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KERR ADDISON MINES LIMITED  
405 - 1112 WEST PENDER STREET  
VANCOUVER 1. B.C.

COPY

Mr. P. M. Kavanagh

W. M. Sirola

Liard Copper Mines Limited -  
Directors Meeting, January 4, 1967.

January 5, 1967

This meeting was called to determine the course of action to be taken by Liard Copper Mines Ltd. in the face of recent news from Asarco wherein that company requested a modification of agreement. Briefly, and I gather verbally, they have made the following request: instead of adhering to the agreement between A.S.&R. and Liard Copper Mines Ltd. dated February 1, 1966 wherein Asarco elected to spend the sum of \$600,000.00 by February 29, 1968, they would like to proceed as follows: as early as possible in 1968 (say, June 1st), they would move back to the property and drill three additional holes. If these proved successful, they would presumably do more work but the amount of work is as yet unstated. Should the program be unsuccessful, they would either return the property to Liard Copper or offer some further modification to the original agreement.

A resolution was passed to the effect that Liard Copper Company give favourable consideration to the forthcoming formal modification of agreement.

Another meeting will be held to finalize the position of Liard Copper as soon as the formal modification of agreement is received from Asarco. This is expected within a few days time.

A new set of maps had been prepared by Asarco outlining the mineralized area and indicating the tonnage and grade. The figures given were 65 million tons of 0.43% Cu and 0.027% MoS<sub>2</sub>. To mine this tonnage, 235 million tons of waste would have to be moved for a strip ratio of 3.6:1. Alternatively, they indicated 24 million tons of 0.51% Cu plus 0.029% MoS<sub>2</sub>. To mine this quantity of ore, 156 million tons of waste would have to be removed for a strip ratio of 6.5:1. Silver Standard talks in terms of 60¢ - 70¢ of precious metal values, but this was not indicated on the Asarco map.

As soon as more maps become available, I am sure that Asarco will provide McIntyre and ourselves with copies.

Without studying the situation more closely, I get the impression that the strip ratios are a little rough for the grade and location of the deposit.

W. M. Sirola.

WMS/lk

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Mr. P. M. Kavanagh

W. M. Sirola

Liard Copper Mines Limited - Director's Meeting,  
January 12, 1967.

January 12, 1967.

In my memorandum, I referred to a modification of the original Liard-Asarco agreement. This expression is more correctly "extention of time" rather than "modification of agreement".

It was resolved today that Liard Copper Mines solicitors should review the current proposal of A. S. & R. whereby that company would expend approximately \$25,000.00 in 1967 to do further I.P. work and a small amount of additional drilling. Therefore, at this stage, there is no need to alter the original agreement. If the Liard solicitors agree that the A. S. & R. proposal is acceptable, then the agreement will be signed by the Liard directors.

Apparently Tom Osborne has suggested to Silver Standard that an alternative way of viewing the tonnage picture would be to think in terms of 100-million tons of 0.43% Cu with a waste-ore ratio of 2:1. This is, however, simply mathematical juggling of figures and probably does not reflect the actual correct ratio. Obviously, though, it meets with the blessing of Silver Standard being a distinct improvement over 65-million tons of 0.43% Cu with a strip ratio of 3.6:1. I would suggest for our purposes, however, that the figures given in my January 5th memorandum are still quite valid. None of the figures would be so-called engineering estimates since the density of drilling is patently too low to provide anything but the crudest estimate. The 65-million tons was arrived at by projecting the ore intercepts in the drill holes to a horizontal plane and thereby giving a depth of \* 500 feet to each intercept. Each intercept was given a length of 1,000 feet. Everything not included in those volumes was considered waste.

The copper outlook appears remarkably good, but I am afraid that even with present prices, the Liard deposit is still not ore in the accepted sense of the word.

\* Regardless of actual depth of intersection.

W. M. Sirola.

WMS/lk

LIARD COPPER MINES LIMITED

(Non-Personal Liability)

To the Shareholders  
Liard Copper Mines Ltd. (N.P.L.)

September 27, 1967

The Directors are pleased to submit a short report covering the affairs of Liard Copper Mines from the date of incorporation, January, 1966, to the present time. Included are Financial Statements to August 31, 1967.

As you are aware, during the 1966 season American Smelting & Refining Company conducted geophysical surveys and carried out a substantial diamond drilling program at our Schaft Creek property. It was established from this work that the zone of copper-molybdenum mineralization is at least a square mile in area, that grade of the mineralization is generally below what is considered to be ore grade today, but that many sections of much better grade do exist. Based on the very incomplete information available, estimated reserves to a depth of 500 feet are in the order of 200,000,000 tons grading 0.40% copper, 0.02% molybdenite, with some recoverable gold and silver values and employing a stripping ratio of 1:1. Early in the current season Asarco completed the geophysical work and drilled two further holes on anomalies that lie far to the south of the area explored in 1966. These holes produced low-grade mineralization and demonstrated that the zone has a north-south dimension of at least 8000 feet.

Asarco concluded that the chances of attaining an orebody that would measure up to its stated objective were not sufficiently promising. Accordingly, in July the agreement was terminated and the property returned to Liard. We consider that in so far as Asarco went, that company did a good job of assessing the Schaft Creek property. Our relations with Asarco were, and continue to be excellent.

A report has now been compiled by Dr. R.H. Seraphim which summarizes the work done to date and recommends a further large program. Dr. Seraphim's report suggests a geological approach in an effort to expand the areas of better mineralization. This is opposed to the largely statistical approach employed by Asarco. Copies of Dr. Seraphim's report are in the hands of most of the large exploration companies. Several of their representatives have visited the property, and there is little doubt that a further substantial program will be carried out in the 1968 season.

Examination of the Balance Sheet shows that Liard Copper Mines is without funds. It should be obvious that some monies will always be required for corporate purposes and consideration must now be given as to how a modest sum can best be raised.

On behalf of the Board of Directors,

"R.W. WILSON"  
President

LIARD COPPER MINES LIMITED  
(Non-Personal Liability)

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the first ordinary General Meeting of the Company will be held at Suite 808 - 602 West Hastings Street, Vancouver 2, B.C., on Thursday, the 5th day of October, 1967, at the hour of 11 a.m. for the purpose of receiving and considering the Annual Report of the Company, the election of Directors and the appointment of Auditors, and the transaction of the ordinary business of the Company.

The following resolution will be proposed:

That the Directors of the Company be authorized to acquire by purchase or otherwise shares in any other Corporation if deemed to be in the best interests of the Company.

The Authority created by this resolution will expire at the next ordinary meeting of the Company, unless it is then continued by an ordinary resolution.

If you are not able to be present, please sign and return the attached proxy, for which purpose an envelope is enclosed.

DATED this 27th day of September, 1967.

By Order of the Board,

R.H. RAYNER  
Secretary

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P R O X Y

I, \_\_\_\_\_, being a shareholder of LIARD COPPER MINES LIMITED (Non-Personal Liability), do hereby appoint R.W. Wilson, and failing him, D.M. Clark, Q.C., and failing him, A.C. Ritchie, and failing him, \_\_\_\_\_ of the City of Vancouver, to be my proxy to vote at the Annual Meeting of Shareholders, to be held at Suite 808 - 602 West Hastings Street, Vancouver 2, B.C., on Thursday, the 5th day of October, 1967 and at any adjournment thereof.

WITNESS MY HAND, this \_\_\_\_\_ day of \_\_\_\_\_, 1967.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature



COPY

P. M. Kavanagh

W. M. Sirola

Liard Copper Mines

September 29, 1967

I have reviewed Seraphim's report on this property.

I do not question the statement that more mineralization would probably be found on the property because of the amount of unexplored area. However, it is my feeling that any new mineralization found would be of the same average tenor as that which has already been found. Consequently, the only merit to conducting further programs would be to reduce somewhat (perhaps by 25%) the strip ratios which have already been calculated. Such a reduction, however, would not be sufficient to make the property attractive in this location.

Any additional funds which might be spent on this property would have to be allocated with an extremely long range outlook. It is conceivable that when a road is built into the Galore Creek property, and when power becomes available, that the property will then be marginally attractive. I question whether it would be good business practise for Kerr Addison Mines to invest in such a program at the present time.

I return herewith Dr. Seraphim's report.

W. M. Sirola.

WMS/lk  
Encl.

LIARD COPPER MINES LTD. (N.P.L.)

MINUTES OF MEETING of DIRECTORS of LIARD COPPER MINES LTD. (N.P.L.), held at 808-602 West Hastings Street, Vancouver 2, B.C. immediately following the General Meeting of Shareholders on Thursday, October 5, 1967 (11:30) a.m.

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<u>PRESENT:</u>	R.W. Wilson	-	in the chair
	D.M. Clark		
	W.M. Sirola		
	Wm. St. C. Dunn		
	W. Bird	-	by invitation
	R.H. Rayner	-	Secretary

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NOTICE OF MEETING - was, UPON MOTION, taken as read.

MINUTES OF LAST MEETING - were read by the Secretary and UPON MOTION, were approved and adopted.

OFFICERS - UPON MOTION, the present officers, namely - R.W. Wilson, President, and R.H. Rayner, Secretary, were re-appointed for the ensuing year.

DEVELOPMENT - Mr. Wilson reviewed a report compiled by Dr. R.H. Seraphim, summarizing the results of Asarco's work to date and recommending an additional program. This report has been distributed to at least eleven companies and several of these have inspected the property, and appear to be interested in participating in further development.

FINANCING - Mr. Wilson stated that Silver Standard Mines, as major shareholder, accepts the responsibility of providing necessary funds until financing arrangements have been completed, but expect to receive interest on funds advanced. UPON MOTION, it was Resolved that interest at the rate of 7% per annum be paid on funds advanced from time to time by Silver Standard.

ADJOURNMENT - There being no further business, the meeting adjourned at 11:34 a.m.

  
Secretary

\_\_\_\_\_  
Chairman

COPY

P. M. Kavanagh

W. M. Sirola

Liard Copper Mines - Directors Meeting  
October 5/67

October 5/67

The Chairman, Mr. Wilson, announced that Liard Copper Mines Limited had no cash and that he would seek approval from Silver Standard Mines for a loan of \$25,000 to bear interest at 7% per annum. This money is required for normal business costs and for limited work on some fringe claims which should be maintained in good standing.

Mr. Wilson has been negotiating with numerous large mining companies including Japanese interests but as yet has had no firm commitment for further work on the property.

It was approved in principle that the objective would be to have some mining firm agree to the expenditure of \$250,000 over several years.

Off the record, Mr. Wilson said that Asarco's objective prior to relinquishing their option had been 100-million tons of 0.7% copper. He did not know what the hoped-for strip ratio would be.

W. M. Sirola.

WMS/1k



COPY

P. M. Kavanagh

W. M. Sirola

Liard Copper Mines - Shaft Creek Property,  
Stikine Area, B.C.

November 21, 1967.

I have reassessed the data on this property and my conclusions remain unchanged.

The purpose of the re-evaluation was to determine if an open pit or pits could be designed around Seraphim's estimated grade of .645% Cu. Seraphim estimated a 2.77 - 1 ratio between mineralization of this grade and the lower grade (averaged 0.20% Cu) in a clutch of drill holes. For reasons best known to him, he then used this 2.77 - 1 ratio in calculating the economics of the deposit. In other words, he seems to have ignored entirely the fact that one cannot design a pit on the widths of the .645 without using a strip ratio of approximately 6:1. Using this realistic ratio, the economics of the deposit at 40% Cu are strictly break even.

I would not count on recoverable values of molybdenum, gold, or silver, but would consider these as gravy if and when they prove to be recoverable.

To summarize then, the problem with this property is quite large tonnages of low grade mineralization but that the amortization tonnage is lacking. To put it another way, there would be no hope of returning capital cost in the tax free period unless substantial increased grades could be encountered in additional drilling, and this does not seem very likely.

W. M. Sirola.

WMS/1k