

# Draper Dobie & Company Ltd.

22nd Floor  
1055 West Hastings Street  
Vancouver 1, British Columbia  
Telephone 687-2461



March 25, 1973

Mr. John Keily  
Box 68  
Faro City  
Yukon Territory

Dear John:

Enclosed is complete information on a special situation which is developing in the Yukon between Ross River and Tungsten. It was all started when late last fall Placer announced that it had made a new lead zinc discovery. Now it would appear to me that what we have developing here is possibly another Pyramid, Dynasty, Afton type situation. All the ingredients are there; new area, numerous showings, initial high surface assays, major staking rush developed, and intense interest shown by other majors such as Dynasty, Noranda, Cominco and Teck Corporation.

When we look at the map and see who owns claims closest to the initial discoveries we come up with; Vestor, Colt, Cream Silver, Acheron and Maverick. Vestor has property close to both showings and Colt's property is very close to one. The other three are further away. The best way to play this area is through a package deal made up of primarily Vestor (92¢) and Colt (42¢). Listed on the next page is a short summary of the stock positions of each company. Colt and Vestor have the smallest float.

When we look at the enclosed charts we can see that the four main participants are trading sideways or are falling slightly. This slight weakening is probably a result of March being the year end of all the Brokerage Houses. Year end is especially demanding.

If I can be of any help to you in developing a package on this area please call or write.

Yours very truly,

DRAPER DOBIE & COMPANY LTD.

Bruce Cray

	<u>Outstanding</u>	<u>Escrowed</u>	<u>Float</u>
Vestor	1,706,000	600,000	1,106,000
Acheron	1,887,000	420,000	1,467,000
Colt	1,980,000	995,000	985,000
Cream Silver	1,898,000	310,500	1,587,000

New York Quotes

Victor Compt. - \$13.37

Gulf Resources - \$8.00

Frontier Airlines - \$6.25

John:

If you decide that you would like to invest in one of these companies then I would suggest that you change your account from cash to margin. This would enable you to purchase the other shares without putting up additional capital. Even allowing for any fluctuation you could safely purchase 1500 dollars worth of stock. The interest charged on a margin account is Income Tax deductible.

Bruce

P.S. Bob will be in town next month.

\*  
ANVIL VCR

ANVIL PUR FARO  
OCT 27/72

ATTN R E THURMOND

FURTHER TO YESTERDAYS TELEX I TALKED TO PERSON WHO HAD SEEN RECENT  
CLAIM MAP IN AREA OF PLACERS STAKING

HE NOTED THAT LAST YEAR SEVERAL BLOCKS OF CLAIMS HAD BEEN STAKED  
THESE GROUPS APPEARED TO BE ON A TREND

THIS YEAR THE STAKING REPORTEDLY CONNECTED UP THE INDIVIDUAL  
BLOCKS OF CLAIMS

FROM THE DISCUSSION THE CLAIMS IN MOST OF THE ZONES WERE 4 WIDE

THIS LOOKS LIKE EITHER A ROCK UNIT OR A STRUCTURE WAS STAKED

FROM KEILYS DESCRIPTION AND THE LENGTH OF THE ZONE THE ROCK UNIT  
IDEA SOUNDS MORE PLAUSIBLE

NO MAJOR STRUCTURES ARE INDICATED ON THE GEOLOGY MAP IN THIS  
AREA

ULDIS JANSONS  
ANVIL

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ANVIL VCR

ANVIL PUR FARO

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ANVIL VCR

ANVIL PUR FARO  
OCT 27/72

ATTN R E THURMOND

CALLED P CONLEY OF HECLA OPERATING IN VANCOUVER COMPANY  
REGARDING DATA SHARING

THEY ARE INTERESTED IN THIS AND POSSIBLY IN JOINT VENTURING ON THEIR  
CLAIMS

INFO THEY HAVE INCLUDES AIRBORNE GEOPHYSICS, GROUND GEOPHYSICS,  
DRILL LOGS, AND GEOLOGY MAP

OF OUR DATE THEY PROBABLY DO NOT HAVE THE DETAILED GEOCHEMISTRY  
AND GEOLOGY

GEOPHYSICAL RESULTS HAVE BEEN PUBLISHED BY J BROCK AND J D CRONE

OF MAIN INTEREST TO HECLA WOULD PROBABLY BE THE SURFACE GEOLOGY AND  
HOW IT PROJECTS FROM THE FARO CLAIMS ON TO THEIR GROUND

HOW MUCH AND WHAT TYPE OF INFO ARE WE ALLOWED TO SHARE?

ULDIS JANSONS  
ANVIL

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ANVIL VCR

ANVIL PUR FARO

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## An investment analysis

# Placer's major lead-zinc find gives stock speculative appeal

*Placer Development's operating management has proven to be aggressive and sound, as illustrated by the company's ability to place new projects on stream within budget. Richardson Securities believes the stock now offers good speculative appeal, brought about by the recent discovery of a major lead/zinc prospect located in the Yukon.*

The Richardson firm considers this to be one of the better leveraged mining vehicles now available and recommends purchase of the shares for 'the businessman's account'.

Placer, a holding, operating and exploration company, is primarily engaged in the mining of copper and molybdenum. Minor production includes tungsten, gold, lead and zinc. Activities are concentrated in Canada, the United States, Australia, Spain and the Philippines.

The company conducts an aggressive exploration program with an annual budget of some \$5 million. Of the 5,986,000 shares outstanding, Noranda Mines owns approximately 1,570,000 or a 26% interest.

With a major increase in copper involvement, through the initiation of the Gibraltar project, Placer now possesses considerable leverage relative to future increases in copper price. The wholly owned Endako mine also provides strong participation in future molybdenum markets. Speculative appeal has been enhanced with the discovery of a significant lead/zinc prospect located in the Yukon. This property has large scale implications and work is expected to get under way next spring.

### Present operations

The Marcopper operation in the Philippines continues to operate at satisfactory levels. Copper output here could approach 100 million lbs. during 1973. The company holds a 27% interest in Mattagami Lake Mines which several months ago brought the new Mattabi mine into production. This operation is running smoothly and increased contributions are anticipated from this source next year.

The 71% owned Gibraltar mine is currently operating at just over

ment, the investment firm has altered its earnings estimate to provide for this factor. It is its contention that with a most intriguing lead/zinc prospect plus a future 30% interest in the Afton project, the stock has regained its stability after having initially suffered a setback following the election results in British Columbia.

### Earnings estimate

For the first nine months of this year, Placer reported total earnings of \$1.78 per share which included extraordinary Marcopper income of \$0.39 per share. This compares with \$0.68 per share for the similar period in 1971. For the full year 1972, Richardsons estimate earnings of \$2.50 per share.

Using a copper price of 50c per pound and incorporating a provision for royalties, it estimates 1973 earnings could improve significantly to the \$3.60 per share level. It should be noted that a change in copper price could influence earnings by at least 20c per share, assuming little or no taxes.

## Nations increasingly depend

WASHINGTON—The increasing interdependence of all nations for minerals and other raw materials is clearly demonstrated by a report just released by the United States National Commission on Materials Policy. The Commission is charged by law with making recommendations to the President and Congress for a United States materials policy.

Some of the trends shown by the report are:

- With the exception of Russia, major industrialized areas of the world are becoming increasingly dependent upon other developed countries such as Australia, Canada, and South Africa; and upon the Lesser Developed Countries for raw materials.

- The strong lead which the United States had over other industrialized nations of the world in the early 1950s has diminished. A look at coal, refined copper, crude petroleum, and iron ore reveal the increasing share of world resources which other nations are using to support their expanding industrial economies.

- No industrialized nation or area is completely self-sufficient in all materials essential to build a modern industrial society.

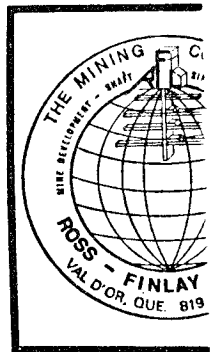
- The per capita consumption of basic raw materials and energy fuels has increased more rapidly in the rest of the world than it has in the United States.

- The position of the United

States as predominant movement of metals, mineral declined considerable 1950-1970 period.

- Statistics of movement of scrap metal trade substantial role of recycling of materials in the enhancement of environmental quality.

The Commission trends in raw materials aluminum, copper, spar, coal, natural gas. Only one statistical document contained. The discussion of for steel concludes serves of iron or support the world's industries. These will be tended by recycling. The United States increasingly on foreign



# It takes more to start a mine But it tak

**FINANCE** Terry Hammond Editor

# Major tungsten discovery hinted

By **GEORGE FROELICH**  
Sun Business Writer

Canada's mining industry is excited about the possibility of a major tungsten and lead-zinc area developing in the eastern part of the Yukon.

Vancouver-based Placer Development Ltd. last November announced it had staked some 450 mineral claims on a lead-zinc discovery on the Yukon-Northwest Territories boundary, about 170 miles north of Watson Lake.

Since then a large number of mining companies, including several small Vancouver-based outfits, have also staked claims.

The president of the Yukon Chamber of Mines, Mike Phillips, recently said that as a result of the Placer announcement a staking push developed in the area. He said more than 2,500 claims had been staked in an area 40 miles long and 10 miles wide.

The chamber president reported that major exploration and mining companies such as Cominco, Noranda and Atlas-Dynasty and smaller companies, have staked in the area.

Placer, in its November announcement, noted that staking followed a regional reconnaissance program. Interesting mineralization was found over a strike length of three miles, Placer said.

A limited amount of hand trenching and bulldozing exposed widths of mineralization up to 150 feet containing bands ranging from 10 to 30 per cent in combined lead-zinc, separated by lower grade values, Placer said.

The Vancouver company also said the initial discovery was made in July and it warned that evaluation was in a preliminary stage.

Pemberton Securities Limited, of Vancouver in a recent research report on Placer,



said if the lead-zinc discovery in the Yukon develops it could significantly increase the company's net earnings.

The Yukon chamber president said the mining companies are concentrating their staking in a 200 mile long belt, 50 to 75 miles wide along the Yukon-Northwest Territories border.

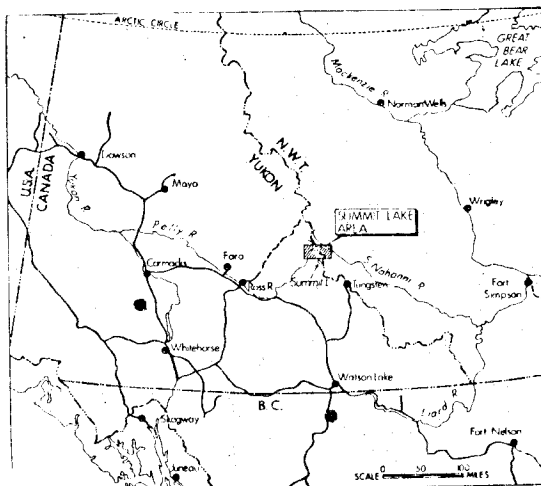
Toronto-based Hudson Bay Mining and Smelting Co. Limited has had a lead-zinc silver property in the area since 1951 but the tonnage and grade are not high enough to

sustain a viable mining operation, Phillips said.

However, he added, improved transportation into the area could change the situation.

A Placer spokesman said Tuesday the company will resume exploration work in the Yukon shortly.

Phillips also said that Vancouver mining companies are taking a more active interest in the Yukon. He attributed this to the socialist government of Premier David Barrett and the legislation it has introduced for the mining industry.



FROM THE DESK  
OF BRUCE CRAY

PLACER DEVELOPMENT LIMITED

**LEAD ZINC DISCOVERY** -- Following a regional reconnaissance program in the Yukon and the N.W.T., Placer Development Limited has staked some 450 mineral claims on a lead-zinc discovery located on the Yukon-Northwest Territories boundary, approximately 170 miles north of Watson Lake.

Interesting mineralization has been found over a strike length of three miles in broadly folded Paleozoic slates. A limited amount of hand trenching and bulldozer work has exposed widths of significant mineralization up to 150 feet containing bands ranging from 10% to 30% combined lead-zinc separated by lower grade values. Individual five foot samples assay as high as 40% to 50% combined lead-zinc.

The initial discovery was made in July but due to a lack of outcrop and shortness of the season, as well as weathering effects on near surface mineralization, evaluation is in a very preliminary stage. No further work is planned until the Spring of 1973.

**OTHER ACTIVITY IN THE AREA** -- It has been reported that claims are held in the area of the Placer Development discovery by Atlas Explorations Ltd. and by Vestor Explorations Ltd. The reports from Watson Lake are to the effect that there are a number of stakers and aircraft standing by, owing to the poor weather, with the intention of staking property in the area of the discovery.

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PLACER DEVELOPMENT LIMITED

**CAMP AND EQUIPMENT IS MOVING - IN TO HOWARD'S PASS PROPERTY** -- Summit Lake and Howards Pass are located 170 miles north of Watson Lake, along the Yukon-N.W.T. border. Placer Development Limited, in the 1972 field season, staked a 25 mile length of favourable structure, did a small amount of bulldozer stripping and located what is considered a major lead-zinc discovery where values from individual samples of five feet assay as high as 40% to 50% combined lead-zinc. Crews have started to move a camp and the heavy equipment into the property over a winter road, before breakup. The company will start with one diamond drill rig and is expected to move in at least a second machine during the season. Work on the property will start as weather permits, likely late May or early June.

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