



## High grade tungsten discovery sparks heavy staking in B.C.

By M. R. Brown

Demonstrating that the individual prospector still has a chance of "striking it rich" in this country, three B.C. mine seekers have come up with a high grade tungsten find just 20 miles north of Revelstoke. It looks important, and has sparked heavy staking in that area as well as spirited bidding for the find itself, including substantial cash offers from a number of major companies.

"This is an outstanding discovery," says W. Paul Hammond, a well-known mining geologist who has spent many years in the exploration business. After four months of what he describes as "intensive negotiations," he has acquired it for his **Andaurex Resources Inc.** The deal

calls for 225,000 treasury shares and a 2½% retained royalty (Andaurex shares trade on the VSE in the \$3-4 range).

The original find of this hard-to-identify mineral (scheelite) was made in a rock out of a new road being built to the Mica Dam project. Five separate showings have since been picked up in a flat-lying altered sedimentary horizon over a length of 750 ft. Thickness has not yet been established but it looks like at least 10 ft., with assays running from 1% over 15% WO<sub>3</sub>.

The stratigraphic control (a bedded deposit) suggests that it should have continuity. Geologist Hammond points out, noting that con-

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## American Pyramid gets \$4.4 million from Royal Bank for Nevada mine

By David Duval

VANCOUVER — Pyramid power and a multi-million-dollar loan from the Royal Bank of Canada may lead to the development of an important gold-silver mine near Fallon, Nev., by a Vancouver junior.

American Pyramid Resources appears to have a tiger by the tail and has just completed a \$US4.4-million financing through the Royal Bank to bring its Bell Mountain property into production at 250 tons per day initially.

All production is subject to a 5% net smelter return based on a 500-ton-daily mill rate until a maximum payment of \$US600,000 has been made. Company consultant Dr. Anthony Payne, a highly respected American geologist, teacher and author, has recommended payment of that sum immediately.

Originally, the claims were assigned—  
See Page A9

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Thanksgiving  
82M/1

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It urges further drill-  
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P\* MG# ALJ TI/ LAJ AND W.

Three B.C. prospectors, (left to right I John Campbell, grade tungsten discovery near Revelstoke which  
Fran Jenkins and Bill Cameron, examining their high stirred much attention in that area.

## High grade tungsten find

From Page A1  
siderable mineralized float has been  
picked up both to the east of the  
main showings and up hill from  
them, suggesting extensions.

This find, unquestionably, is a  
credit to the local prospectors (see  
photo) -«ho had enrolled in the B.C.  
'prospectors" course and who subse-  
quently, ed £' private- prospec-  
ing company. As implied above,  
they turned down a number of large  
cash offers for their 56-claim group,  
choosing instead a deal that gives  
them a direct royalty interest plus a  
share interest in the company.

The Andaurex company is capi-  
talized at 5,000,000 shares of which  
2,250,000 shares are issued '750,000!.  
It has approximately \$600,000 cash  
on hand, and will receive a further  
\$580,000 if and when outstanding  
warrants are exercised.

A contract has already been let  
for cutting control lines prior to a  
geophysical survey, trenching and  
sampling. Drilling, which will follow,  
will consist of a srrid of vertical holes.

"But we don't want to start drilling  
until we get a good handle on the  
situation," says Mr. Hammond.

(The Northern Miner was shown a  
number of hand specimens taken  
from the showings. Viewed under an  
ultra-violet light, they look quite  
impressive and would run as high as  
20% WO.),

Tungsten enjoys a strong mari  
with its long-term demand expected  
to grow, particularly in the area of  
tungsten-carbide drill bits for oil and  
gas exploration and sub-surface cml  
mining as the search for new energy  
source grows. Other major growth  
markets for tungsten arc in r  
cutting, catalysts and superalk'^

## Rio Algom

From Page A1  
director and officer of Rio Algom  
this month. It is intended that Mr.  
Albino will succeed him as chair-  
man and chief executive officer,  
while retaining his present position.

Earnings from the Elliot Lake ura-  
nium operations declined in 1980,  
primarily reflecting problems during  
the start-up of the Panel mine and  
mill. Panel is now said to be operat-  
ing well, having reached its design  
capacity of 3,300 tons per day dur-  
ing the fourth quarter.

Also during 1980, Rio Algom  
secured new contracts covering 8.1  
million lb. of U.iO\*. A further four  
million lb. will be sold to **Westing-  
house Electric Corp.** under the  
recent settlement agreement with  
that company (N.M., Mar. 19/81).  
Rio Algom says the settlements with  
Westinghouse and **Tennessee Valley  
Authority**, which are still subject to  
certain approvals, will remove major  
constraints on its business interests  
in the United States.

Production of uranium oxide at  
Elliot Lake amounted tp 6,783,000  
lb. in 1980 (5,688,000 lb. in 1979).

from 273,000 tons or 751 tons ±>iij  
in 1979. Average recovery wa^ 4.2  
(3.71 lb. per ton. or 94.5% <93i^'.  
Production amounted to i,099.^0  
(994,000 lb. of uranium oxide, »%Be  
deliveries totalled 940,000 (1,200.^0\*  
lb.

The Lisbon operation had h aac-  
cessful year, primarily becau;-r oi  
the higher average grade of -j-re  
milled. At Dec. 31. some 12 ra!B?>n  
lb. of uranium oxide remained be  
delivered under the present ton-  
tract; it is estimated that an aiii.;  
tionaf LI. million lb. can be rev-  
ered from defined ore.

### Minerals exploration

Exploration expenditures by fek?  
Algom and its subsidiaries saere  
\$10.7 million in 19M. compared mth  
\$9.1 million in 1979. This meted  
the costs of intensified eflWw-m  
bring the 60%-owned Sage Cr^ek  
coal property in southeastern Sott-  
ish Columbia into production.

Numerous properties were inves-  
tigated by **Riocanex**, the compiles  
Caniidian exploration arm. A pre-  
liminary feasibility sludy is -umsser  
wav for'the Cape Ray gold proaxrv