



KERR ADDISON MINES LIMITED

P.O. BOX 91 - COMMERCE COURT WEST
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MEMORANDUM

March 26, 1973

TO: Mr. J. H. Stovel
FROM: M. D. Rowswell and I. D. Bayer

Western Mines Limited

Executive Office: 870, 505 Burrard Street, Vancouver.
Mine Office: Myra Falls, Box 8000, Campbell River, Vancouver Island.

Officers and Directors: W. G. Jewitt - President
R. T. Hager - Vice-President
D. B. Armstrong - Director )
E. C. Hammond - " )
J. A. McLallen - " )
P. M. Reynolds - " ) Vancouver
J. E. R. Wood - " )
H. M. Wright - " )
D. E. Grimm - " )
H. R. Logan - " ) New York

Capital Authorization: 7,500,000 shares
issued 5,206,216 shares of which
it is reported that:

1,156,571 shares held by W. R. Grace & Co.
3,700,000 " " " public
100,000 " " " Pauling-Davidson Partners
200,000 " " " H. M. Wright

Share Trading:

Table with 7 columns: Year (1972, 1971, 1970, 1969, 1968, 1967), High, Low, Dividends. Includes handwritten notes on the right side.

(weekly volume during past two years approximately 10,000 shares)

The company does not appear to have any outstanding debts.

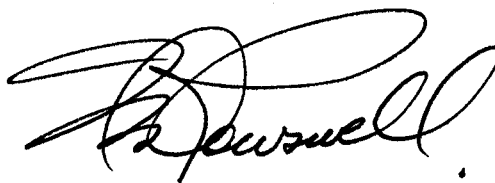
A tabulation of ore reserve estimates, tons milled and net profits covering the years 1967 through 1972 is attached.

Miscellaneous information as gained from Northern Miner and Mining Magazine reviews is as follows:

- A. Concentrates are marketed by Philip Bros. with shipments to Japan and U.S. smelters. Copper concentrates assay 25% Cu, 9% Zn, 4% Pb, 9.0 oz. Ag, and 0.26 oz. Au. Zinc concentrates assay 55% Zn, 1% Cu, 1% Pb, 3.0 oz. Ag, and 0.05 oz. Au. Lead concentrates assay 50% Pb, 9% Zn, 20 oz. Ag, and 0.4 oz. Au.
- B. Mining is by both open pit and underground methods, the underground being by shrinkage.
- C. Three properties are involved; Lynx, Paramount, and Myra, with a 50 tpd pre-concentrator at Myra.
- D. Main concentrator capacity - 1,100 tpd.
- E. Shaft at Lynx-Paramount to 1,800 feet depth.
- F. Operating costs from \$14.00 to \$17.00 per ton??
- G. It is reported that two surface diamond drill holes drilled in 1971 intersected ore grade material at a depth of 1,000 feet off the end of the main Lynx-Paramount ore and that this material has not been delimited and is not shown in ore reserve estimates.
- H. In the May 11, 1972 issue of the Northern Miner they say that at copper prices of 45.4¢ per pound an increase in selling price of 1¢ would increase monthly profit by \$17,000.00 and at a zinc price of 17.5¢ per pound an increase in selling price of 1¢ would increase monthly profit by \$30,000.00.
- I. Metallurgy has been erratic with recoveries of:

Copper - 84% to 91%  
Zinc - 79% to 82%

With the current high metal prices and a continuation of past performances this company should have a cash flow in excess of \$3,000,000 during 1973.



WESTERN MINES LIMITED

	<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>
Ore Reserves (T)	1,746,000	1,870,900	1,830,000	1,328,600	1,286,000 *	1,322,000 *
% Cu	1.8	1.7	1.7	1.9	2.0	2.0
% Zn	7.8	8.5	8.0	8.0	7.9	8.7
% Pb	0.8	1.1	1.0	0.7	0.7	0.8
Oz. Au	0.06	0.07	0.07	0.06	0.05	0.06
Oz. Ag	2.1	3.1	2.7	1.8	1.7	2.0
Tons Milled	390,000 (approx.)	387,000	387,000	373,000 *	330,000 *	230,000 *
% Cu		2.0	2.0	1.7		
% Zn		6.9	6.4	7.2		
% Pb		0.7	0.8	0.8		
Oz. Au		0.05	0.04	0.04		
Oz. Ag		1.6	1.4	0.14		
Net Profit	\$1,978,000	\$1,611,415	\$3,753,000	\$2,604,000	\$6,155,000	\$861,000 *

←————— Fiscal year to December 31 —————→

\* Fiscal year to September 30