soon undergo new exploration.

06-08-80

Bralorne Resources Limited, owner of the mine, and E and B Explorations Inc. have reached agreement for exploration and development with the aim of reopening the mine as a joint venture.

E and B will spend \$1,000,000 on the property by 31Mar81 and may elect to commit up to \$5,000,000 by 30Jun83, earning up to 50% working interest in the property, depending on expenditures. E and B will be operator during exploration. Once E and B has ceased to earn interest in the property, operations will be conducted under a joint venture agreement to be negotiated.

Now an energy company, Bralorne Resources have executive offices in Calgary. E and B Explorations Inc. acts on behalf of the Geomex group of Calgary and Frankfurt, W. Germany, which invests in mineral and petroleum exploration and production through a number of limited partnership joint ventures. E and B has offices in Vancouver and Denver.

Gold was discovered at the confluence of Bridge River and Cadwallader Creek in the mid-1880s, but production was intermittent until Pioneer Gold Mines of B.C. was incorporated in 1928. Bralorne Mines Limited was formed in 1931. The first gold brick was shipped in March 1932. The two mines merged in 1959. The Pioneer closed in 1960 and the Bralorne in 1971. In those 40 years of production, Bralorne and Pioneer produced over 4,000,000 ounces of gold with aggregate sales value of more than \$144,000,000. Bralorne Resources retained their 133 Crown-granted mineral claims on more than 3,800 acres there.

At closing, the Bralorne mine was the only remaining underground gold mine in B.C. and one of the deepest in Canada. Serviced by a tunnel running into the mountain, and by 3 vertical underground shafts, the mine had more than 90 km of horizontal underground tunnels and more than 40 levels. The deepest shaft provided access to gold-bearing quartz veins almost 2 km below the surface.

As the gold price rose in the 1970s, Bralorne re-evaluated the mine's potential. The most current report, prepared earlier this year, suggests accessible reserves of some 150,000 tons grading about 0.31 ounce of gold per ton are available for mining above the 26th level.

a) Bralorne-Pioneer Mines Ltd.

The early history of mining in the Central Region centers on gold. Prospectors worked their way up the Fraser Canyon during the gold rush of the 1850's and 1860's and some of these penetrated the Bridge River area. Initial production was placer gold, but the search for the 'mother lode' led to the staking of the Lorne and Pioneer groups of claims in 1897. The Lorne claims produced intermittently and at a low rate until the property was taken over by Bralorne Mines Ltd in 1931. Production began with the completion of a 100 tons per day mill in 1932, with an increase in capacity to 475 tons per day in 1934. Early production from the Pioneer group consisted of one man, hand-operated mill, working from 1900 to 1911 and a subsequent stretch from 1911 to 1921 under several different owners. A 100 tons per day mill was constructed and began producing in 1924, with expansion later to 250 tons per day. Bralorne Pioneer Mines Ltd. was formed by merging the two properties in 1959. Reserves were exhausted at the Pioneer mine in 1960, while the Bralorne mine produced until 1971. Re-examination of the property in 1973 indicated further reserves, but were claimed to be insufficient to justify rehabilitating the surface facilities (8). In addition to metal mining exploration, the company has used its retained earnings to diversify into coal, oil and gas, construction and catering.

Source Wight Engineers Rpt. Mar 1975
Central Region - Forecast of Development in the Mineral Sector

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WESTERN CANADIAN INVESTMENTS

CORNAT INDUSTRIES LIMITED

BRALORNE RESOURCES LIMITED

CORNAT BIDS \$4.25 PER SHARE - Cornat Industries Limited has directed Pemberton Securities FOR 50.05% OF BRALORNE Limited, as its agents, to buy up to 2,555,000 common shares, or 50.05%, of Bralorne Resources Limited on Vancouver Stock Exchange, starting 30Aug76. The bid price will be \$4.25 per share.

If more than 2,555,000 shs. are tendered or offered, all offerings by beneficial owners of 100 shs. or less will be accepted in full; all other offerings will be pro rated.

Cornat report that Bralorne's major shareholders, owning about 32% of Bralorne's issued shares, have agreed to tender them. This offer for control is being made with the full knowledge of Bralorne directors. Should the bid be successful, arrangements have been made for continuation of Bralorne's management. F. William Fitzpatrick, president of Bralorne, will, consistent with Cornat's policy for executives, be granted an interest free loan to buy 125,000 shares of Cornat's holdings in Bralorne at Cornat's cost.

Cornat presently own no shares of Bralorne and will buy none during the purchase period except pursuant to the announced bid.

Cornat have agreed to buy from Bralorne \$6,000,000 principal amount of 12% unsecured convertible debentures maturing in 1986, subject to regulatory bodies' consent. The debentures will be convertible into Bralorne shares at \$4.00 per share for three years and will be entitled to a sinking fund equivalent to one-sixth of the principal each year from 1981 to 1986 inclusive.