

January 15, 1963.

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Memo to: Mr. John R. Bradfield
From: Cork
Subject: Western Mines (Current market \$2.60)

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Noranda owns 180,000 Western at a cost of 75¢ per share, of which 80,000 shares are in escrow.

On the basis of Dr. Bell's memo of January 14, if ore reserves are increased from 800,000 tons to 1,400,000 tons (of which chances are good), giving 5 years production @ 800 tons per day, present value @ 10% would be \$1.50 per share.

If enough ore can be found to extend the mine's life to a total of 10 years (which seems very optimistic) present value @ 10% would be \$2.40.

Weekly trading is shown on the attached chart. The decline in late October was probably caused by the decision to drop options. The rise through December reflects the Faraday activities.

Western will issue rights to shareholders record January 21 to buy 1 new share @ \$2.00 for each 6 shares held, underwritten by the Faraday group through T. A. Richardson and Wills, Bickle. Options will be granted to them to purchase an additional 500,000 shares as follows:

200,000 @ \$2.00 per share within 30 days of February 20
100,000 @ \$2.50 per share within 90 days of February 20
100,000 @ \$3.00 per share within 120 days of February 20
100,000 @ \$3.50 per share within 180 days of February 20

A generally strong market is foreseen this year, and if favourable drilling reports appear the promotion could be quite successful.

It is recommended that Noranda sell its rights, and that subsequently up to 80,000 shares be sold in small amounts depending on how high the stock is pushed.

cc: Mr. R. V. Bennett
Mr. A. Lewis
Dr. A. H. Bell.