

Kendal Reports Progress Near Terrace, B.C.

Kendal Mining and Exploration Ltd., a Vancouver trading interim stock, has reported progress on their properties located in the Terrace area of British Columbia.

The Croesus Group of 66 claims cover most of the Kleanza Mountain, seven miles east of Terrace, B. C. A number of mineral showings on the property carry gold, silver, copper, lead and zinc.

Kendal property consists of the "Hope Silver" group, the "KDL" group, and the "Croesus" group.

GEM ZONE

The Gem zone is one of fifteen mineral occurrences which are known to exist on Kleanza Mountain.

The average grade of ore developed by the two adits in the Gem zone are 0.76 ounces of gold per ton, and 1.73 ounces of silver per ton.

The face of both adits, which are 100 feet apart vertically are in better than average grade ore.

All equipment is now at the lower adit on the Gem Zone. Blasting commenced on

June 1st on the first round of holes, starting 200 feet in from the face of the adit. The purpose is to extend the adit by a further 200 feet, and to prove up additional tonnages of gold and silver.

The first samples will go out immediately for assaying.

EXELSIOR ZONE

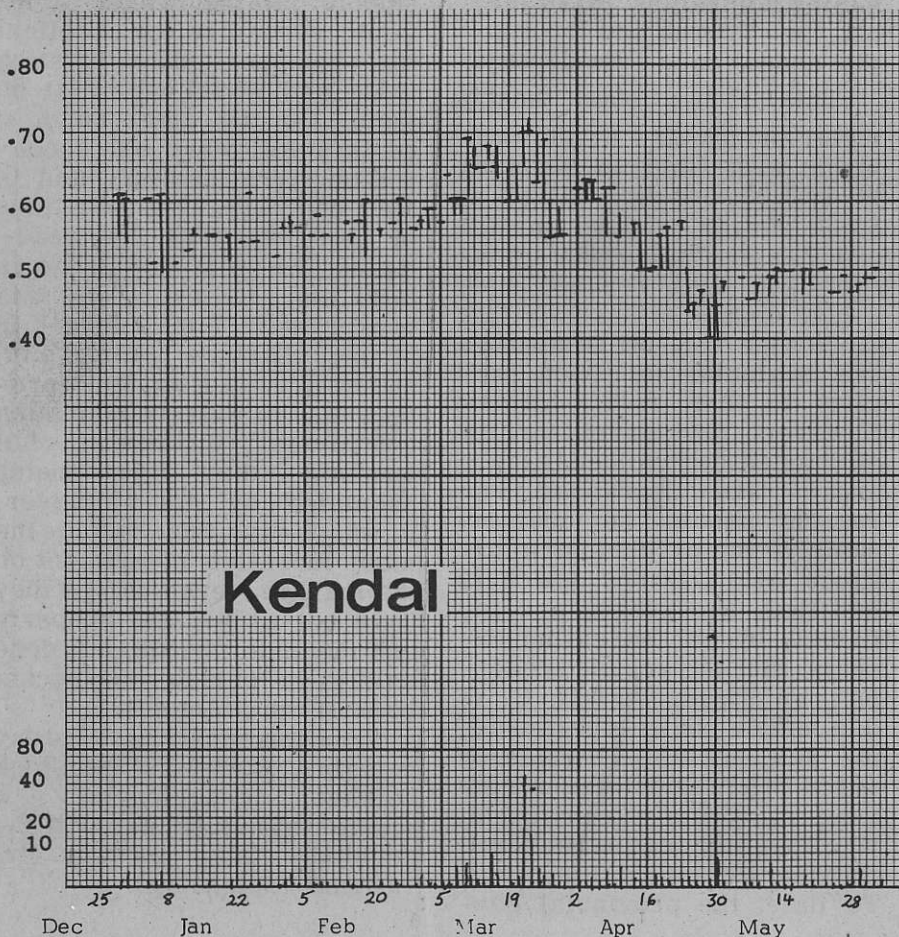
The Exelsior Zone on the Croesus Property is currently being investigated by a major. Three trenches were blasted out on the Excelsior Zone to expose the mineralization. One major has been on the property, and plans to return as soon as their crew is available to do an IP survey.

Two other majors have expressed an interest in the property.

CROESUS GROUP

The 66 claim "Croesus Group" also contains 50 million cubic feet of gravel, and over 10 million tons of quartz. At the present time, Kendal is conducting a survey for a gravel lease. The company also has commenced discussions with two groups - one in the Terrace-Kitimat area, and the other in the Vancouver area. Both these companies are interested in the large supply of gravel.

Kendal recently crushed several tons of the quartz. The company has determined that there exists a local market for the white aggregate in a total



June 5/73

Editorial Comment

Investors' Thinking

Although it is indeed very true that the market prices of mining stocks are sinking to near record lows, is there a rational reason for this occurrence?

Granted, the Dow Jones average is hovering around the 900 level because of political problems, inflation, unstable international money markets, and most importantly lack of investor confidence. However, ought there be a correlation between the Dow Jones and prices of Vancouver mining stocks? To a small degree yes, but is it not more rational to correlate the Vancouver based exchange prices to the London Metal prices? This would seem to make more sense unless the exploration companies are really looking for some great new political philosophy rather than metal.

The problem does not seem to originate with the average investor on the street. Rather it begins with the various analysts, brokers and investment councils. For they are taught that when the Dow Jones goes down, so then must the price of mining stocks listed on the Vancouver Stock Exchange. It would seem that very few, if any, ever question why this unique result must occur. But being faithful believers in the archaic writings of past scholars, they pass on this incomprehensible bit of knowledge to their clients. These investors relying on their brokers advice, as they must, for how else

are they to know what is a good investment, are immediately instilled with a degree of pessimism. Thus the downward spiral is begun.

Soon the news media picks up on this downward trend, and they also add additional coals to the fire. No one questions it. Stock prices are going down. That is all there is to it.

This is rather an interesting psychological phenomena, especially when related to mining companies. Base metals, are scarce and the supply cannot meet the demand

This is so even though metal prices are at all time highs with Gold in the area of \$110.00 per oz., Silver at \$2.60 per oz. and so on. Oil and Gas are in the same position and have reached such a high degree of scarcity that the major U.S. oil companies are beginning to ration supplies to their retail outlets. However, the market prices of companies involved in these areas are depressed. The reason should be obvious; namely, the psychological attitude of investors which is instilled, encouraged and inflamed by our so called experts. But the accused, counter, by saying that B. C. is in a unique position because of the new socialist legislation which MAY affect the mining industry within the province. Whereas, the rationalist will counter by asking for proof. To date, the provincial gov-

ernment has not as yet taken any direct action to curtail the high profit reaped by B.C. mining companies and it is doubtful whether any government would make such a suicidal move.

Thus the poor investor is left in a rather precarious position. If he is a rational person as stated in all the text book theories (which the author doubts and would prefer the label of "irrational investor influenced by the smooth talking broker"), he would recognize the excellent market opportunities existing today and would capitalize on them. On the other hand, if he is a follower, which connotes irrationalism and is also contrary to the writings of our teachers, the academics, he will do as he is told and believe what his broker tells him. "Invest in Moose Pasture Farms Ltd. and stay away from those promising mining exploration companies." (Unless, of course, they are being promoted by his employer, in which case they become the most lucrative investment on the market - even though they have not as yet any property and the underwriting was done solely to enrich the pocket book of the promoter.)

Thus the question of the day remains, "Why is the stock market experiencing a slump?" Your broker will undoubtedly have a very (ir)rational explanation.

of nine centres from Prince George to Prince Rupert.

With the proposed new railroad going through Terrace, combined with the fact that Terrace expects to be the service hub for growth to the north, it appears that there could be a considerable demand for the gravel and quartz.

KDL GROUP

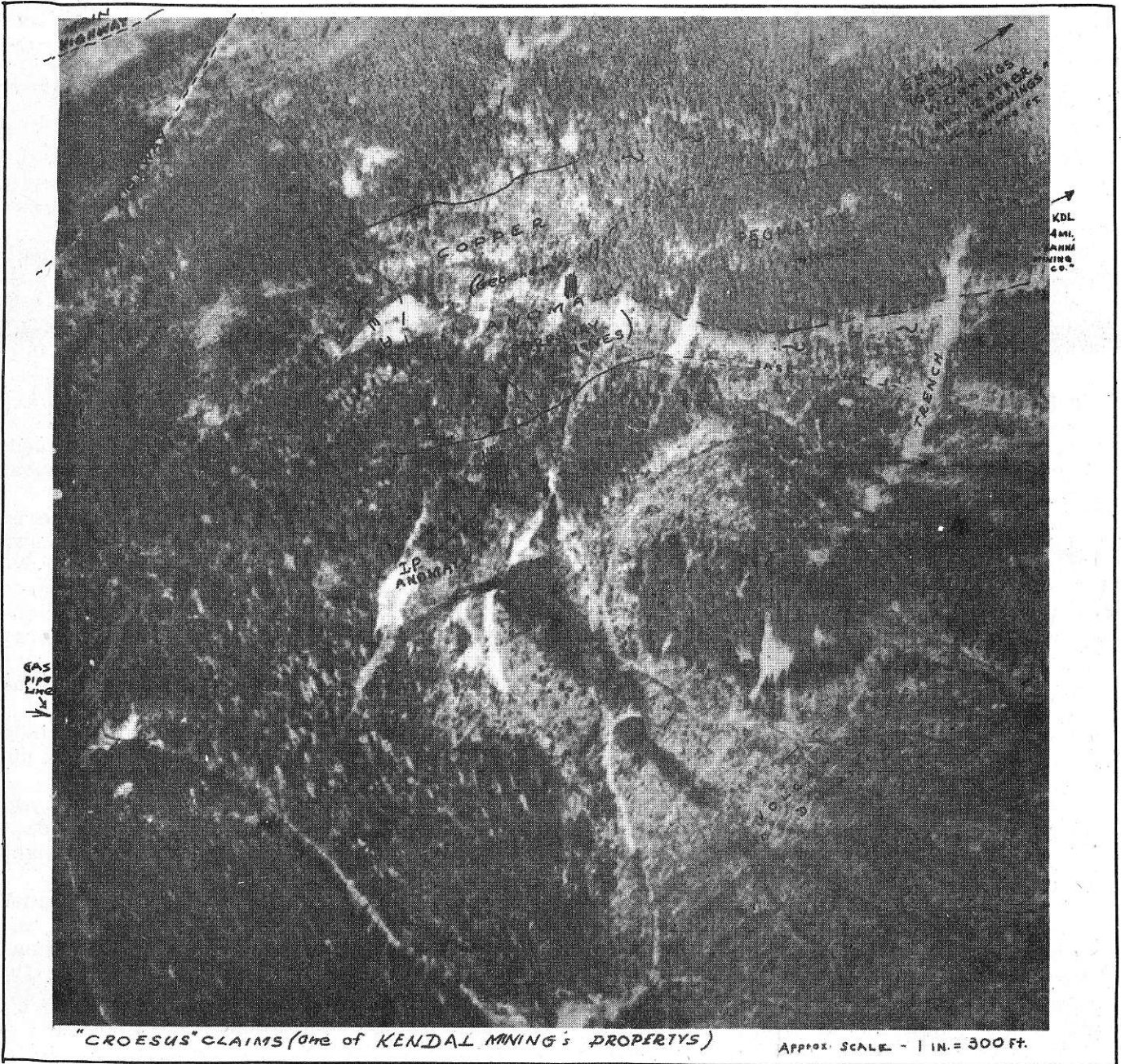
The "KDL" Group of claims is also located in the Terrace area, only five miles from a blacktop highway. The claims can be reached by a secondary logging road.

A "gossan" (leached, rusty, mineral capping) on this property measures about 3,000 feet by 7,000 feet, and is known

to contain geochemical (copper-moly) anomalies. Mineralization extends from an elevation of 750 feet to over 2,000 feet.

NEW OPTION

Kendal also has an option on a new placer gold property, and is at the present time investigating the potential of this area.



Kendal property on Kleanza Mountain near Terrace.

THE BULL SHEET



DON'T INVEST NOW OR
"AND YOU THINK YOU'VE
GOT TROUBLES"

by Robert Bruce

I had once again been backed into a corner and my "friend" Herbie was pleading for a few hot tips.

Under normal circumstances, I would have passed along a few of Tucker Binkley's famous "Howe Street Whispers". However, Herbie is a bad loser and he always comes back at you with a vengeance.

Therefore, I decided not to get involved -- unless a stock gains three dollars overnight, Herbie figures he has been stung.

To come to the point, I told my old friend that no one was presently investing in the market because of the current unrest in the world. Surprisingly, I not only convinced Herbie to keep his money under the mattress in the bomb-shelter, but I convinced myself.

"You know, Herbie," I said, "this Watergate bugging scandal threatens to destroy the American nation. The longer it goes on, the more people in high places it exposes.

"Soon Nixon himself will be implicated -- impeachment is inevitable! This is no trifling little incident such as the "Tea Pot Dome" affair

during the Harding administration. Watergate strikes at the very heart of the presidency and the throat of democracy.

"Imagine what will happen to their economy, domestic or otherwise, and their foreign policy, long-term or short, if Nixon is arrested for wire-tapping?"

"And that's not all, Herbie," I continued with vigour, "one must remember to view Watergate in relation to existing trouble spots in the world.

"There is the Middle East, Ireland, Viet Nam - potential armageddons all of them!

"Now there is the Cod War between Iceland and Britain, and increasing incidents of hostility. In fact, Iceland is threatening to leave N.A.T.O.

"This would force the United States contingent out of strategic air bases and lay bare the soft under-belly of the North Atlantic to the communist horde.

"The British Empire is also threatened from within by horny peers and prostitutes. Prime Minister Heath would have us forget this juicy scandal, but how can we? If Lords

Lambton and Jellicoe make it with sidewalk hostesses, soon we all will! What a sad tale that would be. . .

"Gold prices are rising! The dollar dealers are still upset as money markets remain thin and erratic. They fear Watergate will destroy what little control Nixon has on U.S. economic problems."

"This world is a political bomb, Herbie," I continued. "Not only that, it is a physical wreck.

"We are being smothered by the exhaust of our own technological advances. We are suffering from the tragedy of our own resource mismanagement, that is, energy crisis, food shortages, overpopulation and so on down the endless list.

"No, Herbie -- you should be praying at this point, not investing.

"What more proof do you need. The Dow Jones Industrial average hit record highs in January -- over 1040.

"Now!! -- Now it is headed for record lows. Mark my words, Herbie, by Christmas Ferguson Jenkin's batting average will be higher than the Dow Jones."