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INTER-OFFICE CORRESPONDENCE

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FROM: R. E. Legg A = Action C = Comment Vancouver, B.C.
I = Information

DATE: NOV. 16/52

To: Evan Just

SUBJECT: Sunshine Lardeau Mines Ltd.
Wagner Mine

Yesterday I saw Art Johnston to find out if anything new had developed concerning Sunshine Lardeau. Newmont have not given a definite answer yet, but all signs point to their going ahead with their option. For making the loan they will get a bonus of 500,000 shares, according to Johnston. They then have an option on another 500,000 shares at 75¢. It seems an incredible deal, because if they did not go ahead with the option they would still have 500,000 shares. Johnston will get ~~xxxx~~ in touch with me at Kaslo if Newmont drops out, but I am not anticipating this. As you know, they have to make their mind up by the 20th Nov. There is no further news regarding development on the 8th level, since I wrote and told you that the ore length was 125 feet, with ore in both north and south faces. At the south end the ore was 14 feet wide. I am told the grade of ore is very good for the entire 125-foot length. Johnston figured they should make \$40,000 operating profit in November.

Tomorrow I will call at the Sheep Creek office in Nelson to discuss the Wagner property with Henry Doelle, the managing director of Sheep Creek Gold Mines Ltd. Mr. Jukes told me that he is in Nelson at the moment.

I expect to be back in my office on November 22nd.

R. E. Legg
R. E. Legg

INTER-OFFICE CORRESPONDENCE

Blues
Legg

FROM: R. E. Legg

CITY: Vancouver, B. C.

DATE: Nov. 13/52.

TO: Evan Just at Los Angeles.

SUBJECT: Sunshine Lardo Mines Limited.

Dear Evan:

Following my conversation with you on the telephone today, I talked to A. Johnson and outlined your proposition which seemed to be eminently satisfactory to him.

As you know, Newmont have until November 20th in which to come to a decision. Personally I have a feeling that they will go ahead with their deal. Johnson tells me that the latest report from the mine states that a length of 125' of very good ore has now been proved on the No. 8 level. Drifting is now proceeding in a southerly direction only and slashing has shown the ore to be 14' wide near the south end. In the map which I submitted with my report I thought the ore might pinch towards the south end, but apparently it is holding up in width. The mine reports that the grade of ore is excellent throughout this entire length. This makes me think that Newmont will go ahead. Their auditor is arriving tomorrow from Winnipeg to look into the books of the company which, no doubt, will prove to be in a bit of a mess.

Yours very truly,

R. E. Legg

R. E. Legg

REL:FE

c.c. Evan Just, New York.

INTER-OFFICE CORRESPONDENCE

FROM: L. P. Warriner

CITY: New York

DATE: 11/5/52

TO: Evan Just

SUBJECT: Sunshine Lardeau Mines Ltd.

Memo was received this morning from Roland covering the physical aspects of the mine, with tabulation of operating results for October and a rough estimate as to profit potential, plus an assay plan of the new 8th level.

In studying the memorandum, copy of which has been forwarded to Los Angeles, some questions come to mind which should be answered during your stay in Vancouver.

1. There is insufficient mine equipment to prosecute an adequate development program in addition to mining. Compressor capacity is too low by at least 600 cu. ft. per minute. More are required if an underground diamond drill is to be operated concurrently with the stoping of the ore.
2. Why devote nine days of the time of the entire crew to sorting 325 tons of direct shipping ore (average 36.1 tons per day), when the mill averaged in October 48.8 tons per day?
3. If the earning capacity of the mine, according to Legg, will be at an optimum rate of \$25,000 per month--\$300,000 per year--earnings per annum are only 7½¢ per share on an issued capitalization of 4,000,000 shares. Why take options that involve payments in excess of 75¢ per share?
4. How much of the ore reserve is oxidized?

These are my thoughts occurring on a quick perusal of Legg's memo.



Lendall P. Warriner

LPW:CV

INTER-OFFICE CORRESPONDENCE

REC	NOV 7 1952	
		BY
RETURN TO		
		PLEASE REPLY
HSM	RWM	SGM
HTM	BWS	LCD
DLB	KKW	LWW
GDD	LP	DATE: 11/5/52
CWS	SAS	ALD

FROM: Lendall P. Warriner

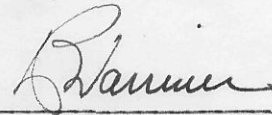
CITY: New York

TO: Henry T. Mudd

SUBJECT: Sunshine Lardeau Mines Ltd.

At Evan's request, I am forwarding herewith copy of Roland Legg's memorandum and enclosures on the subject mine. The memorandum leaves some questions unanswered, but on the whole gives a rather encouraging picture of the possibilities of this small, high-grade operation. It was Evan's plan to proceed to Vancouver to discuss this situation with Legg and the Board of Directors of the Sunshine Lardeau company. We are expecting momentarily an outline from Legg of the proposed deal, which he transmitted to Evan by telephone Monday evening of this week. Copy will be forwarded to you immediately upon receipt.

Evan's current address is Royal Hotel, Flin Flon, Manitoba.



Lendall P. Warriner

LPW:CV
CC: Mr. Evan Just

ENC.