

WESTERN EXPLORATION CO., LTD.

[NON-PERSONAL LIABILITY]

000154

SILVERTON, B.C.

September 10, 1955.

Mr. Charles C. Starr,
P.O. Box 514,
Vancouver B.C.

Dear Charlie;

Have yours of the seventh and note that Rose had returned and that your trip was not to bad.

Re your second paragraph. It has been some time since I figured returns as per the Trail schedules on lead and zinc, so I am sending you both lead and zinc schedule at Trail. These schedules were effective in October 1952 and there have been some changes since, which you will note I have amended in the schedules attached. With zinc at 13¢ per lb. my memory is that we would receive close to ^{5.12}5 $\frac{1}{4}$ Cents net per lb., and in the case of lead roughly with lead at 15¢ about ^{9.23}10¢ net. Silver I believe you could figure about 15% off the market price. However with these schedules you will be able to figure it out to your own satisfaction. You might return these schedules when you are finished with them.

Re Verne McKee; He started work with us in March 1951 and left our employ December 15th 1952.

There is nothing new to report. With very kind regards and best wishes to both Rose and yourself.

Sincerely,

A.M. Ham.
A.M. Ham.

413 Granville Street

September 16, 1955

Mr. A. M. Ham, Manager
Western Exploration Co., Ltd
Silverton, BC

Dear Art:

Your letter of September 10th. enclosing smelter schedules received, also your check of later date. Thank you.

In figuring net smelter returns for the three metals I had to make certain assumptions which I am none too sure are close enough to the truth, as follows:

Mill recoveries Lead 95%, Zinc 87%, Silver 95%
Lead Conc. contains 85% of the Silver, Zinc conc. 15% of the Silver
Lead conc. assays 65% Lead, 5% Silica, 10% moisture
Zinc conc. assays 58% Zinc

No Lead in Zinc conc. paid for
No Zinc in Lead conc. paid for
No Cadmium paid for. No freight paid. (I have no idea of the rate.)

My results follow, with your rates from memory in parenthesis:

Net payments:
Lead 9.25¢ per lb. (10¢).
Zinc 5.75 per lb. (5½¢).
Silver 78.53 per oz. (76.5¢).

If any of my assumptions are radically wrong, I would be glad to revise my calculations if you will send me the proper assumptions.

I enclose a sketch showing averages of the samples to September 1st., from the Hecla 5000 drift, and the value of the ore based on my above figures which are supposed to represent smelter payments reduced to cover everything except mining, milling and overhead costs.

Yours very sincerely

Calculation of Net Receipts from Smelter from
Ores reduced to concentrates. Sept 15, 1955

Assumed: Mill recoveries Lead 95% Zinc 87% Silver 95%

Lead Conc. contains 85% of silver, Zinc Conc. 15% of Ag.

Lead Conc. assays 65% Pb. 5% silica 10% moisture

Zinc " " 58% Zn

No lead paid for in zinc conc.

No zinc " " " lead "

Silver in Lead Concentrate

95% saved 85% of this in Lead = 80.75% of which 95% is paid for = 76.71%
less 1 oz at 90 cents less 1 cent = 89¢

Silver in Zinc Concentrate

95% saved 15% of this in zinc = 14.25% of which 80% is paid for = 11.4%
at 90¢ per oz.

Silver Combined

76.71% less 1 oz at 89 cents = 6827.19

11.40%

at 90 " = 1026.00

7853.19

88.11% of ore assay

7853 ÷ 100 = 78.53 cents per oz original assay less 1 oz (approx)

Zinc:

mill recovery 87% at 85% paid for = 74% at (13¢ less 4¢) = 9¢ per lb

Assuming Conc. 58% Zn = 1160 lb and 85% paid for = 986 lb paid for
986 lb paid for at 9¢ = \$88.74 less treatment \$12.00 = \$76.74 net
value per ton Conc.

Based on total Zn in ore = 1160 lb ÷ ^{mill recovery} 87% = 1333 lb the
net payment per pound is \$76.74 ÷ 1333 lb = 5.75¢ per ton

Lead

Mill recovery 95% less 1% deduction = 94% at 92.5% paid for = 86.95%

86.95% at 15¢ less 3½¢ = 11.5¢ per lb

Base charge \$5.00

Xcess over 30% Pb

3.50 cr (assumed 65% Pb)

Silica & lime

.70 (" 5%)

Moisture

1.00

(" 10%)

16.00

4.20

4.20

\$11.80 Treatment

Assuming Concentrate 65% Pb & 92½% paid for = 1202.5 lb Pb

1202.5 lb Pb paid for at 11.5¢ per pound = \$138.29

\$138.29 less 11.80 treatment = \$126.49 net value Pb per ton Conc.

Since on the assumption of 65% Pb in the Concentrate there would be 1300 lbs of lead ^{in conc.} and 1300 lb ÷ 95% in the ore = 1368 lb

\$126.49 ÷ 1368 = 9.25 cents per pound.