



Goepel Shields  
& Partners

# Metals & Minerals

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## R E S E A R C H

### Metals & Minerals

January, 1992

#### 4th Quarter Expectations

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#### Hunter Dickinson Winning

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ALAN FERRY, CFA

Toronto (416) 594-1000

#### Market Performance

	----- % Change -----			
	Week	Month	3 Mos	Year
TSE 300	3.0%	-0.2%	1.8%	6.4%
TSE Metals	6.1%	2.5%	2.6%	6.4%

#### LME METALS

Aluminum	1.4%	1.4%	-3.6%	-26.7%
Copper	-0.4%	-6.1%	-7.2%	-15.6%
Lead	2.1%	5.6%	0.0%	-13.8%
Nickel	0.1%	0.4%	-4.1%	-12.2%
Zinc	0.4%	-2.6%	15.6%	-6.0%

### JUNIOR MARKET WATCH: HUNTER DICKINSON WINNING IN A ROUGH MARKET

#### El Condor (ECN-V, \$4.40): Large Reserves Increase

One of the Hunter-Dickinson companies, El Condor, reported a large increase in the gold-copper reserves at the Kemess South deposit in north-central B.C. (see our report on ECN dated January 14, 1992). The property is a 60/40 joint venture with Rio Algom-controlled St. Philips Resources. The open pit tonnage of the porphyry gold-copper deposit was increased by 80% to 252 million tons grading 0.23% copper and 0.019 ounces of gold per ton, or a copper equivalent grade of 0.86%. The total contained metal is 4.75 million ounces of gold and 1.2 billion pounds of copper. The deposit is open to the west on Rio Algom controlled ground.

There are several other deposits that are being explored on the 100% owned Kemess North property. The market capitalization of El Condor totals less than \$20 per ounce of gold in the company's 60% share of the Kemess South deposit. We believe the stock has significant speculative upside potential. We continue to recommend purchase of ECN shares as a speculative investment.

#### Taseko Mines (TKO-V, \$12.00): Stock Hits New Highs

Another Hunter-Dickinson company, Taseko Mines, recently hit new highs of \$12.125. The stock has tripled since we first recommended it last May and is up by over 30% so far this year. The company controls the huge Fish Lake gold-copper porphyry deposit near Williams Lake in south-central B.C. The deposit outlined so far contains 10 million ounces of gold and 3.6 billion pounds of copper. The reserves are contained in a roughly cylindrically-shaped, open pitable deposit that has been traced down as far as 2800 feet in depth. The company also believes that the reserves are open to the west.

The stock is trading in our previous valuation range of \$10 to \$12. Since then, estimates, reserves and grades have been greatly increased. The current share price appears to reflect a valuation using current metal prices and a 10% discount rate. If we use \$1.15 copper and \$400 gold, the net present value jumps to over \$24 per share. The stock is trading at about \$15 per ounce of contained gold (adjusted for Cominco's maximum potential interest of \$48 million if the property or Taseko are sold). Taseko shares could still have significant upside.

P.O. Box 10111  
Suite 1400/Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1C6  
Tel: 604/661.1777  
Fax: 604/684.0475

Calgary  
Suite 320  
407-2nd Street S.W.  
Calgary, Alberta T2P 2Y3  
Tel: 403/297.0434  
Fax: 403/297.0430

Toronto  
Suite 500  
90 Adelaide Street West  
Toronto, Ontario M5H 3V9  
Tel: 416/594.1000  
Fax: 416/594.1008

Montreal  
Direct Line  
Tel: 514/843.1834

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