

SILMONAC MINES LIMITED

CONTINUED MINING DEPENDS ON - From the annual report of president A.W. White, it is apparent FINDING & DEVELOPING RESERVES that management considers that continued mining operations on the Slocan, B.C., property of Silmonac Mines Limited depends on an aggressive program of exploration and development. In his 27Jan72 report Mr. White says that, as at 31Oct71, the lessee, Kam-Kotia - Burkam Joint Venture, had been repaid \$531,000 of its \$841,000 preproduction expenditures and the remaining \$310,000 was expected to be repaid in 1972. Subsequently, any profits are to be shared 49% to Silmonac and 51% to the Joint Venture.

In last year's report, Mr. White stated that from start of production in late August, 1970 up to 31Dec70, the operation generated a cash gain of \$342,000. For the subsequent 10 months to 31Oct71 he says (in the current report) that a net cash gain of \$429,000 was realized before provision for B.C. mining tax. This is the balance left after \$935,000 in mining and milling costs and \$817,000 in smelting and marketing charges were deducted from the \$2,181,000 gross value of concentrates produced. The operation is exempt from federal income tax until 30Sep73.

In last year's report, Mr. White provided figures of metal production and probable ore reserves. He provides neither in the current report, but states grade of ore milled in the 10 months to 31Oct71 averaged 17.81 ounces silver per ton, 6.53% lead and 6.38% zinc. He adds that the milling rate is close to 110 tons daily. = 1007/day (105?)

In the year to 31Oct71, Silmonac received \$6,233 (chiefly \$6,000 lease rental). Applied were \$6,701 on administration. The \$468 excess applied, reduced working capital to \$3,626 at 31Oct71, when, of 5,000,000 shs. auth., 2,965,000 were issued. 657,031 are held by Kam-Kotia Mines, 658,281 by Moneta Porcupine Mines and 519,859 by Silver Standard Mines, a total of 1,835,171 being 61.89% of those issued. Moneta share introduced in taking over.

Nominees for election as directors at the annual meeting (28Feb72, 2 p.m. at 808 - 602 W. Hastings St., Vancouver) are: A.W. White, president (owning 1 share); J. Geddes, sec. (1 shs); R.N. Figueroa (5,622 shs.); David M. Mercier (1 sh.); G.W. Walkey (1 sh.); G.W. Young (nil shs.) all incumbents and Jas. H. McAusland (nil shs.), a new nominee.

WESTERN DECALTA PETROLEUM LIMITED

YEAR TO 31DEC	1971	1970	
Oil/Gas Sales, Net	\$6,747,000	\$5,604,000	Preliminary financial data for 1971 released by Western Decalta Petroleum Limited show net income rose 26% over 1970. Cash flow rose 20.6% and net oil/gas sales 20.4%. Including \$1,749,000 ascribed to capital assets of Western & Texas Oil Co. on purchase of its shares during the year, development and exploration expenditures totalled \$4,919,000 vs \$2,477,000 in 1970.
Other Income	174,000	196,000	
Dev. & Depl'n Expend.	4,919,000	2,477,000	
NET INCOME	\$1,539,000	\$1,218,000	
Per Share	22¢	17¢	
Cash Flow	\$4,080,000	\$3,384,000	

Net production of crude oil and condensates rose 17.5% to 1,973,000 barrels (5,405 barrels daily vs 4,600 in 1970.) Natural gas sales rose to 5.3 billion cu.ft. from 5.1 billion cu.ft. in 1970.

At 31Dec71, Western Decalta had interests in 24,707,400 gross acres equivalent to 10,870,400 net acres. Reserves were 35,833,000 gross barrels (vs 33,654,000 in 1970) of crude oil and condensate; 200 billion cu.ft. (vs 208 billion in 1970) of natural gas; and 645,000 long tons (unchanged) of sulphur.

During 1971, the company participated in the drilling of 59 gross (14.7 net) wells. Successful oil and gas completions totalled 26 gross (6.0 net) wells. Since the year end, Decalta has participated in 9 gross (2.1 net) wells resulting in 2 gas wells (33% interest) and 1 oil well (6% interest). Three wells were drilled on company properties in Mackenzie River valley, N.W.T.; two gave no encouragement but a third had oil and gas shows in two horizons which previously have had no indications, but these shows were non-commercial. Three more wells are to be drilled on these properties in the next two months. Currently, 4 additional wells are being drilled by other companies close to these properties.

FOR THE RECORD

Dictator Mines Ltd. share trading suspension has been extended by B.C. Securities Commission until they receive satisfactory information on the status of the proposed acquisition of shares of Geniecorp Enterprises Ltd. (initial suspension was noted in GCNL 2, 5Jan72).

Everest Resources Ltd. share trading suspension has been extended by B.C. Securities Commission until they receive satisfactory information on Everest's assets and liabilities. (Initial suspension was noted in GCNL 19, 28Jan72).

Cream Silver Mines Ltd. shares will be transferred from the Interim to the Mining Section of Vancouver Stock Exchange on 14Feb72. Of 3,000,000 shs. of par value 50¢ each authorized, 1,231,292 are issued including 586,500 in escrow. Transfer agent is Guaranty Trust Co. Ticker symbol is CEM.

White River Mines Ltd. by 1Feb72 agt., has received an underwriting of 300,000 shs. at 40¢ per share from Union Securities Ltd., Carlisle, Douglas & Co. and Hemsworth, Turton & Co. as to one third each.

By 31Jan72 agt., White River is committed to spend \$20,000 in the Cherry Creek area near Kamloops, B.C. on the 53-claim property of Northair Mines Ltd. When this is spent, the two firms will explore the property on a joint venture basis.

Mont-Laurier Uranium Mines Incorp. shares will be removed from trading on Vancouver Stock Exchange on 14Feb72 at company request.