

The Yukon Consolidated Gold Corporation Limited

INTER-DEPARTMENT CORRESPONDENCE

August 2nd, 1962.

From: W. D. TAYLOR
To: A. G. BARRETT

RE: SALE OF RAW GOLD

In order to better the mint price of \$35.00 U.S. a fine ounce, plus E.G.M.A. of, say, \$4.00, we would have to charge in excess of \$30.61 a dust ounce at par of exchange, f.o.b. Dawson.

The amount of \$30.61 is arrived at by taking into consideration the following:

- (1) A seven year average fineness of 804.4 (Table #1)
- (2) The average gold value per fine ounce at par of exchange received from 1959 to date (Table #2)
- (3) Silver equivalent to 16¢ a dust ounce
- (4) Savings of mint and certain other charges incidental to refining - 25¢ a dust ounce (Table #3)
- (5) A maximum possible E.G.M.A. loss of \$3.00 a dust ounce (Table #4)

Therefore, at \$35.00 par a fine ounce, the equivalent for a dust ounce is \$27.70 + 16¢ for silver, or \$27.86. Selling on the free market would deduct 25¢ mint charges plus \$3.00 E.G.M.A. loss, to bring the break-even to \$30.61 a dust ounce.

The E.G.M.A. loss is difficult to estimate. We have averaged \$1.70 a fine ounce for the past seven years, and to be safe, I have raised this to \$4.00 a fine ounce, or the equivalent of approximately \$3.00 a dust ounce.

We are most likely the only major producer of free gold dust and nuggets in Canada, and in view of this, we could possibly price to our advantage if a large quantity of ounces were involved.

I have omitted the export tax of 23¢ a dust ounce in these calculations, and this amount should be added to the selling price if deals are not made f.o.b. Dawson.

Wm D Taylor
W. D. Taylor,
Chief Accountant.

WDT:w

Attach. 1

cc: CEMcL-3

TABLE NO. 1:

TABLE OF AVERAGE FINENESS
GOLD SHIPPED TO MINT 1955 - 1961, INCL.

<u>YEAR</u>	<u>BAR OUNCE</u>	<u>FINE OUNCE</u>	<u>FINENESS</u>
1961	64,792	52,780	814.61
1960	78,609	63,132	803.11
1959	66,552	53,516	804.12
1958	69,550	55,542	798.59
1957	71,177	57,363	805.93
1956	60,663	48,884	805.83
1955	61,035	48,779	799.20
7 Year Average:			804.45

TABLE NO. 2:

TABLE OF ACTUAL GOLD VALUES RECEIVED PER DUST OUNCE
GOLD SHIPPED TO MINT FROM 1959 - 1962 TO DATE

<u>YEAR</u>	<u>DUST OUNCES</u>	<u>FINE OUNCES</u>	<u>VALUE PER DUST OUNCE @ \$35.00</u>
1962	10,889	8,658	\$27.82
1961	62,705	50,007	27.91
1960	75,791	59,751	27.59
1959	63,589	50,196	27.62
Average value of gold per dust ounce:			27.70

TABLE NO. 3:

TABLE OF MINT AND BANK CHARGES
SHIPMENTS TO DATE, 1962 - CLEAN DUST SELTS ONLY

<u>SHIPMENT #</u>	<u>DUST OUNCES</u>	<u>BANK CHARGES</u>	<u>MINT CHARGES</u>
2	1,458	\$221	\$263
3	1,615	240	288
4	2,880	431	516
5	4,936	732	879
	10,889	\$1,624	\$1,946
* Less 50% Bank Charges:		812	812
<u>TOTAL:</u>	<u>10,889</u>		<u>\$2,758</u>
<u>PER DUST OUNCE:</u>			25¢

* 50% of total bank charges are for postage, which would be eliminated if gold sold f.o.b. Dawson.

TABLE NO. 4: TABLE OF FINE OUNCES PRODUCED & GOLD ASSISTANCE RECEIVED

<u>YEAR</u>	<u>FINE OUNCE</u>	<u>ACTUAL E.G.M.A. REVENUE PER PROFIT AND LOSS</u>
1961	52,780	\$ 35,000
1960	63,132	2,792
1959	53,516	138,374
1958	55,542	151,742
1957	57,363	12,908
1956	48,884	127,534
1955	48,779	176,730
	379,996	\$645,080
Average Per Fine Ounce:		\$1.70

AUGUST 1ST, 1962



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TITLE/TITRE RE: Sale of Raw Gold, W.D. Taylor

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FILE/DOSSIER GOLD-FREE MARKET 1962 (FILE 8)

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