

PROPERTY FILE

003811⁻⁰⁷

Ruth - Vermont 82KNW009

BC Great Lakes

Gordon H. McDougall, P.Eng. B.C. & Ont.

MINING CONSULTANT

107

1551 Hovey Rd.
R.R. #2
Saanichton, B.C.
V0S 1M0

August 25, 1975

Mr. E.J. Bowles
Chief Gold Commission
Department of Mines &
Petroleum Resources
Douglas Building
Victoria, B.C.

Dear Sir:

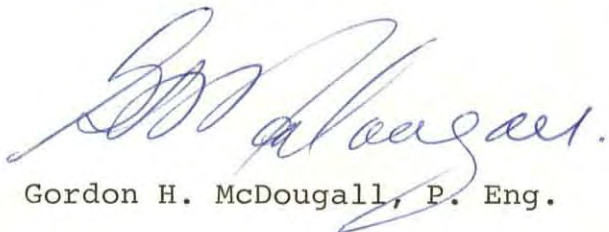
Further to our recent discussion, enclosed please find the proposed production plans submitted under Section 72 and 64 of the Mineral Act.

This report is submitted for Consolidated Columbia River Mines Ltd. (N.P.L.) located at the 3rd Floor, 73 Water Street Vancouver, B.C. V6B 1A1.

The writer co-ordinated this submission and should there be any questions please contact me at 1551 Hovey Rd., R.R.#2, Saanichton, B.C. V0S1M0, telephone: 652-3851.

It should be noted under the "Forecast" N.S.R.'s are shown in the month the concentrates are shipped. In reality the returns would follow over a period of four months.

Yours very truly,



Gordon H. McDougall, P. Eng.

GHMc:rl
encl.

NOTICE

SECTIONS 72 and 64 - MINERAL ACT

For purposes of evaluation of mineral lease applications and proposed production plans, the Minister of Mines and Petroleum Resources requires a standard feasibility study prepared either by your organization or a recognized consultant. Any report submitted should contain the following information:

- ✓ - pre-production expenses and summary of pre-production work, history of exploration
- ✓ - the corporate structure or similar information regarding the owners and operators of the project
- ✓ - method and terms of financing, timing ✓
 - location of orebodies, mill and tailings pond; maps of scales large enough to give an overview (200-400 feet to the inch) showing claims - general geology - ore zones - producing area - plant - dumps - tailings pond - roads:- reserves in those orebodies; tonnage and grade; location of potential orebodies
- ✓ - mineral tenure, terms and conditions
- ✓ - land tenure, terms and conditions
- ✓ - past production statistics, if any
- ✓ - mining method and details of the mining operation including anticipated mining costs
- ✓ - milling procedures
 - grade of concentrate, tailings, and recovery data for all constituent metals; capital and operating costs of the mill.
 - material shipped, how? where? transportation agreements if any, transportation costs
 - smelter contract or sales agreement.
- ✓ - labour statistics; how many employees, labour contract, communities in which employees live, on-site facilities for employees
 - reclamation procedures and any anticipated environmental hazards
 - short range and long range plans in general terms
 - energy requirements and sources and costs of electrical energy
 - access roads required

If a reclamation report has been submitted, or an application has been made for a road grant, reference should be made to that effect.

Applicants must conform to the requirements of the Mines Regulation Act, particularly Sections 10 and 11.

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REPORT ON PROPOSED PRODUCTION

CONSOLIDATED COLUMBIA RIVER MINES, LTD., (N.P.L.)

RUTH - VERMONT MINES, GOLDEN, B.C.

GENERAL

The property is called the Ruth - Vermont Mine and lies in the Golden Mining Division about 23 miles south of Golden in the Purcell Mountain Range. The mine may be reached by 35 miles of gravel road from Parson, B.C. Parson is on the main C.P. Rail line and has paved access to the Trans Canada Highway.

The mine will be operated by the Consolidated Columbia River Mines Ltd., of 73 Water Street, Vancouver, B.C on an 8 month per year seasonal basis.

The property consists of 43 claims and fractions and the approximate location is $50^{\circ} 58'$ North Latitude and $116^{\circ} 59'$ West Longitude in the block described as 82K/15³N of the National Geographic Series.

The property straddles Vermont Creek, a tributary of Vowell Creek, at an elevation of nearly 6000 feet. The valley slopes are steep, the summer season short and heavy snows constitute an avalanche hazard from early December to late April. Water is in short supply during this period.

HISTORY OF EXPLORATION

From L.J. MANNING & ASSOCIATES LTD., Report of April 1972:

The initial discovery, then known as the Ruth Mine, was in 1893 when an off-shoot vein from the Nelson (replacement) ore body was located. A shipment of 150 tons of sorted lead-zinc-silver ore from this vein was shipped in 1896.

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History con't.

The Galena Syndicate (London, England), who controlled the property between 1926 and the early 1960's completed several hundred feet of underground development prior to 1930.

Records show no further serious activity until 1956 and 1957 when Rio Canadian Exploration Ltd., made a comprehensive study of the property and subsequently abandoned its program.

In 1964 the old Crown grants, which had reverted, were taken up by Mel Pardek as a mineral lease (M-16) and additional claims were staked around the lease. The property was then optioned to Columbia River Mines Ltd., (N.P.L.) and some 2,300 feet of drifts, cross cuts, and raises driven and about 40,000 feet of exploratory diamond drilling completed from the 6,000 level.

In 1969 the property was optioned to Copperline Mines Ltd., (N.P.L.) under an agreement between Columbia River and Mel Pardek and was subsequently put into production.

From September 1970 through June 1971 the Ruth-Vermont Mine milled 94,469 short dry tons of mill feed assaying 5.37 oz/ton Ag, 3.88% Pb, and 5.04% zn.

The operation, rated at 500 TPD, was closed down in June 1971.

In October of 1973 the mine was re-opened and operated until December 19, 1973. During that time some 26,000 tons of ore were processed. Later on Jan. 12, 1974 an avalanche completely destroyed the power plant, machine shop, storage sheds and some smaller buildings and caused minor damage to the mill and crusher building. The mine was closed at the time of the

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snow slides.

Since that time a cleanup and re-habilitation program has been in progress.

PREPRODUCTION

Please see Accountants report submitted with this application.

CORPORATION STRUCTURE

Please see statement of material facts enclosed with this report.

FINANCING

Underwriting and Private Funds.

\$100,000 of Private Funds already submitted!

\$100,000 to \$150,000 to be available by Sept. 15, 1975

Remaining finance available from Royal Bank of Canada (\$200,000).

LOCATIONS. ETC.

Please see enclosed plans.

GENERAL GEOLOGY

Please see T. R. Taugh and Associates Report of March 16, 1972 with updated ore reserves and grades to August 20, 1975.

MINERAL TENURE

Part of Geological Report

LAND TENURE

Held under Mineral Lease M-16

PAST PRODUCTION

Production from Sept. 1970 - June 1971 -- 94469 tons with an average grade of 5.37 oz. ag/ton, 3.88% pb/ton, 5.09% zn/ton.

Production from Oct. 1973 - Dec. 1973 --- 26,000 tons with an average grade of 5.02 oz. ag/ton, 3.69% pb/ton, 5.08% zn/ton.

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MINING

Mining methods will be a continuation of ramp benching (L.H.D.) and shrinkage vein.

Operating costs should be about \$27.30/ton milled.

Please see operating forecast for detail

MILLING PROCEDURES

Please see Bacon, Donaldson and Associates Report of July 23, 1975

MATERIALS SHIPPED

Concentrates will be transported by truck to the Cominco Smelter at Trail, B.C.

No firm contract has been signed for transporting the concentrate but it would appear transportation costs will be an estimated \$20.00/ton of concentrate.

SMELTER CONTRACT

Please see enclosures by Amalgamet Canada Limited, as of June 18, 1975.

LABOUR

It is anticipated the operation will require 45 employees.

The majority of the employees will probably reside within 50 -100 miles of the camp and will live in dormitories on the site. Board will be supplied in a Cafeteria. A small recreation hall is also provided.

The Company has signed a labour contract with The United Steelworkers of America.

RECLAMATION

A reclamation report by the writer is enclosed for your information.

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PLANS

Short range plans are to re-open the mine on a 3 month trial basis from Sept. 15, 1975 to Dec. 15, 1975 and to re-open the mine on a more permanent basis about April 15, 1976.

ROADS

No further access roads are required.

ENERGY REQUIREMENTS

Estimated 1,030 K.V.A. at an estimated cost of \$150,000.00.
The Power units will be diesel electric and will consist of
1 - 750 K.V.A. G.M.C., 1 - 250 K.V.A. D353 and 1 - 30 K.V.A. Cat.

Respectfully submitted,



Gordon H. McDougall, P.Eng.



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RUTH VERMONT OPERATING FORECAST ESTIMATE - 1976

	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 15
TONS MILLED	15,000	15,000	15,000	15,000	15,000	15,000	15,000	7,500
CUM. TONS MILLED		30,000	45,000	60,000	75,000	90,000	105,000	112,500
OP. COSTS @ \$27.30/S.D.T. MILLED	409,500	409,500	409,500	409,500	409,500	409,500	409,500	204,750
CUM. OP. COSTS/S.D.T. MILLED		819,000	1,228,500	1,638,000	2,047,500	2,457,000	2,866,500	3,071,250
N.S.R. @ \$49.62/S.D.T. MILLED	744,300	744,300	744,300	744,300	744,300	744,300	744,300	372,150
CUM. N.S.R./S.D.T. MILLED		1,488,600	2,232,900	2,977,200	3,721,500	4,465,800	5,210,100	5,582,250
OP. PROFIT	334,800	334,800	334,800	334,800	334,800	334,800	334,800	167,400
CUM. OP. PROFIT		669,600	1,004,400	1,339,200	1,674,000	2,008,800	2,343,600	2,511,000

WITH BASIC ROYALTY

N.S.R. @ \$47.64/S.D.T. MILLED	714,600	714,600	714,600	714,600	714,600	714,600	714,600	357,300
CUM. N.S.R./S.D.T. MILLED		1,429,200	2,143,800	2,858,400	3,573,000	4,287,600	5,002,200	5,359,500
OP. PROFIT	305,100	305,100	305,100	305,100	305,100	305,100	305,100	152,550
CUM. OP. PROFIT		610,200	915,300	1,220,400	1,525,500	1,830,600	2,135,700	2,288,250

RUTH VERMONT ESTIMATED OPERATING COSTS 1975 - 1976

(a) BASIC CONSIDERATIONS

1. Ore Reserve as shown in T,R. Tough & Associates Report.
2. Mill upgraded to average a thruput of 9000 tons per month.
3. Mill to operate from Sept. 16 - Dec. 15, 1975 and from Apr. 16 - Dec. 15, 1976.
4. Operating costs projected with increases to Dec. 15, 1976.
5. Metallurgy as contained in Bacon Donaldson & Associates Report of July 23, 1975.
6. Forecast carried to Dec. 1976 only.

(b) ESTIMATED MINING - MILLING COSTS

Mining	- \$ 7.48/Ton milled
Development	- 2.30/Ton milled
General Underground	- 0.65/Ton milled
Milling	- 7.15/Ton milled
Camp Operating	- 1.69/Ton milled
General Overhead	- 1.95/Ton milled
Service & Supply	- 1.88/Ton milled
Taxes	- 1.30/Ton milled
Head Office	- 1.20/Ton milled
	<hr/>
	\$ 25.60/Ton milled
Contingency	1.70/Ton milled
	<hr/>
Total Est. Op. Costs	<u>\$ 27.30/Ton milled</u>

RUTH VERMONT OPERATING FORECAST ESTIMATE 1975 - 1976

	<u>1975</u>				<u>1976</u>		
	<u>Sept.16-Oct.15</u>	<u>Oct.16-Nov.15</u>	<u>Nov.16-Dec.15</u>	<u>Dec.16-Jan.15</u>	<u>Jan.16-Feb.15</u>	<u>Feb.16-Mar.15</u>	<u>Mar.16-Apr.15</u>
(c) Tons Milled	9,000	9,000	9,000	-	-	-	-
Cum. Tons Milled		18,000	27,000				
Op. Costs @ \$27.30/S.D.T. milled	245,700	245,700	245,700	10,000	10,000	10,000	10,000
Cum.Op. Costs @\$27.30/S.D.T. milled		491,400	737,100	747,100	757,100	767,100	777,100
N.S.R. @ \$49.62/S.D.T.milled	446,580	446,580	446,580	-	-	-	-
Cum.N.S.R. @ \$49.62/S.D.T. milled		893,160	1,339,740	-	-	-	-
Operating Profit	200,880	200,880	200,880	-	-	-	-
Cum. Op. Profit		401,760	602,640	592,640	582,640	572,640	562,640
<u>With Basic Royalty</u>							
N.S.R. @ \$47.64/S.D.T. milled	428,760	428,760	428,760	-	-	-	-
Cum. N.S.R. @ \$47.64/S.D.T. milled		857,520	1,286,280	-	-	-	-
Operating Profit	183,060	183,060	183,060	-	-	-	-
Cum. Op. Profit		366,120	549,180	539,180	529,180	519,180	509,180
<u>With Basic & Excess Royalty</u>							
N.S.R. @\$36.58/S.D.T.milled	329,220	329,220	329,220	-	-	-	-
Cum.N.S.R. @\$36.58/S.D.T.milled		658,450	987,660	-	-	-	-
Operating Profit	83,520	83,520	83,520	-	-	-	-
Cum. Op. Profit		167,040	250,560	240,560	230,560	220,560	210,560

RUTH VERMONT OPERATING FORECAST ESTIMATE - 1976

	<u>1976</u>						
	<u>Apr.16-May 15</u>	<u>May 16-June15</u>	<u>June16-July15</u>	<u>July16-Aug.15</u>	<u>Aug.16-Sept.15</u>	<u>Sept.16-Oct.15</u>	<u>Oct.16-Nov.15</u>
Tons Milled	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Cum. Tons Milled	36,000	45,000	54,000	63,000	72,000	81,000	90,000
Op. Costs @\$27.30/S.D.T. milled	245,700	245,700	245,700	245,700	245,700	245,700	245,700
Cum.Op.Costs @\$27.30/S.D.T. milled	1,022,800	1,268,500	1,514,200	1,759,900	2,005,600	2,251,300	2,497,000
N.S.R. @\$49.62/S.D.T.milled	446,580	446,580	446,580	446,580	446,580	446,580	446,580
Cum. N.S.R. @\$49.62/S.D.T. milled	1,786,320	2,232,900	2,679,480	3,126,060	3,572,640	4,019,220	4,465,800
Operating Profit	200,880	200,880	200,880	200,880	200,880	200,880	200,880
Cum. Op. Profit	763,520	964,400	1,165,280	1,366,160	1,567,040	1,767,920	1,968,800
 <u>With Basic Royalty</u>							
N.S.R. @\$47.64/S.D.T.milled	428,760	428,760	428,760	428,760	428,760	428,760	428,760
Cum.N.S.R. @\$47.64/S.D.T. milled	1,715,040	2,143,800	2,572,560	3,001,320	3,430,080	3,858,840	4,287,600
Operating Profit	183,060	183,060	183,060	183,060	183,060	183,060	183,060
Cum. Op. Profit	692,240	875,300	1,058,360	1,241,420	1,424,480	1,607,540	1,790,600
 <u>With Basic & Excess Royalty</u>							
N.S.R. @ \$36.58/S.D.T.milled	329,220	329,220	329,220	329,220	329,220	329,220	329,220
Cum.N.S.R. @\$36.58/S.D.T. milled	1,316,880	1,646,100	1,975,320	2,304,540	2,633,760	2,962,980	3,292,200
Operating Profit	83,520	83,520	83,520	83,520	83,520	83,520	83,520
Cum. Op. Profit	294,080	377,600	461,120	544,640	628,160	711,680	795,200

RUTH VERMONT OPERATING FORECAST ESTIMATE - 1976

1976

Nov.16-Dec.15

Tons Milled	9,000
Cum. Tons Milled	99,000
Op. Costs @ \$27.30/S.D.T. milled	245,700
Cum Op.Costs @\$27.30/S.D.T. milled	2,742,700
N.S.R. @\$49.62/S.D.T. milled	446,580
Cum. N.S.R. @\$49.62/S.D.T.milled	4,912,380
Operating Profit	200,880
Cum. Op. Profit	2,169,680

With Basic Royalty

N.S.R. @ \$47.64/S.D.T. milled	428,760
Cum.N.S.R. @\$47.64/S.D.T. milled	4,716,360
Operating Profit	183,060
Cum. Op. Profit	1,973,660

With Basic & Excess Royalty

N.S.R. @\$36,58/S.D.T. milled	329,220
Cum. N.S.R. @\$36.58/S.D.T.milled	3,621,420
Operating Profit	83,520
Cum. Op. Profit	878,720