

*Confidential*

E. J. HENSCH  
BRITISH COLUMBIA HYDRO  
AND POWER AUTHORITY  
MAY - 5 1986  
SECHULT, B.C.

Bechtel, Inc.  
Engineers - Constructors 008162  
Fifty Beale Street  
San Francisco, California  
Mail Address: P. O. Box 3985, San Francisco, CA 94119

May 1, 1986

*Property File*  
*92 GNW 031*  
*Sechult Car-bond*

Mr. Eric J. Hensch  
District Manager, Sechult Area  
British Columbia Hydroelectric Commission  
P. O. Box 159  
Sechult  
British Columbia VON - 3A0  
CANADA

Dear Mr. Hensch:

We are currently performing a preliminary study for a client who is considering an electric furnace operation in the vicinity of Sechult. The approximate plant location is marked on the enclosed map.

The proposed plant would have a connected load of approximately 35.2 megawatts and would consume approximately 300,000 megawatt-hours of electricity per year. The project schedule indicates that the plant would go into operation in 30 months from now, or November 1988.

Could you please tell us what the cost of power would be for this operation, including up-front capital costs, if any? We would appreciate it if you could telephone the information as soon as it is available and confirm it in writing. Our telephone number is (415) 768-9207.

If you need any more information in order to prepare your estimate, please call Mr. John A. Riddle at the above number.

LOG NO: C.R.C.C. K 1
ACTION:
FILE NO:

Sincerely,

*R. B. Stein*

Dr.-Ing. R. B. Stein  
Principal Engineer  
Mining & Metals Division

RBS:fls  
Enclosure

**RECEIVED**  
BRITISH COLUMBIA HYDRO  
AND POWER AUTHORITY  
MAY - 5 1986

SECHULT, B.C.



Province of  
British Columbia  
Ministry of  
Energy, Mines and  
Petroleum Resources

FORM 1

APPLICATION FOR FUNDING

OFFICE USE ONLY
E226

INSTRUCTIONS:

- Please type or print
- Please identify program being applied for
- Please submit completed forms to:  
Manager, EXPLORATION BRITISH COLUMBIA, Mineral Resources Division,  
Ministry of Energy, Mines and Petroleum Resources, Parliament Buildings, Victoria, B.C. V8V 1K4

- Accelerated Mine Development Program  
 Mineral Exploration Incentive Program

LOG NO: 06.36 MGE-F5

ACTION:

FILE NO:

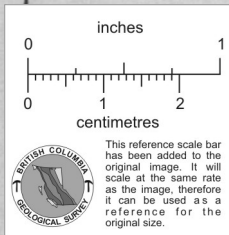
1. Date of Application		
June 1986		
2. Applicant's Identification and Location		
Name CANDOL DEVELOPMENTS LTD.		
Address — Street Number and Name, Apt. No. #2400 - 609 Granville Street		
City, Town, Village Vancouver,	Province British Columbia	Telephone No. 685-9316
		Postal Code V7Y 1G6
3. Head Office Location		
Address — Street Number and Name #2400 - 609 Granville Street		
City, Town, Village Vancouver,	Province British Columbia	Telephone No. 685-9316
		Postal Code V7Y 1G6
4. Mailing Address (if different from above)		
Address — Street Number and Name AS ABOVE		
City, Town, Village	Province	Postal Code
5. Source of Funding		
Attach copies of Agreements and Proof of Funding		
Attach Names and Addresses of principals and corporate data (where applicable). Attach list if space is insufficient.		
Source of Funding: Public corporation funded through facilities of V.S.E. - Shares issued for cash have raised \$404,513		
6. Previous Expenditures by Applicant on this property \$ 792,559		
	Pre 1984 \$ 272,817	
	1984-85 \$ 316,966	
	1985-86 \$ 196,647	
	TOTAL \$ 792,559	
7. Total 1986-87 Exploration Budget \$ 500,000		
Percentage of Total Budget to be spent in B.C. 100 %		
8. Principal Business Activity		
Mineral exploration and development - see attached business plan		<input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
9. Directors and Officers		
Attach a list showing position title and name See Appendix I		

10. Signature of Applicant or Signing Officer <i>Nick Demare</i>	Name (print) N. DeMare	Position Title or Occupation Controller
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PRELIMINARY TECHNICAL INFORMATION

ITEM NUMBER 11

- (1) Main Target of Program: An exploration program with the prime objective of developing probable geologic reserves of calcite in the order of 10 million tons.
- (2) Property Name: Schelt Claims.
- (3) Location, Access, and Mineral Division: Sechelt Peninsula, access from Halfmoom Bay (10 Km) on paved road and on gravel road.
- (4) Number and Type of Claims Leases: 8 Mineral Claims comprising 63 Units.
- (5) Option Agreements, Contractual Obligations: None.
- (6) Regional and Local Geology: See Appendix II.
- (7) Current Status of Exploration: Program recommended - financing being arranged.
- (8) Recommended Work Program: See Appendix III.
- (9) Estimated Start date of Program: On completion of financing.
- (10) Estimated Completion date of Program: Contingent on Item 9.
- (11) Bibliography:
- (i)Wright Engineers, Sept. 1983
  - (ii)Bechtel Inc., April, 1986  
"An exploration Program for the Development of Carbonate Resources of the Sechelt Peninsula, B.C."
  - (iii)Bechtel Inc., May, 1986  
"Magnetherm Process for Magnesium Capital and Operation Cost Estimates"
- (12) Maps See Appendix IV.



**EXPLANATION**

- C Calcite
- D Dolomite

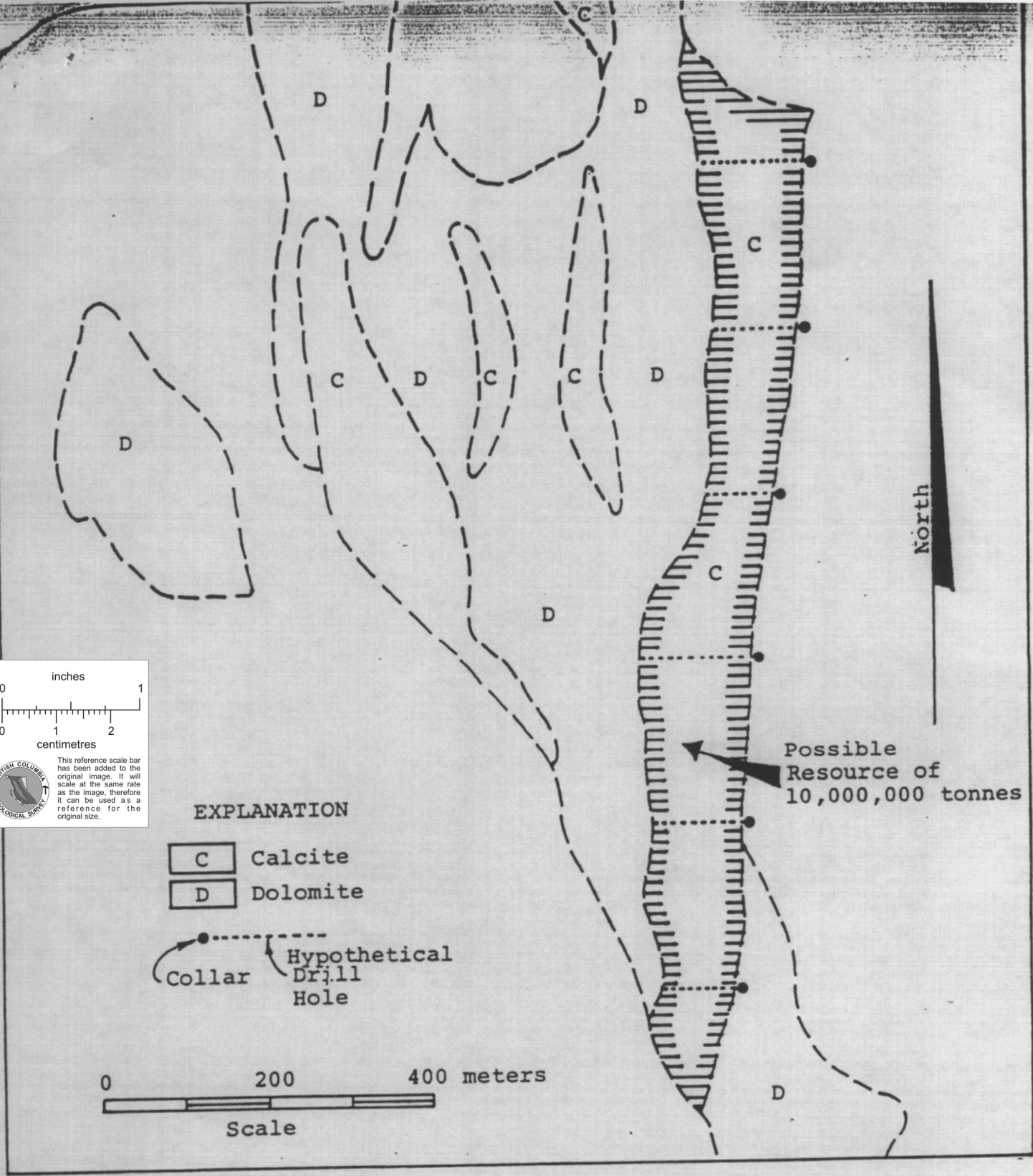
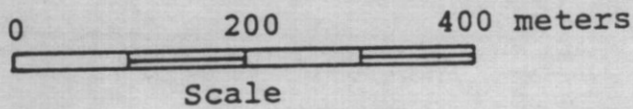
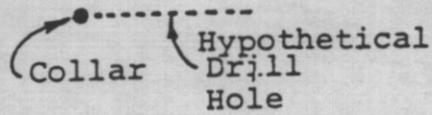


Figure 3

Possible Calcite Resource Zone

APPENDIX III

CANDOL DEVELOPMENTS, LTD.

CARBONATE ROCK RESOURCE

CALCITE RESERVE ASSESSMENT PROGRAM

Prepared by Bechtel, Inc., April 2, 1986

Product Specifications Interface	\$ 5,000
Detailed Geologic Mapping	24,000
Contract Diamond Drilling Activities	
Drilling	169,000
Logging	8,500
Sample Prep.	6,500
Drill Site Prep.	25,000
Sample Analyses	
Chemical	80,000
Physical	4,000
Seismic Survey	20,000
Bulk Sample	25,000
Miscellaneous Expenditures	
(Travel, Per Diem & Job Miscellaneous)	40,000
Exploration Management	37,000
Geologic Report Preparation	<u>25,000</u>
	469,000
Contingency	<u>31,000</u>
	<u>\$500,000</u>