

9/17/71

To : J B Redpath

861768

From : KDW

Re : Davis - Keays

Report by Chapman Wood &
Griswold, June 18, 1971.

CW & G conclude "The investment of the funds required to bring the Davis - Keays deposit to the point of production involves risks since both

1. discovery of additional reserves &
 2. copper prices of 52 cents or more per pound
- are required to generate profitability

They recommend a detailed study, to cost \$ 55,000.

This is not attractive, in view of

1. Forecasts of copper prices (attached)

CW & G have escalated labour costs to "rates which will probably prevail in area in the spring of 1973"

Therefore, copper prices somewhere between those expressed in 1969 \$ and in current \$ seem appropriate for 1973 and in '73 \$ thereafter

2. Indications that possible ore reserves and any additional ore discovered at depth will be lower in grade than that found higher in the mine (See accompanying longitudinal section)
- KDW

Copper Price

"Best Estimate"

"Base ment Price"

	'69 \$	Current \$
70	58	61
1	47	51
2	45	50
3	45	51
4	45	53
5	46	56
6	50	62
7	55	70
8	60	78
9	60	80
80	60	82

	'69 \$	Current \$
	42	45
	43	46
	43	48
	44	50
	44	52
	44	54
	45	55
	45	57
	46	59
	46	61
	46	63