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November 25, 1987

File Number: 7678

TRIFCO MINERALS LTD.
Suite 308 - 751 Clark Road
Coquitlam, B.C.
V5L 3J3

Attention: Rene Trifaux, Sr.

Dear Sir,

Attached herewith are the capital cost details and the estimate for a 25 T.P.D. Talc pilot plant utilizing crushing, drying, grinding and aspirating to produce marketable products.

The estimated costs have been based on the appended flowsheet of Eastern Magnesia Talc Company. Cost of the wet section of the process have been excluded in this exercise.

Since this is the first attempt and it has been done without the assistance of quotations from suppliers, the degree of accuracy is therefore $\pm 50\%$.

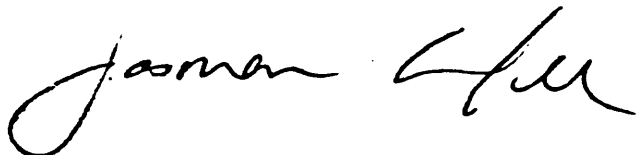
Most of the costs are for new equipment. A substantial reduction in capital cost could be achieved if good used equipment without warranty was purchased.

If flexibility in the flowsheet is not essential, then further reduction in capital cost can be achieved through the use of large and fewer pieces of equipment, ie, bins, conveyors and grinding mills.

I hope this study has provided you with the required information to achieve your objective. If you have any questions, please don't hesitate to call me.

Yours truly,

BACON, DONALDSON & ASSOCIATES LTD.

A handwritten signature in cursive script, appearing to read "Jasman Yee".

Jasman Yee, B.A.Sc.

JY:jrh

Trifco/25 T.P.D. Talc Pilot Mill

Capital Cost Estimate

Equipment	435,000	
plus 6% sales tax	<u>26,100</u>	
	461,100	461,100
Freight		<u>50,000</u>
	Equipment Subtotal	511,100
Site Prep and Foundations		60,000
Construction Labour 268 MS @ \$300/MS		80,400
Consumables & Equipment Rentals		<u>23,000</u>
Total Equipment and Installation Cost		674,500
Plus 6% Administration		<u>40,470</u>
	Subtotal	714,970
Procurement, construction management & contractor's fees at 10%		<u>71,497</u>
		786,467
Engineering Cost @ 8%		<u>63,000</u>
	TOTAL	<u>\$849,384</u>

Quantity	Description	Basis	Installation Labour in MS	Equip. Cost \$
1	50 ton coarse ore bin with chute, wood and steel construction	new	20	15,000
1	Coarse ore feeder 24" wide x 25' long c/w drive, frame, idlers, etc.	new	10	5,000
1	10 x 24 Jaw Crusher c/w motor, drive, starter guards, etc.	new	8	60,000
1	Bucket elevator c/w drive, enclosure etc.	new	4	15,000
1	Reduction crusher assume rolls, 18" x 24" c/w motor drive, etc.	new	10	60,000
3	150 ton storage bins with discharge chutes, steel construction	new	30	60,000
1	24" x 25 conveyor with drive to feed dryer	new	10	5,000
1	24" x 10' Rotary dryer c/w drive, controls fan, fuel lines, etc.	new	30	60,000
3	10 ton storage bins with chute and discharge conveyors	new	20	30,000
2	Pebble mills c/w jasper linings and balls	used	50	40,000
1	5 roller high side mill	used	10	20,000
3	Air separator	new	16	45,000
1	Metal clad building	new	50	20,000
			268	435,000

August 25, 1987

TRIFCO MINERALS LTD.
Suite 308 - 751 Clark Road
Coquitlam, B.C.
V5L 3J3

Attention: Rene Trifanx Sr.

Dear Sir,

Further to your visit to our laboratory on August 17, 1987 regarding the treatment method for your talc ore, we would like to propose the following test programme.

For the initial testwork, we would recommend three flotation tests be done. The purpose of these tests would be to determine the product produced from three different talc collectors.

We would then evaluate the flotation results and if further processing is required it will then become the basis of future testwork.

The costs involved for doing the three flotation tests are as follows:

1) Sample preparation	\$ 50
2) Flotation tests	1500
3) Evaluate and report	<u>500</u>
TOTAL	<u>\$2050</u>

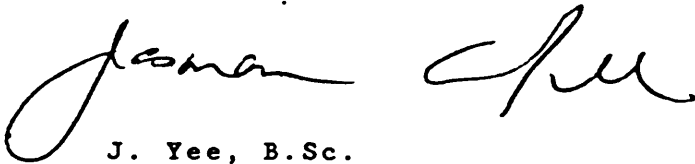
plus the cost of 3 whiteness analysis at Econotech

Approximately 10 kilograms of sample would be required for the initial testwork and it would take approximately 4 weeks to do the work.

We trust the above proposal is satisfactory to you and that you'll give us the approval to proceed.

Yours truly,

BACON, DONALDSON & ASSOCIATES LTD.

A handwritten signature in cursive script, appearing to read 'J. Yee', is written over the typed name.

J. Yee, B.Sc.

JY:jrh

INVOICE

BACON, DONALDSON & ASSOCIATES LTD. • 2036 Columbia Street, Vancouver, B.C. V5Y 3E1 • 879-8461

Invoice No. **5583**

File No. 7678

Purchase Order No.

Date 1987 December 08

In Account With **TRIFCO MINERALS LTD.**
Suite 308 - 751 Clark Road
COQUITLAM, B.C.
V5L 3J3

Attention: Rene Trifaux, Sr.

Re: Talc Pilot Mill Capital Cost Estimate

PROFESSIONAL SERVICES	\$ 1,200.00
less advance	<u>1,200.00</u>
Balance owing	\$ <u>0</u>

This is a professional invoice and is due when presented.
2% per month charged on invoices over 30 days.
(24% per annum)

paid.
Chg 0199
Trifco

Mr. Jassan W. Yee, B.A., B.C.,
BACON DONALDSON & ASSOCIATES,
2036, Columbia Street,
Vancouver, B.C. V5Y3E1.

November 18th, 1987.

Dear Sir,

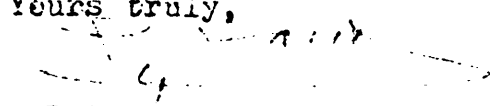
Re: Cheque no 0199, from TRIFCO MINERALS LTD, for your estimate of a
Talc Pilot Plant.

Enclosed, please find cheque no 0199, from Trifco Minerals Ltd, in the
amount of 1200,000 (one thousand two hundred dollars) for the prepara-
-tion of an estimate for our talc Pilot Plant.

I understood that the time is limited to do such work in the number of
days requested by Trifco Minerals Ltd.

For the time being the costs of the DRY MILL is solicited and may be t
costs of the wet tables. Also consider the storage for the talc in bulk
in a silo for expediting.

Yours truly,


S. Trifaux,
President
Trifco Minerals Ltd.

MT.rt.

Enclos:1.