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1046 Liard Copper

# Deposits 'Suggest' \$40 Million Outlay

American Smelting & Refining Co. is operating three drills on a 24-hour basis on Liard Copper Mines' copper-molybdenum property in northwestern B.C., R. W. Wilson said today.

Wilson is president of Silver Standard Mines which owns 66 per cent of the issued shares of Liard Copper, a private company. Most of the remaining shares are owned by McIntyre Porcupine, Kerr Addison and Dalhousie Oil.

Silver Standard has made an agreement with Asarco to develop the property at Schaft Creek, 40 miles south of Telegraph Creek and 30 miles east of Galore Creek, scene of the important Stikine Copper operation.

## \$40 MILLION OUTLAY

"The character of the deposit is such as to suggest the possibility of an operation in the range of 20,000 tons or more per day and a capital outlay probably exceeding \$40 million," Wilson said.

Silver Standard holds important interests in properties in the area.

Wilson said the Asarco agreement covers three contiguous claim groups and a further block of claims has recently been staked.

Last year three holes were drilled 1,000 feet apart along the north-south axis of the deposit and "returned consistent copper and molybdenum values. The holes were drilled to vertical depths in excess of 600 feet and, in each case, bottomed in material of better grade than the average for the hole."

## HIGHER GRADES

Wilson said the No. 2 hole was drilled to 718 feet and the entire core averaged .406 per cent copper and .045 molybdenite. This represents a copper equi-

valent of .54 per cent. He added that long sections of considerably higher grade were reported.

Asarco began drilling on May 16. Initially, drilling will be on a widely-spaced grid designed to delimit the mineralized area.

The Liard-Asarco agreement calls for a firm commitment by the American company to spend \$200,000 this year and, if the agreement is continued, a total of \$600,000 in the first two years.

If Asarco enters the second phase it has three years in which to spend an additional \$1.9 million. During the first and second stages Asarco may terminate the agreement at any time after fulfilling certain minimum obligations but, if it does, it will retain no interest in Liard Copper.

## SECOND PHASE

On completion of the second phase, Asarco will have spent a total of \$2.5 million and can elect to put the property in production or withdraw and receive one million shares of Liard for its expenditures.

If Asarco determines that production is warranted it must advance all the necessary funds. It will not be reimbursed for the initial \$2.5 million spent on development but the cost of equipping the property for production will be returned from 80 per cent of the first net proceeds.

Wilson said that after the return of capital and regardless of the ultimate cost, net proceeds will be divided 70 per cent to Asarco and 30 per cent to Liard Copper.