

FILE: SPARTAN
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SPARTAN EXPLORATIONS LTD.

MAJOR BARITE - Spartan Explorations Ltd. has discovered a large barite deposit in the eastern Yukon. Offers to option the property have been received from both Baroid of Canada and Dresser Minerals, after their recent examinations of the deposit.

The property lies some 20 miles southwest of MacMillan Pass on the Yukon-N.W.T. border alongside the Canol Road which is now open to automobile traffic from the settlement of Ross River 125 miles southwest.

Barite occurs as continuous strataform deposits outcropping, and exposed in shallow pits, as two horizons of nearly uniform mineralization ranging 80-150 feet wide and 650-750 feet long. One of the steeply dipping beds outcrops over a vertical interval of 200 feet, while the down-dip exposure of the other bed is masked by overburden. Assuming a down-dip projection of the two zones to a depth of only 150 feet, over 1 million tons of barite are indicated. The outcrops form the crest of a hill a few hundred feet from the Canol Road, and offer a unique situation where very low cost open pit mining can be conducted to recover barite without dilution. Results of preliminary sampling indicate that the material is acceptable as crude barite for drilling mud applications; no lead or zinc sulfides have been noted on the outcrops.

Before reaching a decision on the offers by Baroid and Dresser, Spartan plans to conduct a \$15,000 program of bulldozing and shallow drilling to outline the tonnage and grade for feasibility studies. The unusually large tonnage potential of this deposit, together with its excellent accessibility which permits low cost exploration, and both low mining capitalization and operating costs, offers a high profitability situation even on a seasonal mining schedule. A net cash flow after taxes of \$4-\$5 per ton is now considered a reasonable expectation from mining crude barite ore at a rate of only 200 tons per day.

AVINO MINES & RESOURCES LIMITED

PRODUCTION AGREEMENT ON MEXICAN PROPERTY SIGNED - An agreement has been concluded to place in production the copper-silver-gold properties near Durango, Mexico, in which Avino Mines & Resources Limited owns 49% interest through its ownership of 49% of the shares of two firms, Minera Mexicana de Avino, S.A. and Minera San Jose de Avino, S.A.

By this 14Sep73 agreement (effective Oct. 10/73), a Bahaman firm, SGI Limited, whose obligations are guaranteed by Sheridan Geophysics Limited of Toronto, will proceed immediately to place the property in commercial production at a rate of not less than 500 tons per day within 12 months. The estimated cost is \$800,000. For summary of a production feasibility study, see GCNL 136(73).

SGI will provide all funds needed to complete construction of the production facilities and shall be repaid out of 75% of the operating profits of production with a minimum monthly payment of \$50,000. The remaining profits, less working capital of up to \$100,000, will be paid to Avino. Anytime Avino's net current assets exceed \$100,000 the excess will be used to repay SGI its advances. Both Avino and SGI will be repaid all their advances before dividends are paid by Minera Mexicana and Minera San Jose.

SGI has the option to convert all or any part of its advances into Avino shares (at 50¢ per share for the first \$200,000, at 60¢ for the next \$300,000, at 75¢ for the next \$500,000 and at \$1 for any advance above \$1,000,000). Avino will immediately issue 200,000 shares to SGI and, when production starts, will issue 1 share for each \$5 advanced by SGI.

For acting as property operator, SGI will receive the greater of 10% of operating profits of the Mexican firms or \$100,000. Payment of such fee is subject to Mexican government approval. If that is withheld, Avino will pay any deficiency. Avino will use its best efforts to have an option granted to SGI for it to have a Mexican nominee buy 25% of the issued shares of the Mexican firms, such option being exercisable upon the property being equipped for production. This would not reduce Avino's 49% shareholdings in those firms.

In the past year, Avino built a leaching operation at the property at a cost of about \$235,000. Mining started in May at about 90 tons per day. By treating the copper oxide ore with sulphuric acid copper sulphate is recovered in solution. To this, iron is added to precipitate the mineral as cement copper.

Prior to the production agreement Avino had 5,208,761 shares outstanding. At 30Jun73, working capital was \$23,604.

FOR THE RECORD

Cardwell Resources Ltd. has called an annual and special meeting on Oct. 15/73 at 10:30 a.m. in Hyatt Regency Hotel, Vancouver. Directors are nominees for re-election: Maurice Hermery, president (owning 276,669 shares); Wm. Davison (nil shs.); and Gary W. Layton (59,500). Special proposals are to increase authorized capital from 5,000,000 to 25,000,000 shares and to approve agreements dated 20Sep73 by Cardwell with Sollinger Industries and with certain Sollinger shareholders.

In 11 months to 31May73, Cardwell received \$40,000 by sale of 400,000 shares. Applied were \$112,281 (chiefly \$27,186 expl'n. of McClinchey Lake, B.C. claims, \$67,749 expl'n. of oil/gas leases in Montana and \$17,345 admin.). The \$72,281 excess applied reduced working capital to a deficit of \$21,534 at 31May73 when 2,379,507 shares were outstanding, unchanged at 27Sep73.