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BRAMEDA RESOURCES LIMITED

SUKUNKA COAL RESULTS - BRIGHT ASPECT OF REPORT - Coalition Mining Ltd. has spent \$1,500,000 on 41 of Brameda's Sukunka coal licences and thereby has earned a 7 1/2% interest, says the Brameda directors' report signed by B. Brynensen, chairman, and A.E. Hallbauer, president. Mikas Oil Co., which like Coalition is a subsidiary of Brascan Ltd., has the option to buy an additional 42 1/2% interest in the 41 licences, of which 37 1/2% would be purchased from Brameda for \$7,500,000, in which event Mikas would be obligated to arrange the financing for the project. On exercise of the options, interest in the 41 licences would be divided 50% to Brameda, 42 1/2% to Mikas and 7 1/2% to Coalition.

Brameda's 179 coal licences are 30 miles south of Chetwynd, B.C., and are described in the report as Brameda's most important asset. Approximately 80,000,000 long tons of coking coal were outlined by Brameda in 1970 with geological indications that this can be extended. Tests indicated that Sukunka coal is one of the best quality coking coals in the world. The negotiations with Brameda, Teck Corporation and subsidiaries of Brascan were entered into in mid-1971. Coalition then by the year end did 54,000 feet of additional diamond drilling, 5,300 feet of rotary drilling, 14,000 feet of outcrop stripping and drove 240 feet of adit at 3 locations for bulk sampling purposes. Preparation of a feasibility study is in progress.

Teck can earn a 50% working interest in 61 square miles of coal licences to the south and west of the 41 licences of the Brascan block. A similar arrangement was made with Brascan's subsidiaries involving 44 coal licences north and west of the main block. Work by Teck on the 61 square mile block indicated an extension of the Chamberlain seam for some distance into the Teck area and also the existence of other seams. Under its agt. with Calico Silver Mines Ltd. Brameda spent more than \$3,100,000 on Casino's Canadian Creek property. Mineable reserves stand at 170,000,000 tons grading 0.37% copper and 0.39% MoS₂ with a waste to ore ratio of 1.7 to 1. Financing to do additional work has been deferred pending improvement in conditions including a final decision by the federal government on not implementing Bill C-187.

Brameda's statement for the year to 31 Dec 71 shows that from all sources \$2,945,931 was received. Net loss before extraordinary items was \$2,573,900. Including \$11,205,878 to write down to a nominal \$1, Brameda's investment in Churchill Copper (see review of Churchill annual report No. 122), the extraordinary deductions after allowing for a net gain of \$334,488 on sale of investments added \$12,929,684 to the net loss bringing the total net loss to \$15,503,584. This increased the total deficit to \$21,715,051. The net gain on sale of investments resulted chiefly from the sale of Brameda's remaining shares in Giant Mascot Mines Ltd. at a profit of \$333,000.

Brameda started 1971 with working capital of \$102,377. The addition of \$2,945,931 in new funds from all sources made available in the year a total of \$3,048,308. Cash allocations totalled \$2,672,018, leaving working capital at end of 1971 at \$376,290. Long-term debt was increased during the year by \$1,300,000 to \$2,300,000. Of 10,000,000 shares authorized, 7,039,563 were outstanding at yearend including 108,000 issued during the year in settlement of a \$268,456 debt.

FOR THE RECORD

Nordev Resources Ltd., Toronto, includes in its holdings 2 Yukon properties: 1. 112 claims on east arm, Francis Lake on which it reports a significant area of silver-lead-zinc mineralization has been located with drilling indicated 500,000 tons having an inferred grade of about 10-15% lead with some zinc and 2 to 3 oz. silver per ton. 2. 152 claim in Ketza River area in a joint venture with another company holding 58 adjoining claims with work done having outlined 55,000 tons of 15 oz. silver and 12% lead per ton, open along strike and at depth. In event of production, Nordev would retain a 30% interest.

Gibbex Mines Ltd. - The outstanding option on 200,000 shs. of the company at 70¢ per share due 20 Jul 72 and exercisable by Donaldson Securities Ltd. pursuant to 16 Feb 72 agt. has been cancelled.

The shares of the company are now out of primary distribution.

Swim Lake Mines Ltd. by 12 Jun 72 agt. has purchased 18 mineral claims in Kamloops mining division, B.C., from Wilbert R. Wensley for consideration of \$2,290 and an option covering 20,000 shs. at 20¢ per share due 30 Jul 72.

Aselo Industries Ltd. shares were called for trading on the Interim Section of Vancouver Stock Exchange on 26 Jun 72. Of 3,000,000 no par value shs. auth., 2,888,370 are issued including 815,153 shs. in escrow. Transfer agent is Guaranty Trust Co. and ticker symbol is ALI.

S. Madill Ltd. will pay a quarterly dividend of 6¢ per common share plus an extra of 4¢ on 14 Jul 72, record date 30 Jun 72.

CORRECTION: Columbia River Mines Ltd. - Concerning the recent rights offering, the company has been granted an extension from 24 Jun 72 to 31 Jul 72. Rights will now trade for cash on 27 Jul 72 and expire on 31 Jul 72. (GCNL 99, 24 May 72, page four refers).

Copper Giant Mining Corporation Ltd. option covering 150,000 shs. at 15¢ each due 25 Jun 72 has not been exercised by Union Securities on behalf of its client as to 25% and Carlisle, Douglas & Co. as to 25% and acting on behalf of its client as to 50% pursuant to 19 Apr 72 agt. The agreement is now cancelled.

Murrith Photofax Limited shares, at company request, were suspended from trading on VSE at the opening on 26 Jun 72, pending a hearing of an application by Savin Business Machines Corp. for an injunction preventing Murrith Photofax from marketing a bond paper copier.

Rayore Enterprises Ltd. option covering 200,000 shs. at 40¢ each due 25 Jun 72 has not been exercised by Union Securities Ltd. as to 50%, and Hemsworth, Turton & Co. as to 50%, pursuant to 12 Apr 72 agt. The agreement is now cancelled.

FILE BRAMEDA 7/10 TECK CO

SUKUNKA COAL

BRAMEDA RESOURCES LIMITED

COAL PROJECTS REVIEWED - Brameda Resources, owned 47 1/2% by Teck Corp., has from inception in 1969 put \$21,600,000 into exploration in B.C. and Yukon, says B.O. Brynelsen, chairman, in the report for the year to 31Dec72. Much of this went towards the Sukunka, Churchill and Casino projects. In its first year Brameda optioned the Casino claims, began construction at Churchill and discovered the Sukunka coal deposit. When financial difficulties were encountered in early 1970, Brameda approached Teck Corp. which first provided \$3,000,000 by purchase of treasury shares and a debenture and agreed to stand behind certain Brameda loans. Later in 1970 Teck provided a further \$1,000,000 so Sukunka development could continue. In early 1972, Teck put in a further \$1,887,000 by purchase of Brameda treasury shares, reducing Brameda's bank loans to \$3,121,000, which Teck fully guaranteed. In total Teck has provided or guaranteed \$9,008,000 for Brameda and made its managerial facilities available.

By an Aug. 1971 agt. Brascan Resources agreed to spend \$1,500,000 to earn a 7.5% interest in Sununka, leases south of Chetwynd, B.C.; to purchase by Brascan of a further 5% for \$1,000,000 bringing its equity to 12 1/2%, with the right to increase this to 60% by committing to finance to production, to pay \$5,050,000 to Brameda upon a production decision and payment of a further \$4,750,000 within 3 years of that decision. Brameda would under this arrangement have retained a 40% interest.

Early in 1973 the B.C. government indicated to Brameda it would be interested in acquiring this 40% interest. The outcome was an agt. whereby the B.C. Railway, owned by the government, may acquire Brameda's 40% interest in the high-grade Sukunka coal licences for \$7,000,000 payable on exercise of Brascan's option to proceed to production. Brameda would then have no interest in the project. If, however, Brascan elects not to proceed, Brameda would continue with development on its own and the arrangement with the government would be inoperative.

Work done by Brascan in 1972 included a shipment of 11,000 tons of run-of-mine coal to British Steel Corp. for bulk testing.

He adds that all work confirmed previous indications of exceptionally high coal quality and good mining conditions.

Teck plans further work this field season on 61 sq. miles of coal licenses (the Bull-moose Project) held under an option agt. whereby Teck can earn a 50% working interest in this property. The 3,692 ft. of diamond drilling plus mapping indicated substantial coal reserves in the Bird seam, coal with good coking qualities but with a high sulphur content. Reserves were also indicated in the Chamberlain seam, the main seam of the Sukunka project, and the quality here appears to be good.

Brameda has 450,000 shs. in Casino Silver Mines and the right to earn up to a 70% equity by placing this Yukon copper-molybdenum deposit on production. Data are under review leading to consideration of resumption of work. Also studies have resumed on Consolidated Churchill Copper property, owned 50.03% by Teck, to determine if work should resume. Among the points to be clarified are the tax and royalty situation in B.C.

Brameda raised a total of \$8,068,219 in 1972 and spent \$8,183,197. The decrease of \$114,978 left year end work. cap. at \$261,312. Including 2,830,437 shs. issued to Teck for \$1,886,958, issued shs. at 31Dec72 were 9,756,000 of 9,916,000 shs. authorized. The further funds came \$2,321,011 from bank loan, \$2,504,411 from redemption of collateral deposit, \$1,000,000 from sale proceeds of 5% interest in mining properties and \$355,839 from sale proceeds of investments and equipment. Long-term debt is shown at \$4,621,011 at 31Dec72.

FOR THE RECORD

International Centura Industries Ltd. seeks to raise up to \$200,000 or more in a best effort offering by Doherty McCuaig Ltd. open for 3 months from the effective date, 19Jun73 of 200,000 treasury shs. at a minimum of \$1 p/s. Proceeds will be used to enhance the company's working capital position. (For background see GCHL No. 23, No. 69 & No. 72(73)). An unaudited consolidated statement as at 1Apr73 shows current assets at \$1,874,553, incl. \$1,280,885 inventory at the lower of cost or net realizable value, total assets at \$3,528,396, current liabilities \$1,461,000, long-term debt \$542,918. Of 5,000,000 shs. auth., no par, the company issued 1,376,669 shs. at 31Mar73 for Centura Industries & Resources Ltd. and 1,514,500 shs. for Harry Smith & Sons Ltd. Of the issued shs., 1,230,000 are held in escrow. An additional 637,000 shs. are subject to an undertaking that they will be held as follows: 500,000 for at least 6 months from 23Oct72, 112,000 shs. for at least 18 months from date of amalgamation, 31Mar73, and 25,000 shs. for at least 90 days from 31Mar73, all subject to VSE and BCSC. Acquisition cost of the following firms was as follows: Vancouver Storage & Rentals Ltd., 385,000 ICI shs.; Granada Enterprises, Ltd., 100,000 shs.; Western Mechanical Services and Western Meter Co. Ltd., \$270,000 cash, Western Book Co. Inc. (Oregon), \$130,000, all wholly-owned subsidiaries.

Woodward Stores Limited has received an underwriting covering \$15,000,000 of 8 3/4% sinking fund debentures at 100% from Wood Gundy Limited and McLeod, Young, Weir & Company Limited. The prospectus is dated 19Jun73, and was registered 20Jun73 with B.C. Securities Commission.

Hudson's Bay Company has received an underwriting covering \$100,000,000 of 6% exchangeable subordinated debentures (unsecured) at 100% from Harris & Partners Limited. The prospectus is dated 19Jun73 and was registered 20Jun73 with B.C. Securities Commission.