

521935

PROPOSAL

TO

EXPLORE AND DEVELOP

A MINERAL RESOURCE

IN

PARCEL 'A'

MT. ALCOCK

BARITE-LEAD-ZINC-SILVER PROSPECT

'KWADACHA' RECREATIONAL AREA

BY

MT. CALVERY RESOURCES LTD.  
1500 - 675 W. HASTINGS ST.  
VANCOUVER, B.C.  
V6B 1N2

JUNE, 1989

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SECTION I

**PROPOSAL SUMMARY**

## PROPOSAL SUMMARY

Mt. Calvery Resources is proposing a three-year exploration program with a budget of \$2.3 million on the Mt. Alcock prospect. An expenditure of \$385,000 is committed for 1989.

Mt. Calvery is a publicly listed Vancouver based Canadian exploration company with Teck Corporation being a major shareholder. Teck is represented on the Board of Directors and has provided exploration funding for specific projects over the past five years.

Mt. Calvery's principals and major shareholder comprise a well recognized group with a track record of successful Western Canadian exploration and development.

Teck Corporation has guaranteed Mt. Calvery funding for the 1989 program proposed at Mt. Alcock; has the right to finance an additional \$2 million of exploration expenditures; and will have the option to place the property into production thereby earning an interest in the Property as well as the Company. If Teck proceeds with a production decision Teck will arrange for funding of Mt. Calvery's 40 percent interest.

Several of Mt. Calvery's principals were involved with discovery of lead-zinc deposits in the Gataga region and establishment of the area as one of British Columbia's largest zinc-lead districts. This prior discovery record and exploration involvement within the Gataga District provides Mt. Calvery with the expertise to explore the base metal potential of the Mt. Alcock property.

The conceptual mine-milling scheme, presented by Wright Engineers, involves underground mining, standard gravity-flotation milling, and bulk road-barge-rail transport of product to either the Trail smelter or abroad.

Teck Corporation, as a leader in bringing new mines on stream and establishing environmental standards for Western Canadian mining operations, is well qualified to develop and operate a future mine at Mt. Alcock.

**SECTION II**

**CORPORATE DATA**

**MT. CALVERY RESOURCES LTD.**

**Head Office:**

1500 - 675 W. Hastings Street,  
Vancouver, B.C. V6B 1N2  
Tel: (604) 687-1658

**Transfer Agent:**

Guaranty Trust Company of Canada,  
800 West Pender Street,  
Vancouver, B.C. V6C 2V7

**Auditors:**

Coopers & Lybrand,  
1111 West Hastings Street,  
Vancouver, B.C. V6C 3R2

**Solicitors:**

Lawrence & Shaw,  
25th Floor - Three Bentall Centre,  
595 Burrard Street,  
Vancouver, B.C.

**Stock Exchange:**

Vancouver - Resource Section  
Ticker Symbol - MCY

**Capitalization:**

Shares Authorized - 100,000,000  
Shares Issued - 4,926,500

## HISTORY

Mt. Calvery Resources Ltd. is a publicly financed mineral resource company of long standing, originally incorporated in 1956 as Jericho Mines Ltd.

## CURRENT ACTIVITY

For the past five years Mt. Calvery has been active in exploring mineral claims in the Iskut area of Northern, British Columbia; the Cariboo-Quesnel Gold Belt in the central north of the Province; and in Tully Township in Ontario. The Company's Jericho copper deposit has been optioned to Highmont/Teck/Highland Valley Copper in the Highland Valley for the past fifteen years.

## LIST OF DIRECTORS

<u>Name and Position</u>	<u>Occupation Business or Employment</u>	<u>Period a Director of the Company</u>
JOHN S. BROCK President & Director	Geologist, President of Welcome North Mines Ltd. and Esperanza Explorations Ltd.	Dec. 10/82 to date
JOHN L. MAY Director	President of Teck Explorations Limited	Oct. 08/82 to date
IRENE M. WILSON Secretary & Director	Corporate Secretary, Welcome North Mines Ltd. and Esperanza Explorations Ltd.	Nov. 13/84 to date
WILLIAM MEYER Director	Vice President, Teck Explorations Limited, June 16, 1979 to present	April 21/87 to date

SECTION III

**PRINCIPALS RESUMES**



**President and Director:**

John S. Brock is a geologist-geophysist with 26 years experience in the field of mineral exploration and development.

His achievements include participation in the discovery of the Faro lead-zinc mine in Yukon and the Tillicum Gold deposit in British Columbia. He has also been involved in the discovery of numerous lead-zinc and barite prospects in Yukon's Selwyn Basin and adjacent platform carbonates in the Northwest Territories as well as exploration of the Driftpile Creek lead-zinc deposit in the Gataga area of British Columbia. Internationally, he was involved in early exploration of the Marigold Mine in Nevada and the Sierra Gorda molybdenum deposit in Chile.

From 1964 he was with the late Dr. A.E. Aho's Dynasty Explorations until 1973 when he left his position as Vice-President of Exploration to become one of the founders of Welcome North Mines Ltd. He currently serves as President and Director of Welcome North Ltd., Esperanza Explorations Ltd., and Mt. Calvery Resources Ltd.

In the past 16 years he has been primarily responsible for the raising of over \$40 million for mineral exploration and development from private, public and corporate sources. He has negotiated and concluded over 100 mineral project joint venture and option agreements with major mining houses and junior public companies.

John Brock has published a variety of papers over the past 20 years dealing with mineral exploration case histories, risk capital financing and public company operations. He sits on the executive of the British Columbia and Yukon Chamber of Mines and is involved in committees dealing with mineral resource tax and public company financing as well as liaising with regulatory authorities.

## **Vice President, Exploration:**

Wayne J. Roberts, Graduate Geologist of U.B.C.; worked with the Dynasty-Cyprus Anvil Group during the period 1968 to 1981; primarily involved with base metal exploration in Western Canada with management of annual field budgets to \$11.0 million. He joined the Welcome North Group of Companies in 1983 and is presently the Exploration Manager and a Director.

Wayne Roberts has broad experience in targeting and evaluation programs to identify mineral occurrences with "mine making" potential.

He planned and initiated the program that successfully discovered the Cirque deposit and Gataga lead-zinc district and was co-discoverer of the Cirque deposit. As Project Manager he was involved with conceptual planning and management of the Cirque program from a prospect to an advanced-stage lead-zinc deposit.

Wayne Roberts discovered the Mt. Alcock barite prospect in 1978 and encouraged the British Columbia Department of Mines to examine possibilities of changing the Kwadacha Park boundary to allow exploration on this potentially economic deposit.

During the course of his previous work in the Gataga district he acted in liaison with the Ministry of Environment and Ministry of Forests to establish multi-use infrastructure into the Gataga area with least possible damage to the environment. Advanced stage reserve definition programs at the Cirque deposit were conducted with minimal effect to the environment coupled with immediate reclamation of areas disturbed. Excellent relationships were established with the local native band at Ft. Ware.

Wayne Roberts is currently project manager of the Tillicum Mountain Property for Esperanza Explorations Ltd. in the Arrow Lakes Region of B.C. A program of pilot scale mining and milling will be proposed for 1989-1990. Both surface and underground programs at Tillicum have been operated for the past eight years in accordance with good exploration and mining practise as approved by local and Provincial regulatory authorities.

**Secretary and Director:**

Irene M. Wilson a founding member of the Welcome North Group in 1973. She is presently a Director and Corporate Secretary of four public companies listed on the Vancouver Stock Exchange, including Welcome North Mines Ltd., Esperanza Explorations Ltd. and Mt. Calvery Resources Ltd. Since 1973, she has been responsible for the corporate, legal, accounting and administrative activities of these companies. For the past two years Mrs. Wilson has also supervised certain record keeping and accounting functions on behalf of Granduc Mines Limited. For ten years prior to joining the Welcome North Group she served as exploration secretary for Spartan Explorations and a number of the R.V. Markham interests.

During the past 26 years Mrs. Wilson has organized a number of resource companies from the incorporation stage through to public status and has participated in negotiations and preparation of agreements for funding of exploration projects through public and private financings and by way of joint venture arrangements with major companies. She has developed a broad background in the logistical planning and operation of exploration and development programs throughout British Columbia, Yukon, Northwest Territories and the United States and is familiar with the mineral acts and other regulatory requirements within these jurisdictions.

Mrs. Wilson also serves as a member of the Mine Finance Committee of the British Columbia and Yukon Chamber of Mines.

**Director:**

John L. May graduated from the University of Toronto in 1959 with a B.Sc. in Applied Geology. He joined a predecessor company to Teck Explorations in 1959 as a geologist. Between 1960 and 1964, he worked as a geologist and engineer in oil and gas exploration on Lake Erie and as Chief Geologist for an open pit iron mine on the Queen Charlotte Islands. In 1964, he rejoined Teck and became President and General Manager of Teck Explorations in 1965, and Vice President, Exploration for Teck Corporation in 1988. Mr. May is responsible for the direction of exploration activities for Teck Corporation and directly or indirectly for associated companies worldwide.

Mr. May is a director and/or officer of seven publicly listed companies and eight privately owned companies. He is a member of the CIM and the Professional Engineers of Ontario and a Director of the Prospectors and Developers Association of Canada and the B.C. and Yukon Chamber of Mines.

**Director:**

William Meyer, P.Eng., is a graduate of the University of British Columbia (B.Sc. - 1962) and is a member of the Association of Professional Engineers of British Columbia.

During his career he has worked for Phelps Dodge Corporation of Canada, Gibraltar Mines Ltd. and as an independent consultant before joining Teck Explorations Limited in 1979. He is presently a Vice President of Teck Explorations Limited and President of Teck Resources Inc. with responsibilities for exploration in Western Canada, U.S.A. and overseas.

SECTION V

**PROPOSED EXPLORATION PROGRAM**

**PROPOSED EXPLORATION PROGRAM**

**ON THE**

**MT. ALCOCK**

**BARITE-LEAD-ZINC-SILVER PROSPECT**

**KWADACHA RECREATIONAL AREA**

**BY**

**MT. CALVERY RESOURCES LTD.  
1500 - 675 W. HASTINGS ST.  
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V6B 1N2**

**JUNE, 1989**

## **INTRODUCTION**

Mt. Calvery is proposing a staged three year exploration program on the Mt. Alcock prospect that will determine the potential for base metal reserves. The three year budget of \$2.3 million has a committed expenditure of \$385,000 in 1989. The following program descriptions outline the work plan and scheduling of the proposed exploration.

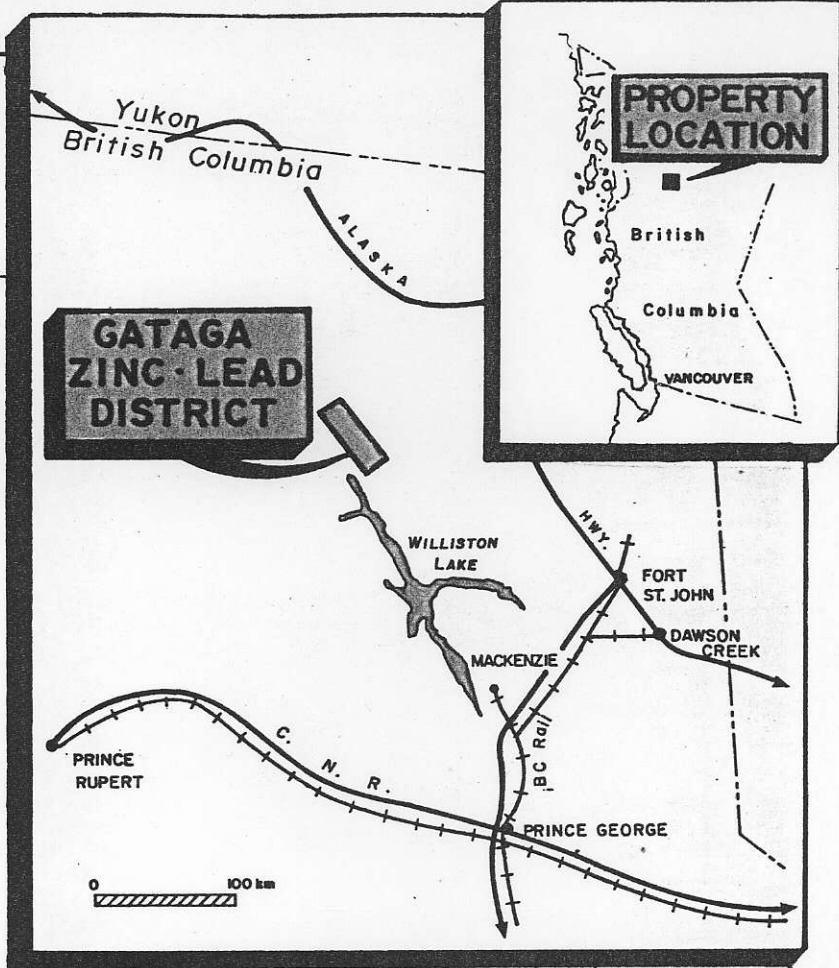
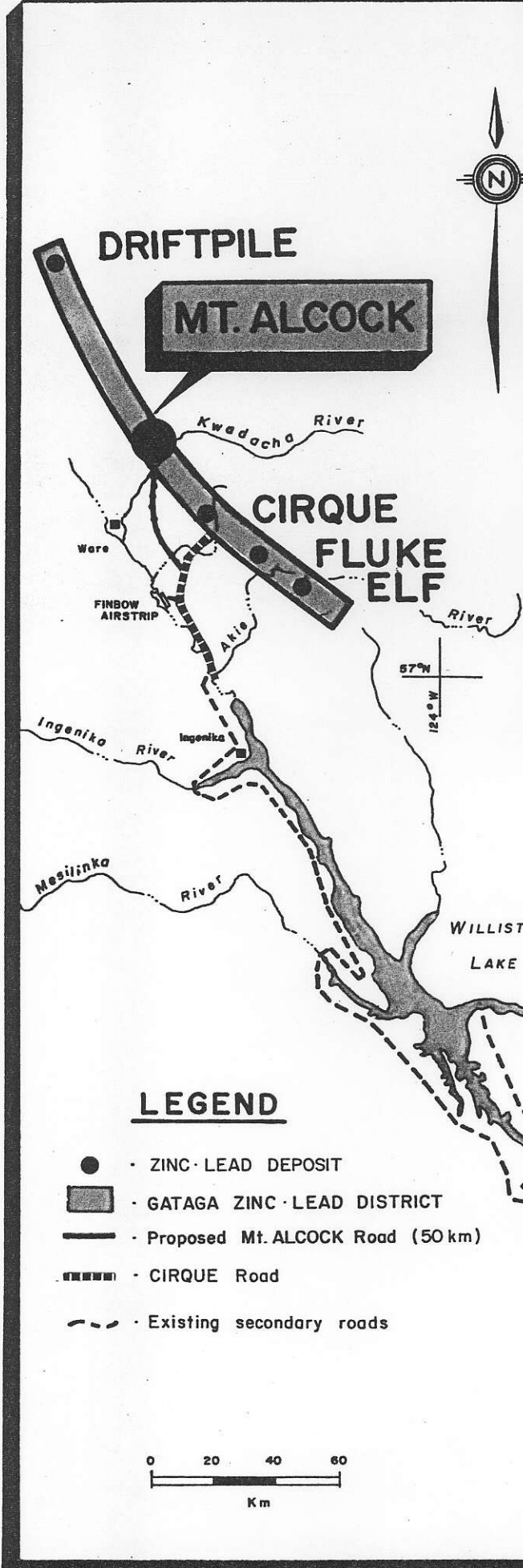


## DISTRICT EXPERIENCE

Two of the Company's principals were actively exploring the Gataga area during the period 1975 to 1982.

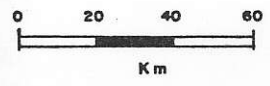
John Brock was one of the founders of the Gataga Joint Venture which expended over \$2.0 million on exploration of 800 claim's units containing the Driftpile deposit.

Wayne Roberts is a co-discoverer of the Cirque deposit and was Project Manager for the \$15 million program from inception in 1977 to closing in 1982 for Cyprus Anvil Mining Corporation. He led the team which developed geological parameters that resulted in discovery of several additional deposits, one of which was the Mt. Alcock barite-lead-zinc occurrence. As a result of his work in the Gataga area, the region has been established as a major base metal district. Wayne Roberts has developed good working relationships with local Provincial regulatory departments, the local Ft. Ware native band, and local service companies.



**LEGEND**

- - ZINC-LEAD DEPOSIT
- - GATAGA ZINC-LEAD DISTRICT
- - Proposed Mt. ALCOCK Road (50 km)
- ▬▬▬ - CIRQUE Road
- - - Existing secondary roads



MT. CALVERY RESOURCES LTD.

**MT. ALCOCK**  
PROPERTY LOCATION MAPS

## MINERAL POTENTIAL

The Mt. Alcock barite-sulphide mineralization provides a very attractive target for base metal exploration. Barite hosted base metal mineralization within the district occurs in sub basins with evidence of mineralizing ore forming systems having been discovered at 20 km intervals throughout the 160 km long Gataga district. The district is unique in that the deposits contain high grade zinc-lead-silver sulphide zones within a barite host containing low grade base metal values. As demonstrated by other deposits in the Gataga district, the sulphide zones contain over 70 percent of the base metal content.

Experience gained from evaluation of other deposits in the Gataga district suggests that exposed lead bearing barite mineralization at Mt. Alcock has excellent potential to contain a high grade zinc sulphide core zone at depth. Structural stratigraphic studies, metal zoning and geochemical signatures gained from previous experience in the area will provide the basis for an aggressive exploration program on the Mt. Alcock claims.

## PROPOSED 1989 EXPLORATION PROGRAM

Mt. Calvery is proposing a two stage 1989 program with an initial geologic and geochemical evaluation of the Mt. Alcock claims. The results of this work will guide diamond drill testing of the barite-sulphide mineralization.

Upon completion of claim staking, a prospecting and silt sampling crew will conduct a reconnaissance program to evaluate the overall potential for base metal mineralization within the claim block. The program will take approximately 2 weeks to complete and will be conducted from helicopter supported fly camps.

Within the immediate area of the presently known Mt. Alcock showing, initial work will consist of 30 kilometers of flag-line grid to provide control for geochemical soil sampling and geological mapping. The grid as shown in Figure 2 will be established with compass and flagged lines with no cutting of trees. Results from the soil sampling survey should delineate the sub outcrop trace of the mineralized horizon and may indicate additional drill targets for the 1990 program.

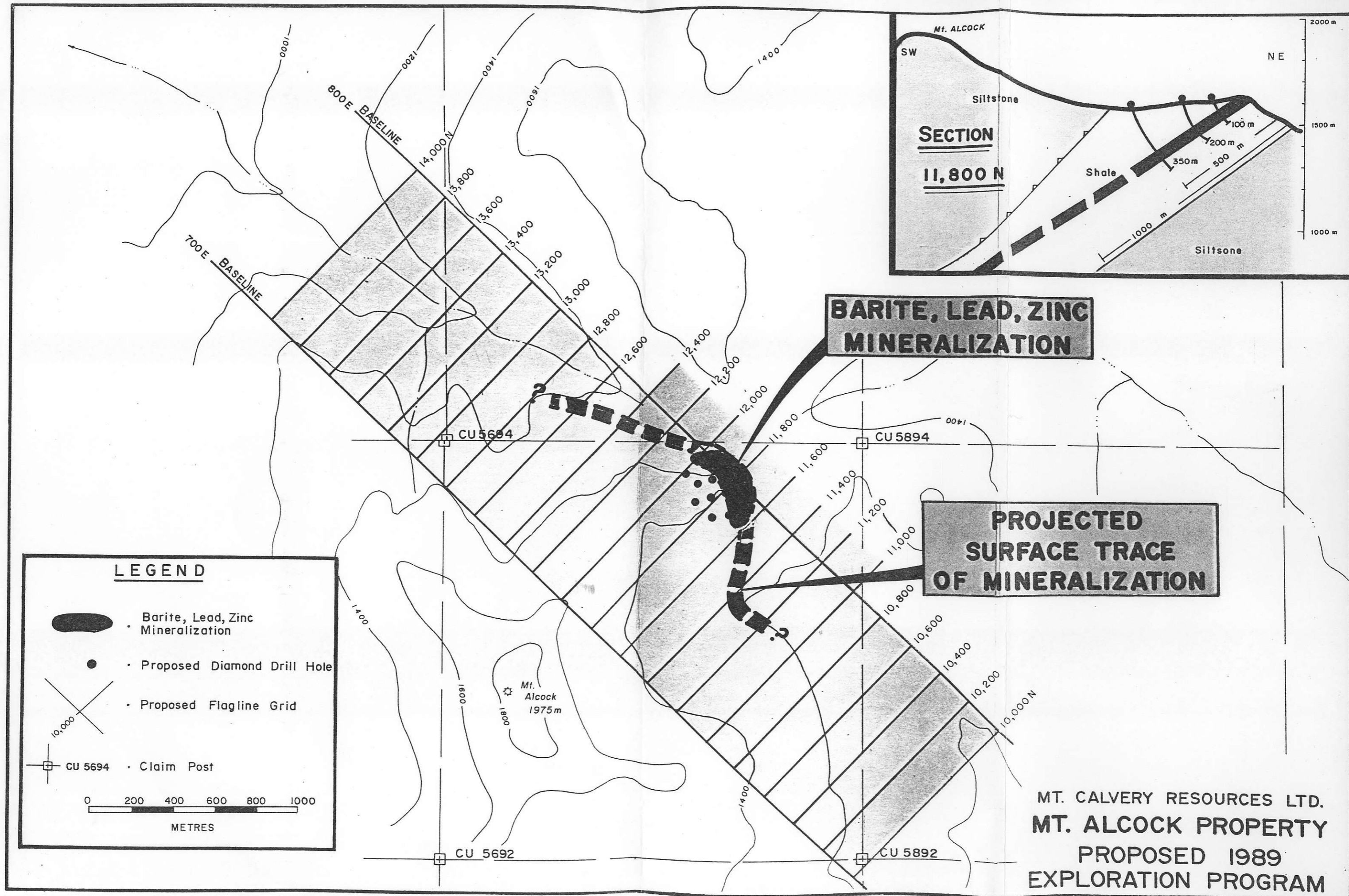
A total of 1200 meters of NQ size diamond core drilling in approximately 8 holes with hole depths varying from 100 to 350 meters will be completed in accordance with an approximated drill plan as shown in Figure 2 and the accompanying photograph. The program will utilize an unitized small diesel-hydraulic drill rig designed for easy helicopter transport. All drill sites will measure roughly 5 by 8 meters and will be constructed by hand methods. Sumps will be constructed to contain drill cuttings. The area selected for the 1989 drill pads will create minimal impact to the surface terrain as several level areas exist without forest cover. Trenching and road work will not be considered in 1989.

Support for the program will be provided by a helicopter based camp either near the Finbow Airstrip or along the Kwadacha River, whichever site is determined to be the most suitable upon inspection.





Site selection for the camp and all permitting for the program will be completed in late June.

Although offers of employment to local labour at Ft. Ware has been marginally successful in the past, employment opportunities for the future will be discussed with Emil McCook the band's chief.

All logistical support will be supplied via charter fixed wing aircraft from either MacKenzie or Prince George to the Finbow Airstrip. The Ft. Ware Airstrip will only be used with permission of the Ft. Ware Indian Band.



**LEGEND**

-  Barite, Lead, Zinc Mineralization
-  Proposed Diamond Drill Hole
-  Proposed Flagline Grid
-  CU 5694 Claim Post

0 200 400 600 800 1000  
METRES

**BARITE, LEAD, ZINC  
MINERALIZATION**

**PROJECTED  
SURFACE TRACE  
OF MINERALIZATION**

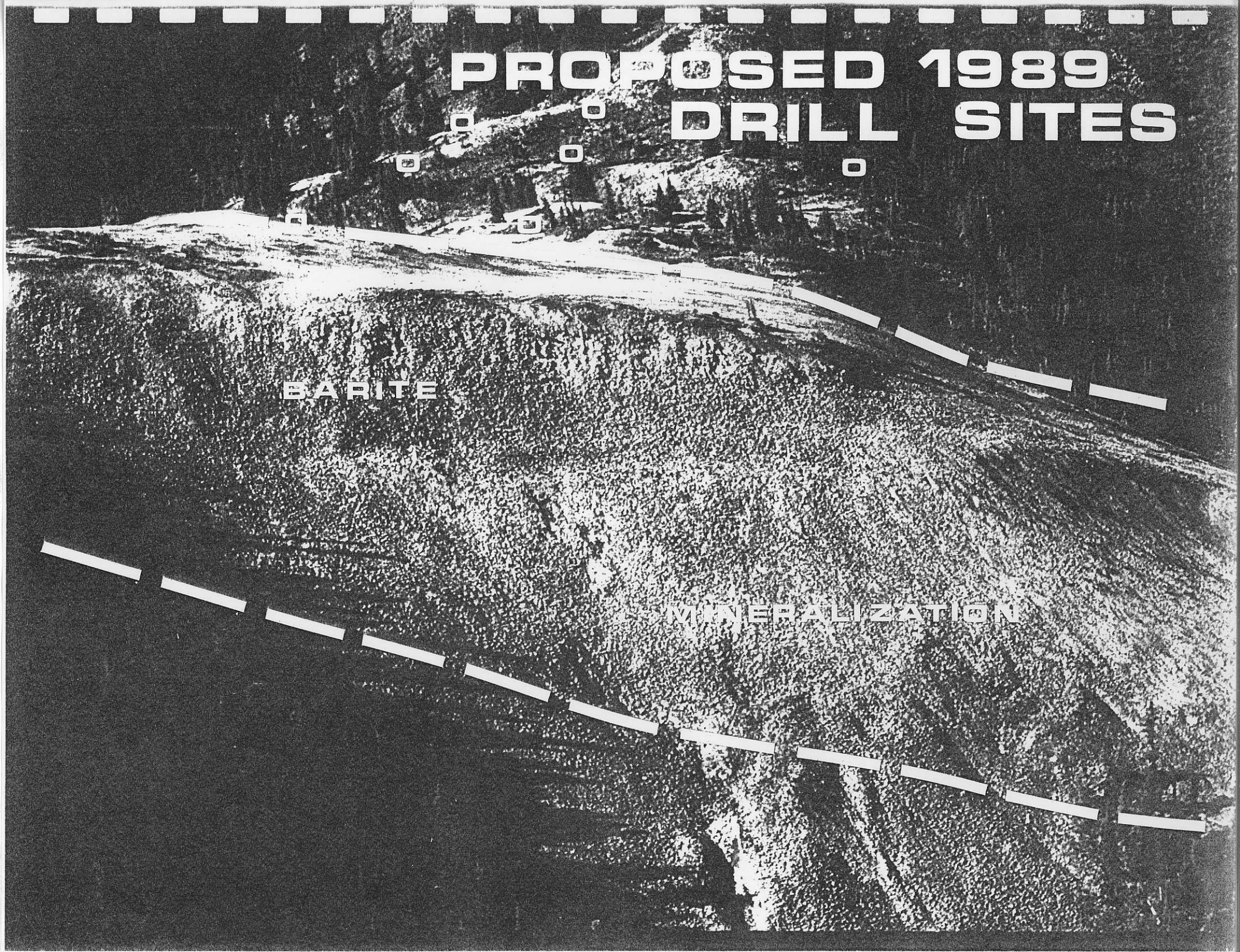
MT. CALVERY RESOURCES LTD.  
 MT. ALCOCK PROPERTY  
 PROPOSED 1989  
 EXPLORATION PROGRAM



# PROPOSED 1989 DRILL SITES

BARITE

MINERALIZATION



**SCHEDULING FOR 1989 PROPOSED PROGRAM**

-----

EXPLORATION FUNCTION	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
SUBMISSION FOR LICENSING & PERMITTING	■■■■						
CLAIMS ACQUISITION		■■					
STARTING DATE		■					
PROSPECTING AND SILT SAMPLING		■■■■■					
GRID SOIL SAMPLING		■■■■■					
GEOLOGICAL MAPPING		■■■■■■■					
DIAMOND DRILLING			■■■■■■■■■				
RECLAMATION PROGRAM				■■			
ENVIRONMENTAL STUDIES			■■	■■			
DEMOBILIZATION OF CREWS AND EQUIPMENT				■■			
QUARTERLY PROGRESS REPORT TO B.C. GOVERNMENT				■■			
ANNUAL ASSESSMENT REPORT SUBMISSION							■■■

89PROGRAM  
05/29/89

## PROPOSED 1989 RECLAMATION

The 1989 exploration program is designed to cause minimal disturbance to the environment. Surface disturbances will consist of 8 drill sites totalling roughly 320 sq. meters that will be cleaned up and seeded upon termination of the program. The prescribed seeding mixture recommended for the Alpine tundra biogeoclimate zone will be used. All sumps built to contain drill cuttings will be reclaimed to the normal slope configuration and seeded.

The Mt. Alcock exploration program will be modelled after the program previously conducted at Cirque where establishment of infrastructure and environmental impact were minimized. At Mt. Alcock surface trenching and use of heavy equipment during drilling programs is not contemplated.

## PROPOSED 1989 ENVIRONMENTAL STUDIES

Preliminary base line studies to provide background data on water quality in major tributaries draining the Mt. Alcock deposit as well as the Warneford and Kwadacha Rivers will commence in 1989. Collection of data will be undertaken prior to and at completion of the drilling program.



CLAIM BOUNDARY for PARCEL 'A' (MOUNT ALCOCK)



River

1500

Mt. ALCOCK DEPOSIT

1989 DRILL PROGRAM

1990 PROPOSED DRILL PROGRAM

1991 PROPOSED DRILL PROGRAM

1989  
GEOCHEMICAL  
GRID

Mount  
Alcock

Warneford

0001

0001

1000

River

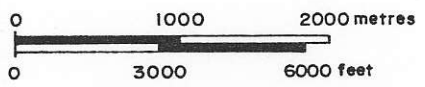
1989  
CAMP SITE



Proposed Campsite to  
be Established in 1990

Kwadacha

0001



Scale 1 50,000

MT. CALVERY RESOURCES LTD.  
**MT. ALCOCK**  
PROPOSED EXPLORATION PLAN

## PROPOSED 1990 EXPLORATION PROGRAM

Contingent upon successful definition of ore potential on the claim holding in 1989, the proposed 1990 exploration program will focus on establishing drill indicated base metal reserves. The program, budgeted at \$723,000 will consist of an additional 3000 meters of surface drilling designed to develop strike and depth extensions of the known mineralization.

The program will involve use of two small portable drills and a field crew of approximately 15 persons. Licensing will be requested to establish a tent camp within the Kwadacha River Valley. Helicopter support will be provided for crew and equipment transport between the camp to drill sites, and Finbow Airstrip. All drill sites will again be constructed by hand methods. As several of the sites will be timber covered, a "license to cut" will be requested from the Ministry of Forests. No trenching or road building is contemplated.

All fuel will be transported in 45 gallon drums. Any storage areas at air strips or campsites will be bermed to contain potential spills.

Upon required permitting approvals by the provincial regulatory bodies, the anticipated start-up date for the 1990 program will be approximately June 15. The proposed work plan should take roughly 2.5 months to complete.

The 1990 Reclamation Program will again involve reseeding of disturbed areas which will include approximately 20 drill sites and sumps as well as the campsite. Additional base line water quality data will be collected from all drainages within the area that may potentially be affected by future mine development.

## PROPOSED 1991 EXPLORATION PROGRAM

A budget of \$1,192,00 has been proposed to complete 6000 meters of surface drilling to determine the ultimate limits of mineralization and advance a portion of the deposit to a drill-proven category of sufficient tonnage and grade to warrant a program of underground exploration.

The program will be modelled after previously described methods with surface drilling conducted with two drills from hand constructed drill sites. An exploration crew of 18 people will utilize the campsite. Logistical support will be provided by a contract helicopter. No road building or trenching is contemplated.

Anticipated start-up date for the four month field program is June 15, 1991, upon licensing by the Provincial regulatory agencies.

Reclamation will again include reseeding of disturbed areas that should include approximately 25 drill sites and sumps. A Base line water quality survey will be continued.

Based on the success of the 1991 exploration program, selection of routes for road access from the Cirque Road to Mt. Alcock and determination of portal sites for an underground exploration drift will be addressed in the fall of 1991.

Details concerning ongoing underground exploration after 1991 cannot be logically documented at this stage, that work being success contingent on definition of ore reserves.

SECTION VI

**REPORTING COMMITMENTS**

**REPORTING COMMITMENTS TO MINISTRY OF  
ENERGY, MINES AND PETROLEUM RESOURCES**

Mt. Calvery Resources commits to providing the Ministry of Energy, Mines and Petroleum Resources with two copies of annual reports providing detailed descriptions of all exploration, development and reclamation work completed for the year prior to anniversary dates of the claims.

The reports will also include a summary of annual expenditures and proposed exploration plans with budget for the following year.

As requested by the Ministry, quarterly reports, starting on September 30, 1989, will be provided that will summarize work completed and expenditures made.

DATED AT VANCOUVER, B.C.,  
THIS 2ND DAY OF JUNE, 1989.

---

John S. Brock  
President and Director

SECTION VII

**PROJECT FUNDING**

### FUNDING FOR 1989 PROGRAM

Teck Corporation will guarantee funding for the 1989 program of exploration of Property by purchasing 900,000 shares of Mt. Calvery at \$0.40 per share to net the treasury \$360,000.

### FUNDING FOR 1990 AND 1991 PROGRAMS

Teck will have the right upon completion of the 1989 program to:

- (i) Provide the next \$2.0 million expenditure on a staged basis by way of private placement of flow-through shares priced in accordance with market at the time;
- (ii) Upon completion of a \$2,360,000 expenditure on the Property, Teck will have the right to take the Property through feasibility on or before December 31, 1995, in order to earn a 60 percent interest in the Property;
- (iii) Upon earning a 50 percent equity in the Company, Teck will have the right to nominate a majority representative to the Board of Directors;
- (iv) Upon Production Notice, Teck will arrange financing of Mt. Calvery's 40 percent interest.

**SECTION VIII**

**EXPLORATION BUDGETS**



MT. CALVERY RESOURCES LTD.  
SUMMARY 1989 EXPLORATION BUDGET  
MT. ALCOCK PROPERTY

EXPLORATION FUNCTION -----	EXPENDITURE -----
	\$
Analysis - Assays (700 samples @ \$16/sample)	11,200
Analysis - Geochem (500 samples @ \$7/sample)	3,500
Camp Maintenance (450 man days @ \$30/man/day)	13,500
Environmental Studies - Reclamation, estimate	3,100
Consulting Metallurgical (4 bench scale tests @ \$500/test)	2,000
Maps, Prints, Drafting & Report Preparation	6,500
Expediting/Telephone	3,300
Diamond Drilling (1200 meters @ \$90/m)	108,000
Field Equipment - tents, field supplies, etc.	5,500
Fuel - propane, camp diesel, etc.	3,400
Salaries - Geological	36,500
- Prospecting, Field Assistants	6,000
Surveys Geochemical - Contract grid soil sampling (500 @ \$10/sample)	5,000
Transportation - Airlines (10 round trips Vcr. to Pr. Geo.)	3,500
Transportation - Fixed Wing (38 trips @ \$900/trip)	34,200
Transportation - Helicopter (152 hrs. @ \$620/hr.)	94,400
Transportation - Vehicle (2 mo. @ \$1000/mo.)	2,000
Transportation - Freight - camp, field gear, samples, est.	4,400
Drill Site Preparation (8 sites @ \$500/site)	4,000
	-----
Total Direct 1989 Committed Expenditures	350,000
Plus Deposit	35,000
	-----
Total 1989 Committed Expenditures	385,000
	=====

06/02/89  
SUMBUD89  
WJR/gs

**PROPOSED BUDGET - YEAR I**  
**FOR PARCEL A (Mt. Alcock)**

<b>1. Geological Surveys, Map &amp; Report Preparation &amp; Related Costs</b>	<b>\$ 49,000</b>
<b>2. Geophysical Surveys (line-kilometres)</b>	
Ground	
Magnetic.....	\$
Electromagnetic.....	\$
Induced Polarization.....	\$
Radiometric.....	\$
Seismic.....	\$
Other.....	\$
Airborne.....	\$
\$	<b>\$ NIL</b>
<b>3. Geochemical Surveys (no. of samples analysed for <u>500 samples</u>)</b>	
Soil Analysis.....	\$ 3,500
Silt.....	\$
Rock.....	\$
Other...Contract Soil Sampling 500 x \$10/sample.....	\$ 5,000
\$	<b>\$ 8,500</b>
<b>4. Drilling</b>	
Surface <u>1200</u> m @ \$ <u>89.00/meter</u> .....	- \$
Underground _____ m @ \$ ..... \$	- \$
\$	<b>\$ 108,000</b>
<b>5. Related Technical Studies</b>	
Sampling/Assaying... <u>700 samples @ \$16/sample</u> .....	\$ 11,200
Petrographic.....	\$
Mineralogic.....	\$
Metallurgic... <u>4 Bench Scale Tests @ \$500/test</u> .....	\$ 2,000
\$	<b>\$ 13,200</b>
<b>6. Preparatory/Physical</b>	
Line/Grid (kilometres).....	\$
Trenching (linear metres)... <u>Drill Site Preparation</u> .....	\$ 4,000
<u>8 sites @ \$500/site</u>	\$
\$	<b>\$ 4,000</b>
<b>7. Tunnelling, Drifting, Other Lateral Excavation</b>	<b>\$ NIL</b>
<b>8. Other Exploration Development Costs (attach detailed schedules)</b> (See Attached Schedule)	
.....	\$
.....	\$
.....	\$
\$	<b>\$ 167,300</b>
<b>Total Expenditures</b>	<b>\$ 350,000</b>

MT. CALVERY RESOURCES LTD.

SCHEDULE I

ADDITIONAL EXPLORATION COSTS TO  
BE INCLUDED UNDER SECTION 8  
PROPOSED BUDGET YEAR I, FOR PARCEL A (MT. ALCOCK)

ADDITIONAL COSTS

<u>Exploration Function</u>	<u>Expenditure</u>
	\$
Camp Maintenance (450 man days @ \$20/man/day)	13,500
Environmental Studies	1,600
Reclamation of Drill Sites	1,500
Expediting/Telephone	3,300
Field Equipment	5,500
Fuel	3,400
Transportation - Airlines	3,500
Transportation - Fixed Wing	34,200
Transportation - Helicopter	94,400
Transportation - Vehicle	2,000
Transportation - Freight	4,400
Total:	<u>167,300</u>

WJR/gs  
05/25/89  
BUD89ALC

MT. CALVERY RESOURCES LTD.  
SUMMARY OF PROPOSED EXPLORATION EXPENDITURES  
FOR PARCEL "A" (MT. ALCOCK)  
FOR THE YEARS 1989 TO 1992

EXPLORATION FUNCTION	COMMITTED FOR 1989	PROPOSED FOR 1990	PROPOSED FOR 1991	TOTAL
Analysis - Assays	14,700	30,000	55,000	99,700
Camp Maintenance	13,500	35,000	45,000	93,500
Environmental Studies	1,600	19,000	15,000	31,600
Reclamation	1,500	4,000	10,000	15,500
Consulting - Metallurgical	2,000	2,000	4,000	8,000
Maps, Prints, Drafting	6,500	8,500	10,000	25,000
Expediting - Telephone	3,300	4,500	6,000	13,800
Diamond Drilling (meters) (cost)	(1,200m) 108,000	(3,000m) 270,000	(6,000m) 540,000	(10,200m) 918,000
Field Equipment	5,500	15,000	25,000	45,500
Fuel	3,400	12,000	15,000	30,400
Salaries (Geological) (Support)	36,500 11,000	79,000 18,000	95,000 24,000	210,500 53,000
Transportation - Airlines	3,500	5,000	7,000	15,500
Transportation - Fixed Wing	34,200	44,000	60,000	138,200
Transportation - Helicopter	94,400	150,000	228,000	472,400
Transportation - Vehicle	2,000	4,000	6,000	12,000
Transportation - Freight	4,400	12,000	22,000	38,400
Physical Work - Drill Site Prep.	4,000	15,000	25,000	44,000
Down Payment	35,000			35,000
<b>TOTAL EXPENDITURES</b>	<b>385,000</b>	<b>723,000</b>	<b>1,192,000</b>	<b>2,300,000</b>

05/30/89  
SUM89-92  
WJR/gs