675301
Calpine
104B/9W

S. 2.7 mt .22oz
Cut ~~2.6mt~~ 3.7 mt .51
6.4 mt .39 S zone + central zone.

.594
1.887

Brokers best bets:

Mining Analysts pick the winners

Garson

Anthony Garson, B.Sc., M.B.A.
Senior Mining Analyst
Yorkton Continental Securities Inc

Calpine Resources and Stikine Resources, in a 50/50 joint venture, are

northwest of Stewart, B.C. Access is by helicopter or float plane. Road access is under review and is estimated to cost in the order of $15 million.

Mineralization has been identified along strike for a distance of 1,200 metres, down dip to a depth of 300 metres and exhibits a maximum thickness of 200 metres. Yorkton Continental has divided the mineralized section into South, Central and North zones which reflect varying character along strike.

South Zone

Mineralization is characterized by high gold and silver values. Calpine/Stikine have not released estimated tonnages and grades. We have attempted approximate calculations based on drill-hole data released to date. In this zone we estimate 2.7 million tons grading 0.22 oz/ton gold and 2.96 oz/ton silver. Overall we estimate 715,000 ounces of gold equivalent.

Central Zone

Here mineralization is characterized by very high gold grades and an inverse in silver values. There are a number of long intersections in this zone. We estimate 3.7 million tons of ore grading 0.51 oz/ton gold and 15.2 oz/ton silver. In total we derive 2.6 million gold equivalent ounces. We believe this figure to be improved in view of recent drilling results from this area.

North Zone

The North zone contains the highest gold base metal values drilled to date on the property. The famous hole 109 reported an assay over 130 metres in length

We believe that there is in excess of 1.0 million ounces of gold in the North zone. This zone remains open to the North. Current diamond drilling continues to explore the northern extent of the property.

Overall, we believe that there is evidence for in excess of 5.0 million ounces of gold and gold equivalent value in this property.

Valuation Of Shares

Many factors come into play in attempting a valuation of the share prices of both Calpine and Stikine. Reserves are rich and open-pitable. This allows for economy of scale and thus lower mining costs than a traditional underground operation. However, grades, tonnage factors and mining methods are yet to be subjected to detailed engineering analysis. Thus, the traditional discounted cash flow analysis is premature at this stage.

It is likely that two gems of pre-feasibility analysis will be required before a production decision is reached. In the meantime, considerable funds will be raised and spent to reach a production decision.

At this juncture, it is perhaps more appropriate to assign a cash value per ounce of gold in reserve for the property and divide by the diluted capitalization of the joint-venture partners to obtain a 'target range' of share prices appropriate for the asset value as it develops.

An approximate rule of thumb is to assign a value that investors will pay for an identifiable ounce of gold in reserves. This value depends on location, capital costs, degree of confidence in ounces iden-

Hurst

Douglas Hurst, B.Sc.(Geol.)
Researcher/Analyst
McDermid St. Lawrence

My current choices are two companies

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Calpine Resources and Stikine Resources, in a 50/50 joint venture, are developing a major precious and base metal discovery in the Eskay Creek area of northwestern British Columbia. The project is located about 83 kilometres north-

million tons of ore grading 0.51 oz/ton gold and 15.2 oz/ton silver. In total we derive 2.6 million gold equivalent ounces. We believe this figure to be improved in view of recent drilling results from this area.

North Zone

The North zone contains the highest gold base metal values drilled to date on the property. The famous hole 109 reported an assay over 130 metres in length grading 1.4 oz/ton gold and 1.52 oz/ton silver with significant intervals of high grade zinc and lead mineralization. It is still too early to determine tonnage and grade in this zone.

of gold in reserve for the property and divide by the diluted capitalization of the joint-venture partners to obtain a 'target range' of share prices appropriate for the asset value as it develops.

An approximate rule of thumb is to assign a value that investors will pay for an identifiable ounce of gold in reserves. This value depends on location, capital costs, degree of confidence in ounces identified to date, mining method and exploration potential to inverse reserves.

Presently, the market values Calpine at 6.125 per share; market capitalization amounts to $133 million for 50 per cent of the property. Stikine is valued at $46.125 per share or a market capitalization of $147 million for the other 50 per cent stake. Thus, the market values the reserves at $280 million or $56 per ounce of gold equivalent in the ground. We believe that the market is willing to pay more than $50 per ounce, perhaps $75-100 in view of the exploration potential in the area. On this basis, Calpine would trade in a range of $8.125 to $11.50 per share and Stikine between $55 and $75 per share.

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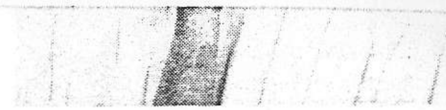
Share Price Movements

Name	Price	high	low
Calpine	5.75	9.75	0.18
Stikine*	42.50	52.25	39.88
Int. Cur.	0.70	0.82	0.22
Trimin	2.95	2.95	1.32
Fairfield	1.15	1.40	0.55
Placer Dm.	18.25	19.62	14.25

**Formerly called Consolidated Stikine Silver: Year high $52.50, low 0.23 cents.*



Douglas Hurst, B.Sc.(Geol.)
Researcher/Analyst
McDermid St. Lawrence

My current choices are two companies which have obvious value and are both in property agreements with Placer Dome: **International Curator Resources** and **Fairfield Minerals.**

I should mention that winter is almost here and traditionally Canadian junior mining stocks trade at lower prices during the winter because no exploration news is available. Having said that, both companies are planning more exploration next spring with Placer spending the money. Both stocks should be accumulated over the winter months.

International Curator Resources (IC-VSE, $0.70)

Curators' primary asset is its interest in the Jualin project, 40 miles NW of Juneau, Alaska. Probable and possible reserves are currently 1.1 million tons grading 0.4 oz/ton gold (uncut) and are open for expansion. The adjacent property, owned by Echo Bay and Coeur D'Alene Mines, contains the Kensington deposit which has current reserves of in excess of a million ounces.

Placer Dome (U.S.) Inc has entered into an agreement whereby it can earn a 50 per cent interest in the property by spending $7.0 million on exploration and development over 3 years. Curator presently owns a 60 per cent interest in the project and has the option until August 31, 1990 to buy out the remaining 40 per cent for between $2.3 million and $2.55 million.

The first results received from an ongo-

see Hurst, page 27