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## Cowichan creditors okay offer

Creditors of Cowichan Copper Co. Ltd., at a meeting here Tuesday, agreed to a proposal of debt deferment to pave the way for new financing to put the mine back into production.

In the proposal, made by O. G. MacDonald, president, it was stated that acceptance would make it possible to obtain a \$1 million loan which would be tied to a concentrate purchasing contract.

The meeting was attended by creditors whose claims totalled \$2,498,228. Principal items were Mercantile Bank \$1,306,282, Mitsui & Co. \$378,150 (\$351,708 U.S.), accounts payable \$676,000, royalty \$116,799, wages \$10,322 and accrued liabilities \$10,673.

### APPROVAL NEEDED

Acceptance of the proposal by the creditors must still receive approval of the court. When approval is obtained, it is understood that the new backers will make surveys at the Cowichan property at Jordan River on Vancouver Island.

The loan of \$1 million will be used as follows: \$350,000 to pay off Mitsui and release its collateral for the new loan; \$300,000 to cover rehabilitation, replacement of equipment and supplies at the mine; \$350,000 for operating capital.

Preferred creditors are to be paid in cash after ratification of the proposal or by arrangement between parties. Secured and unsecured creditors will be paid out of 80 per cent of the company's monthly profit, with the remaining 20 per cent being retained by Cowichan until it has built up \$200,000 of working capital.

Cowichan's Sunro mine has been out of action, with rehabilitation work going on, since Dec. 6 when the Jordan river broke through into a mined-out slope and flooded the workings.

### NO PROFIT

Unexpected caving had started one year after mining commenced, which diluted ore grade and reduced profit to nil in the last five months of 1963.

At the same time, the company was spending \$600,000 to prepare new stopes for mining. This work was completed, preparing one million tons of ore, two years' supply. Mill capacity was brought up to 1400-1500 tons daily.

If financing is obtained under the plan outlined, "Within two years we shall be in a better position than we have ever been, with all plant paid for, all liability retired and a substantial operating cash reserve," said Mr. MacDonald in a letter to the creditors.

companies will invest more actively in copper, not likely to bring effect, according to statement of a large insurance company.

Without re-budget, which has been presented and discussed in a last week by Toronto, present North America on a western.

He pointed investment was investment in since investment could be on at Present limit 10 per cent of assets in that year dividend possible 5 per shares not me ard.

However, d mon shares, insurance contract take advantage

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